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Editorial Notes.

The First Royalaseema Co-operative Conference.

With the publication of the Presidential address of Sri B. Narayanamurthy, B.A., B.L., at the above conference our readers have before them ample materials to judge of the main trends of co-operative thought in the Royalaseema. The Chairman of the Reception Committee, Mr. P. Kesava Rao and Sri R. Suryanarayana Rao who opened the conference have expressed themselves unmistakably on controvertial points. The President has not committed himself definitely in his pronouncements and has in the case of many of these controvertial questions set-forth both sides of the matter. The resolutions passed at the conference leave no doubt as to the opinion of the co-operative public assembled at the conference.

Most of the speakers laid stress upon the need for a separate co-operative conference for the Royalaseema as the economic conditions of the districts comprising Royalaseema are fundamentally different from those prevailing in Andhra Desa with which Royalaseema is very often clubbed. The Royalaseema is subject to famines and is mainly an area of dry cultivation and in these two respects it differs from coastal districts with their deltaic areas. As Mr. Suryanarayana Rao puts it "While we may co-operate with others in considering probelms which are common to all parts of the Presidency, the peculiar economic ills from which we suffer need special consideration and they cannot receive the attention they need at such common

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gatherings." And he adds pertinently, "what co-operation can accomplish can be better demonstrated in areas like the Royalaseema than in areas well blessed by nature".

As the speakers prepared their speeches independent of each other there is, inevitably, a good deal of repetition because every one of them took hold of the most burning topics of the day; moreover, there is close similarity in their views regarding these urgent problems. Whether the liability of agricultural credit societies in villages should be unlimited or limited, whether the elimination of individuals from Central Banks recommended by the Committee on Co-operation is a wise step, whether another recommendation of the Committee, namely the need for two Apex Banks, one for the Tamil Nadu and the other for Andhra districts is a step in the right direction and whether the reserve funds of the existing societies might be pooled together to wipe off the liabilities of the bad societies and a new start to be made with a clean slate, these are some of the problems discussed by the three speakers and the conference also passed resolutions on them.

We are aware of the fact that in political circles there is an important section of thinkers who are not for allowing Royalaseema to be merged in the Andhra Province to come, but maintain that they should be constituted into a separate province or should be allowed to keep their present connection with Madras and the South; and this opinion is reflected in all the resolutions passed on the important points mentioned above. The Royalaseema co-operators, or at least those who took part in the conference, seem in many respects to agree with the co-operators of the Tamil Nadu rather than with their linguistic brethern of the coastal districts. At any rate they have made their opinions quite clear and we hope the Committee on Co-operation will take this fact into consideration and suggest, wherever necessary, suitable modifications of their general recommendations to fit in with the peculiar economic conditions of the Royalaseema.

The Producer as Consumer.

Co-operative Movement in this as well as in other countries has a tendency to split up into two main sub-divisions, namely Agricultural or Industrial Producers' Co-operation and Consumers' Co-operation. That the so called producers may themselves be consumers and that Consumers' Co-operative Movement therefore is necessary to producers as well has been hitherto lost sight of.

In this country also though we have grown wise in the light of experience gained in the last 3½ decades, the pioneers started with a rather narrow vision. They believed that if the agriculturist was helped with cheap money all his troubles would be at an end. We now see how short-sighted this policy was and we have begun to take a comprehensive and organic view of all the economic activities of the villager.

It is therefore with great pleasure that we recommend for careful consideration by our readers the circular published elsewhere of the Registrar of Co-operative Societies, where he describes an attempt that has already been made in the district of Madura to organise the village producers as consumers. In this connection we would like to draw the attention of our readers to an article in the *Indian Co-operative Review* of Oct.—Dec. 1939 on Rural Consumers' Co-operation by Miss Margaret Digby of the Horace Plunkett Foundation, London. She deals with experiments that have been carried on in various countries to introduce consumers' movement among the rural producers and observations about the successful working of the Irish Rural Store at Templecrone deserve to be read with care and pondered upon. What is possible in Ireland should not be impossible in India. We shall, therefore, watch with great interest this Madura experiment which in our opinion is full of hope and promise.

Co-operative Education and Propaganda.

Co-operative education is not receiving in this country as much attention as it deserves. It has been interpreted in a narrow sense as being equivalent to giving the technical training necessary for the future employees and the co-operative institutes run by the Government or by the Provincial Co-operative Union as in the days of old had mainly this aim in view.

In recent times the Government of India have recognised the supreme need for the education of the average member in the fundamental principles of co-operation, and training classes for panchayatdars and members of societies have been instituted. Such classes have been held for three years now and we are making arrangements for holding classes in the fourth year.

Over and above these two specific items of education there is not much of organised instruction for other people taking part in the co-operative movement. There is, of course, the practical education which members of societies receive by being members and taking part in the General Body meetings; and similarly panchayatdars and members of Boards of Managements also get trained in a practical way by the day-to-day carrying on of the work.

When we look at the activities of the Co-operative College of Manchester, we find that they make attempts in various directions to bring the gospel of co-operation within the reach of all, especially, within the reach of the younger generation. The young co-operators' league derives much help from the Central Co-operative College and study circles amongst young men and women are encouraged. So also employees once recruited are not neglected thereafter. Their ideas on co-operation are kept up-to-date by a series of refresher classes

We are therefore very glad to learn that the Provincial Co-operative Union is taking steps as a preliminary measure to establish a 'study circle' for the employees of co-operative institutions in the city of Madras. The Union, it is understood, will give all possible help to the 'study circle' to conduct its weekly or fort-nightly meetings in its own premises, help them to arrange talks and lectures to members and above all the well-equipped library of the Union will be placed at the disposal of members for further study and improvement of their co-operative knowledge. We hope similar study circles will be started for the benefit of co-operative employees at least in all district headquarters. Another direction in which the Provincial Co-operative Union can discharge its primary duty as the chief propagandist institution of the Province is to give facilities for college students to acquire knowledge about co-operation by sending propagandists to appeal to college students to form stationery stores in their own institutions or by giving them further facilities by suggesting courses of study and reading. In this connection the following extract from the address of Dr. John Thomas, the present principal of the Co-operative College would be read with much interest.

> "A wise Co-operative Movement will see to it that the number of co-operative devotees, dedicating their lives for a period of study in a Co-operative College, will not be numbered in their tens, but soon in their hundreds, and before the end of my working days, as I hope, in their thousands—annually Why not ?

> Think of the hundreds of thousands that pass through British Universities and Colleges to serve capitalist enterprise. Shall British co-operators with a membership of over eight million be content with 20 to 30 students trained annually at their College ? Not if I can rouse my fellow co-operators to see a new vision of co-operative education !"

The Registrars' Report for 1938-39.

The new Registrar has brought a freshness of outlook and youthful enthusiasm to bear upon his task and the first report issued by him is quite characteristic.

The paragraph with which reports of previous years used to open, giving an account of the Registrar and his staff, has been relegated to the last. Over and above the usual general remarks about the Movement as a whole, there is a brief statement of the Registrar's aims and aspirations which we have reproduced elsewhere*.

I

In this section where the Registrar envisages the future of the Movement and in a way indicates the policy to be pursued, emphasis is laid on the need for enlarging the scope of the movement by paying particular attention to the hitherto neglected aspects of non-credit co-operation.

The limitations of the credit section, as it has been working hitherto, are recognised; and the need for intensive agriculture, subsidary occupations and better marketing so as to secure better prices for agricultural produce, all these are also recognised. Naturally the Registrar expects a correct lead from the Committee on Co-operation, whether the existing societies should be devoloped into multi-purpose societies and also on the important question of expanding the area of operation of a rural society to a small group of villages and of organising societies on limited liability.

The Registrar points out that during the last two years there has been followed a cautious policy of expansion which, we are glad to learn, will be pursued in the near future in consultation with the non-official co-operators. All these items in a progressive constructive programme are well conceived and commendable, but the method of securing the object leaves much to be desired. The Registrar seems to think that a 'sustained drive' that is to be kept up by the Department will bring about the greatest prosperity. Not that he is not

* See page 531 of this number.

aware of the fundamental condition of success in co-operative movement, viz., the men who compose the primary village societies should be good co-operators actuated by high co-operative ideals. He is equally aware of the fact that these members should "regard the institutions as their own, taking active interest in their working and exercising a constant vigilance over the management" and that all workers should be "animated by a spirit of disinterested service to their fellow men." We hope that in the years to come and in the attempts to reduce to a reality the glowing vision of prosperous future which he envisages in a spirit of chastened optimism, he will lay great stress on these fundamentals and not so much on the "departmental drive."

II

General Observations.

We are glad to note that the year under review showed some signs of the new life which is again making itself manifest in different sections of the movement; not only were more than 500 societies registered, but the total membership has increased from about 9½ lakhs to about 10½ lakhs. Along the well-known channels of credit, money has again begun to flow and the distressing sight of stagnation when neither the primary societies nor the district banks were willing to borrow from their respective financing agencies is slowly vanishing. The credit side of the old movement is considerably strengthened by the activities of the Central Land Mortgage Bank and its primaries. The Central Banks, we are glad to learn, have been trying a policy of cautious expansion side by side with the policy of rectification which was being followed for the last 10 years and more.

Loan and sale societies and milk supply societies figure more conspicuously in this year's report and the Registrar thinks there is enough scope for the formation of societies for consolidating fragmented holdings.

III

Credit Section

The Co-operative Movement has been hitherto identified mostly with credit and hence the importance attached to it in the report. Our readers are aware of the fact that co-operative credit is handled by two sets of organisations, primary land mortgage banks federated into the Central Land Mortgage Bank for long term

credit and primary societies, village or urban, and district banks and the Provincial Bank for handling other kinds of credit.

The Land Mortgage Banks in our Province have done very well. There were 101 primary banks at the beginning of the year; 11 more were registered leaving the number at 112 at the end of the year. Of these 72 worked at a profit and 38 worked at a loss of Rs. 15,000. Two others had not started work before the 30th of June. It is a matter of great satisfaction that no bank was in arrears to the Central Land Mortgage Bank either with regard to the principal or interest, though there were some arrears in the matter of payment by members to the primary banks. It is equally satisfactory to note that there has been a definite increase in the transactions of these banks, because agriculturists have realised the benefits of the Madras Agriculturists' Relief Act and are taking advantage of these mortgage banks in the liquidation of their scaled down debts.

The Registrar refers to complaints of the delay in the granting of loans by the primary banks and mentions 6 months as the period within which ordinarily loans were sanctioned. We are glad he has taken steps to expedite the disposal of applications for loans.

The Central Land Mortgage Bank:—In the words of the Registrar "It has been growing from strength to strength, and may well be proud of its solid achievements in the field of mortgage credit within a short period of ten years of its existence." This has become almost an ideal institution and many visitors from other provinces have come to study the working of this Bank so that Madras has good reason to be proud of the lead it has given to the rest of India in the sphere of mortgage credit. It has issued loans to the extent of 2¼ crores of rupees and the Government increased the guarantee on the debentures of the Bank from Rs. 150 to 200 lakhs during the year and Rs. 250 lakhs after the close of the year.

Owing to the war the Government have withdrawn temporary accommodation which enabled the Land Mortgage Bank to float debentures not in driblets but in large quantities in the favourable season, and this withdrawal has again necessitated the issue of debentures in driblets. The Registrar also took steps to see that insurance companies invested their life funds in the debentures floated by the Bank and local bodies have been permitted to invest their Provident Fund, Railway Cess Fund, Water or Drainage Fund etc. in the debentures of the Bank without any limit. We hope plenty of money will flow into the movement to enable the Central Land Mortgage Bank to give long-term credit accommodation to the agriculturists. The Madras Banking Enquiry Committee estimated the debt of the agriculturists in our Province to be about Rs. 200 crores and the Central Land Mortgage Bank has issued debentures only to the tune of about Rs. 2 crores. It has therefore touched only the fringe of the problem and a good deal of the ground yet remains to be covered.

The Madras Provincial Co-operative Bank, Ltd:—The Apex Bank increased its transactions with the constituent district banks and issued loans to them twice as much as it did last year. It had a definite policy of encouraging credit to co-operative loan and sale societies and it advanced 40 lakhs to Co-operative Banks for financing such sale societies at a special rate of 3 per cent. when the normal lending rate was 3½ per cent. We hope the proposal to start a co-operative fire and general insurance society will fructify in the near future.

Central Banks:—These banks have begun borrowing from the Provincial Bank more largely than before especially for financing loan and sale societies as stated above. Some of them have been adversely affected by the recent Government order about the withdrawing of the current deposits of local bodies from Central Banks. Some of these banks have not been able to maintain their fluid resources according to the rule. But their financial position as a whole is stated to be satisfactory. Most of them have been earmarking a portion of their profits towards Bad Debt Reserve Fund and the old policy of declaring high dividends has ceased and the Government also have now modified the rule making it impossible for any bank to declare more than five per cent. dividend on share capital. Overdues there are still and though they are not as bad as in some other provinces, yet they are bad enough. We agree with the Registrar in holding that the less we hear of the collection season the better. The payments by members should be voluntary and not as a result of outside pressure by officials or non-officials. As the Registrar remarks in his general observations members should cultivate their repaying intention and they must not only have ***ability*** to repay but most have side by side with it the ***will*** to repay as well.

Urban banks:—We have extracted elsewhere* the Registrar's observations on the working of urban banks and his remarks on the working of employees' societies have been embodied in a G. O. which we published in our Journal (*Vide* page 378 of the December 1939 number of this Journal) and commented on it also (*Vide* page 392 of the January 1940 number of this journal).

General:—Owing to the operation of the Agriculturists' Relief Act, private credit is not available in villages as plentifully as it used to be and agriculturists are looking to co-operative agency for the supply of money necessary for their agricultural operations. Hence there has been an all-round increase in the transactions of members with societies and societies with district banks and the district banks with the Provincial Bank. More than 800 new societies have been registered in the year under review and collection under principal and interest, current and arrears, has not been bad, though not quite satisfactory. The position of the movement as a whole is quite sound though the fact that such a certificate is required itself is not very complimentary.

Classification of Societies.

The Registrar in his report devotes one paragraph to classification: He divides all societies into 4 broad classes. (A) Thoroughly good societies (B) Societies with some defaulters and some mistakes in accounts (C) All other societies that do not come under class D and (D) Bad societies which probably have to be liquidated should they fail to come under class C within two years.

This year we are glad to learn that there has been a slight increase under A and B class societies, but there has been some increase in D class as well.

Very little purpose is served by all societies being clubbed together for this classification. We must find out whether we have grown wiser in the light of our experience. Time was when with justifiable enthusiasm pioneers organised societies without much of preliminary investigation, and we of the later generation having grown wiser by our experience throw the blame on them for hasty organisation. But has there not been no faulty organisation in recent times? This is to be thoroughly examined and unless this question is settled satisfactorily, irresponsible organisers will be let oft scot free by this method of general classification. We would

* See page 565 of this number.

therefore suggest that societies should be classified by dividing them under 2 headings, societies organised from 1904 to 1929 and those that were organised during the last 10 years. If we can find out how many of these societies organised during the last decade are C or D class societies we can fix the responsibility on some persons even if we cannot make them shoulder the responsibility of rectifying their mistakes. We therefore request the Department to prepare a table like the following, if not for publication in the report, at least for definite action towards rectification.

<u>*Societies registered before 1929.*</u>

A	...
B	...
C	...
D	...

Societies registered in.	A	B	C	D
1929-30 ...				
1930-31 ...				
1931-32 ...				
1932-33 ...				
1933-34 ...				
1934-35 ...				
1935-36 ...				
1936-37 ...				
1937-38 ...				
1938-39 ...				
1939-40 ...				

The History of the Rochdale Pioneers.*

BY THE LATE RAO SAHIB SRI T. K. HANUMANTA RAO.

1. *Buying together.* It will be good news to many socially minded people to learn that through 'buying' which has hitherto been regarded as an act of no social significance, one can make a positive contribution towards general welfare. 'Buying together' which is the same thing as 'buying co-operatively' is helping to build an institution beneficial to all concerned and looking towards healthy social reconstruction or betterment; and this done at no sacrifice but with net pecuniary gain to the contributor.

2. *Buying together for social betterment.* The credit of having applied this simple method of 'buying together' to achieve the great object of social betterment has always been given to the *Rochdale Pioneers.* Therefore a very brief account of their history will form a fitting introduction to the study of co-operation.

3. "*The Rochdale Equitable Pioneers*" is the name given to those twenty-eight flannel weavers of Rochdale (a country town near Manchester) who gave a definite shape to the idea of social reconstruction by means of 'buying together' and reduced it to a system which is now being adopted for the same purpose all over the world by an ever increasing number of people.

4. *Hard times, low wages, high prices.* In 1843 trade in Rochdale was fairly good and the weavers asked for higher wages. Some of the masters consented, but others refused. There was then a strike in which the men were the losers. They were much disappointed, and talked among themselves more than ever about their schemes of improving things. Wages were low, prices were high. Though trade was fairly good just then, it was not always good and they never knew how soon they would be out of work. To receive low wages in times of good trade was bad enough; to be without work and wages altogether was worse. They were becoming desperate. Their present conditions were not improving and there seemed little chance that they would improve.

* While arranging old papers when the Office was moved from Royapettah to M P.C.B. Buildings, Mylapore, we came across a manuscript dealing with the history of the Rochdale Pioneers by the late Mr. Rao Sahib T. K. Hanumantha Rao. His own work as a pioneer of the Consumers' Movement in this Province is well-known. He was the most enthusiastic of the 14 pioneers who were responsible for the formation of the T.U.C.S. which to-day is the most successful store working in the whole of India. The essay therefore by such a veteran will be read with great interest.

5. *Sunday afternoon meetings.* At this period a 'Sunday afternoon discussion' used to be held in the Temperance or Chartist Reading Room. Into this arena some of the anxious leaders of the Rochdale weavers carried their plans and projects and the question was formally proposed—"*What are the best means of improving the condition of the people?*"

6. *Methods for social reform discussed.* Each orator of this small assembly as in more illustrious assemblies had his own infallible specific for the deliverance of suffering humanity.

First. The Teetotallers argued that the best thing to do was to go in for total abstinence from all intoxicating drinks and to apply their earnings exclusively to the support of their families, meaning that workmen had nothing to do but to keep sober to grow rich. The proposal was rejected, for even sober workmen suffered from low wages.

Next. The Chartist pleaded that agitation until they got the charter was the only honest thing to attempt and likely to succeed. Universal suffrage once obtained, people would be their own law-givers and therefore could remove any grievance by Acts of Parliament, implying that—"Social progress was an invention of the House of Commons." The universal suffrage scheme would probably have been adopted had not some members present there suggested that the day of Redemption would be considerably far off, if they had to wait till the Government went in for the Charter. Manufacturers had *capital* and shop-keepers had the advantage of their *stock*. How could they succeed without either? Should they avail themselves of the poor Law? That were dependence. Of Emigration? That seemed transporation for the crime of having been born poor. What should they do? *Lastly* therefore they proposed that the weavers should without ceasing to be teetotallers or chartists commence the battle of life on their own account by combining together to start *a Co-operative Provision Store* to be registered under Acts of Parliament, where the necessaries of life purchased at wholesale prices might be distributed at retail rates to members.

7. *High Expectations.* By this means they expected—and the world knows how amply their expectations were realised—that with the smallest amount of capital which they could bring together at first, they might supersede, first retail dealers, then wholesale dealers and finally mill-owners, manufacturers and capitalists. The one thing that was needed to accomplish this great object was *loyalty to*

their own store, loyalty in purchasing all their requirements only at the store at any sacrifice whether it be of time, trouble or cost. They would thereby have their small capital turned over several times bringing each time a crop of 'Profit' that hidden source hitherto unknown to them from which, though secretly sometimes, huge capitals are piled up at the expense of themselves and their fellow workers. Such capitals being in their turn used by owners of capital or capitalists to further exploit the labouring classes among others, not only while purchasing their necessaries of life as consumers, but also while working as labourers under capitalist employers in the multifarious trades, industries and manufactures are at present the monopoly of those who have built for themselves by hook or crook their own capital. Thus the Store was at first to the Rochdale Pioneers the nursery in which their first small capital was made to germinate from the still smaller seedling, i.e., their initial subscription for the purpose, watered by their own loyalty and devotion to the idol of their own creation. When once this initial capital was first *produced* and then *secured* all the avenues of wealth and competence till now denied to them, owing to their ignorance of *the art of capital building* and their moral incapacity to work together for common and mutual good, will be thrown open to them, thereby putting an end to their squalor, misery and poverty.

8. *Discouraged by Failures.* The idea of forming a co-operative store did not 'catch on' at first, for there had been societies before and they had failed. Some of the men said so and were not favourable to the starting of another society, but others said there were good reasons why the earlier ones had failed:—

(*a*) They said that the earlier societies had allowed people to take goods without paying for them at the time when they bought them and some of the people never paid for them at all. Through losing money in this way the societies failed;

(*b*) In other societies the managers were not good ones. They did not know their business well enough, or they were lazy;

(*c*) But in some cases they or somebody else ran away with the societies' money;

(*d*) In still other societies, failure resulted because the members were not loyal, that is, they did not buy their goods at their societiey's store. It was not to be expected that the store would succeed if no member went there to buy their goods;

(e) Another reason for their lack of success was the way in which the profits were divided. They were divided in such a way that the members with most money in the Society received most of the *Profit* whether they bought the goods at the Store or not, although there would have been no profit if there had been no purchases. The poorer members who bought everything they could at the Store received a smaller share, although their purchases helped to make the profit. This was not fair to those who were loyal and it did not help to bring more purchasers to the Society or make the Society more successful.

9. *Improved plan for success.* A man named Charies Howarth who suggested the formation of the Society or Store also suggested that instead of giving most of the profit to the members with most money invested in the Society, they should give most to those who bought most goods. He said there would be no profit at all if there were no purchases and *those who purchase most at the stores were the ones who deserved to have most of the profit.* Besides, if we give most of the profit to those who spend the money at the Store everybody will be likely to purchase more, more profit will be made and everybody will be better off.

'But' said one man, 'we can't have a shop without money to buy the things we are going to sell and *we ought to give some of the profit to those who lend their money.* And I think that the man who lends us a lot of money ought to have more of the profit than one who lends only a small sum.'

'I agree with you' said Charles Howarth and I suggest that we give those who lend us their money 6d. every year for every sovereign they lend us, which will be 2½ per cent. per annum and the man who lends us £ 2 will receive twice as much as the man who lends us only £ 1. But neither of them would get anything at all if we did not use the money. We could not use the money if we could not sell the goods which we buy with the money and I think those who buy the goods help most in making the profit. I suggest that after we have paid 6d. in the pound to those who have lent us their money we should give the rest of the profit to those who have bought their goods from us. I would give it to them so much every sovereign they have spent, so that a man who has a big family and spends £ 10 a year will get back twice as much as one who spends only £5. What we pay for the loan of the money used in carrying on the business we will call 'interest' and what we

pay back to those who purchase from the Store in proportion to their purchases we will call '*dividend.*'

'This is a capital idea' said one of the other men and I quite agree with your plan. In the same way it was decided that every member shall have only one vote whatever be the number of shares; and also that everybody must pay for the goods at the time of purchase so that the Society may be safe from losing money from bad debts. *And the people who bought the goods would find it just as easy to pay cash for them, when once they get into the habit.* (Railways and Post Office do not give credit)

They also agreed that they would have their accounts made out regularly and a balance sheet issued every quarter so that the members would know all about the affairs of the society. They agreed to hold regular meetings of the members so that they could know how the society was getting on. So they decided to meet once a month and to have a committee which should meet every week and look after things for them between the meetings of members.

10. *Still more doubts.* Even after these preliminary discussions it was still found that many among them had their doubts and wanted to know how their difficulties could be overcome. "I like the idea of a Co-operative Society" said one of them at the meeting, "but how is it going to help me to increase my wages? I see that the dividend on purchases will be the means of saving money for me. Everything I get as dividend will be clear gain to me. I think that won't be enough. I want everybody to have a better wage than he has now and I don't want to be "*bossed*" and badly treated at my work as I am to-day by the man I work for. I want shorter hours and more regular work than I have now. I am a weaver. How will the selling of butter and sugar help me and my fellow weavers to get better wages? I think we should do better if we all clubbed together and started a weaving shed so that we should become our own "bosses".

'I don't think your plan is enough either' said another man. 'I think we poor people have right intentions—we want to do right and act fairly towards one another, and towards other people; some of us neither can read nor write and the people who are cleverer than we are will take advantage of us and keep us down. *Our ignorance will prevent our being successful*".

'Patience' my friend said one of the leaders. All these things will come right. We will start by selling butter, flour and some other things, because these are things we most need and which we shall have the best chance of selling in our stores. We must sell these first because we must have trade to be successful; but when we have been going a little time, we will start selling calicoes, dresses, boots and other similar things; and as trade increases we will set our members to work milling the flour that we sell, weaving the Calico and the flannel that we sell, and we will find work for our daughters and sisters in making the dresses and hats that we sell.

11. *Productive activities thought of.* In time we shall begin to make and sell other things which our members need, so that there will come a day when we shall be able to find work for most of our members and their families. We shall then be able to find them more regular work and pay better wages than they get now. There will be no sweating in our factories and workshops and there will be no cruel treatment from cruel masters. After we have gone so far successfully and saved a little money by our co-operative trading we will go in for buying land so that we can grow some of the food we need, and thus we will find work for more of our members; and we will build houses which will be better ones than those we have to live in now, and the bricklayers and joiners we employ will be members of our own society.

12. *Co-operative Workers' Community.* In these ways we shall gradually establish a community or a group of people living entirely upon co-operative lines. They will be people who recognise that it is a good thing to work together for common good; they will be kind and helpful to one another and through their factories and shops they will be able to make and sell useful things of a good quality at a reasonable price and still pay everybody a good wage. Our Co-operative Society will find work for everybody and no body will have to work too hard. Yet everybody will have wage. Then there will not be many private land lords to take big rents from members of the Society or private factory owners making big profits out of them by keeping wages down or private shopkeepers trying to sell goods of bad quality and at high prices. By practising co-operation and mutual aid the members of the society will learn to do things for themselves; they will appoint some of their own members to manage their farms, factories and shops and thus displace to a large extent ***the private landlord, the private employer*** **and** ***the private shopkeeper*** **who make poor people poorer by higher rents, low wages and high prices.**

"I quite agree with what was said about ignorance being our enemy" he continued, "but I have a plan to meet that difficulty. I suggest that every time we reckon up our accounts and ascertain profits *we should set aside a portion of these profits and use it for education.* We will engage teachers who will see to it that neither we nor our children will be kept back by ignorance."

13. *Final Decision.* These proposals seemed so simple and yet so sound that everybody agreed that the difficulties that had been raised had been more than met. It was therefore decided that a society should be formed.

14. *Collection of means.* If such a society is to be started money must be forthcoming. The subscription list was handed down. A dozen of these Lilliputian Capitalists put down a weekly subscription of 2d. each which these Rochdale Rothchilds did not know how to pay. These two pences must be collected with great activity. The difficulty in all poor people's movement is the collection of means. The collection of 40 subscriptions would have involved a journey of 20 miles. The Equitable Pioneers were 40 in number living in various parts of the town; only a man with the devotion of a missionary could undertake the task of collection. Some undertook it, and be it said to their honour, performed what they undertook. Three collectors were appointed who visited the members at their residences every Sunday, the town being divided into 3 districts for the purpose. At length a formidable sum of £28 was collected and accumulated and with this capital the new moral world of theirs was to be commenced.

15. *Registration.* On the 24th of October 1844 the Society was registered under the name of "*The Rochdale Equitable Pioneers.*"

16. *Their aims were.* 1. The establishment of a Store for the sale of provisions, clothing, etc.

2. The building, purchasing and erecting of a number of houses in which those members who are desirous of assisting each other in improving their domestic and social conditions may reside.

3. To commence the manufacture of such articles as the society may determine upon for the employment of such members as may be without employment or who may be suffering in consequence of repeated reductions of their wages.

4. As a further benefit and security of the members, the Society shall purchase or rent an estate of land which shall be

cultivated by its members who may be out of employment or whose labour may be badly remunerated.

5. Then follows another project which no nation has ever attempted and no enthusiasts have ever yet carried out, i.e., "That as soon as practicable this society shall proceed to arrange the powers of production, distribution and Government or in other words the establishment of a home-colony of united interests or assist other societies in establishing such colonies." Mark!!! who are the people to accomplish this grand scheme? 28 paupers out of employment and yet in about 80 years of the formation of this society, the labouring classes in England are very high up in their advance towards their ideal and they have a glorious future before them. The following are the 14 principal points in their system :—

(i) The Pioneers set the example of beginning a store with funds of their own providing mainly.

(ii) Supplying the purest provisions they could get.

(iii) Giving full weight and measure.

(iv) Charging market prices and not under-selling or competing with shop-keepers.

(v) Taking no credit nor giving any, thus discouraging debt among workpeople.

(vi) Giving the profits made to members in proportion to their purchases acknowledging that they who made the profits shall share it.

(vii) Inducing their members to leave their profits at the store to accumulate and thus teaching them thrift.

(viii) Fixing interest on capital at 5 per cent. so that labour and trade i.e., those who work and those who buy at the store, may have a fair share of gain.

(ix) Dividing in the workshop the profits among those who earned them in proportion to their wages.

(x) Devoting 2½ per cent. of all profits to education to promote efficiency of the members.

(xi) According to the members the democratic right of voting —one person one vote—upon all appointments and propositions.

(xii) The intention of extending co-operative commerce and manufacture by the establishment of an industrial city in which crime and competition should cease.

(xiii) In originating the co-operative wholesale society they created the means of fulfilling their own professions of supplying their own provisions of ascertained genuineness which otherwise would have been impossible to them.

(xiv) The conception of the Store as an institution to serve as the germ of a new social life which should by well-directed self-help ensure morality and competence to all the industrious.

The chief of the above rules and one which established the co-operative movement on a democratic basis and justified the title "Equitable Pioneers" was that relating to the division of "Profits". It is said that this question baffled them for many a day and that its solution came as an inspiration in the middle of the night to one of the Pioneers who immediately rose and informed the others saying "I have got it at last. Divide profits according to purchases." It is a unique discovery and forms the backbone of the co-operative movement. It may not be out of place to quote here the remarks of Professor Marshall (the great Political Economist) on this point in his book on "Industry and Trade." He says :—The policy of charging the full current market rate and then returning part of it as a share of the profits (dividend) at the end of the year was adopted with the purpose which has been accomplished of attaining the following among several ends :—

1. The policy moderated, though it did not quench the hostility of the local shopkeepers.

2. It avoided discussion as to the prices which could be safely charged and in so doing.

3. It diminished the strain on the simple working men who were serving an apprenticeship to a very difficult business.

4. It further afforded a small inducement to continue purchasing at the store and persuade others to join it; because everything that quickened the turnover of the store added to the profits which after deducting interest on Capital, subscribed and borrowed, would be available for paying dividends.

5. And there was yet another higher motive; the working class then, more than ever, were apt to getting into the habit of living from hand to mouth so that they lacked the power to buy outright a solid piece of furniture or a useful implement. The dividend has taught hundreds of thousands to know the pleasure of possessing two or three sovereigns free from any mortgage.

6. The dividend relieves many anxieties of the sick room and nearly £ 100,000 are spent every year on education.

7. The co-operators' system of dividend on purchases was itself accumulating sums of capitals in their societies which gave them the opportunity of putting into practice, if it were possible, the second item of their original programme, viz., *organising their members in producing commodities for their own consumption.*

The only other rule which is specially worthy of note as a beneficent one is rule No. 5. *'Taking no credit nor giving any,'* thus discouraging debt among working people. As Mr. Holyoake has well said "He who is in debt is owned by others. The shoes upon the feet, the garment upon the backs of the children of the indebted workman belong to the local shoemaker, tailor or draper. The plumpness of his buxom wife is the property of his baker and his butcher, and the Shylocks of the shops might more reasonably than the Jew of Venice claim their pound of flesh at his hands. No one is independent who is in debt.

17. *Opening Ceremony.* The Co-operative Store was opened on the ground floor of a warehouse in Toad Lane (its name did it no injustice) rented at £ 10 a year. It was resolved to light this place of business with gas and an application was made to the gas company. But the fitter who came from the gas company to inspect the premises informed the company that the scanty stock in trade and the crude fixtures did not impress him wery favourably as to the likelihood of the new customers being able to pay for the gas they would consume. So they had no gas lighting at first.

The Pioneers had not much stock when they opened their shop. Butter, sugar, flour, oatmeal and candles were all they had to sell when they started shop-keeping and the value of their stock was less than £14. At first their shop was opened only in the evenings when their ordinary work for the day was over and the Committee took their turns in 'waiting' behind the counter. It must have been proud day for the Pioneers when one of the members named William Taylor pulled down the shutters for the first time. He little thought that he was taking part in the opening of a shop that would be copied in thousands of places all over the world and he deserves to be remembered and it appears that the poor fellow was killed in an explosion at Rochdale ten years after the shop was opened.

18. *Practical difficulties.* Of course the Rochdale Pioneers had many difficulties. They were not well up in business matters

and had much to learn. They made mistakes, but who does not make mistakes? There is an old proverb that says, "*The man who never made a mistake never made anything*" which means that only those who never try to do anything at all avoid mistakes. They had to contend against the following among other difficulties—the derision of their neighbours, the smallness of their capital, disadvantages of quality and price, indebtedness of their own members to the local shopkeepers without the ability to extricate themselves from it. But a staunch section of them were true co-operators and could come from far or near to make their purchases, whether the price was high or low the quality good or bad, because they thought it their duty to buy. The men were determined and the women no less enthusiastic. No co-operative society will thrive if it cannot count among its members a fair sprinkling of such devoted and loyal members.

19. *A question of Principle.* The members of the Store who were loyally buying all their requirements there were naturally impatient that all the other members should do likewise. Not content with merely wishing this they sought to compel all members to become loyal purchasers at the store and the Secretary brought forward a resolution that "Those members who did not trade with the store should be paid out" *i.e.*, dismissed from membership. But another opposed the motion on the ground that it would destroy the freedom of the members. He desired co-operation to progress and that he would do everything to promote it, that freedom was a principle he liked absolutely and rather than give it up he would forego the advantages of co-operation. This love of principle made the Secretary withdraw his proposition.

The principle on which the Society was founded being sound and its members loyal it soon grew in dimensions:—

20. *Progress and Development.* Starting with 28 members and £28 of share-capital this Society had in 1906 besides the Central Store 25 branches with 13,097 members. In 1916 the membership rose to 21,798 and there were 48 branches. The original stock of flour, sugar, butter and oatmeal has expanded into the following departments :—

1. Grocery, 2. Drapery, 3. Butchering, 4. Boots and shoes 5. Furnishing, 6. Hardware, 7. Tailoring, 8. Coals, 9. Ironmongery, 10. Earthenware, 11. Millenery, 12. Flour, 13. Restaurant, 14. Building, etc.

At the Central Store over these departments are the offices, waiting rooms, a news room, a library with 12,000 volumes and a meeting room capable of holding 2,000 members.

The prosperity of this single store does not represent the whole fruit of the work of the Pioneers. To-day in Great Britain alone there are nearly 1,300 societies with a membership of nearly 5 milions representing a third of the population.

The growth and development of co-operation throughout Britain beginning from the Pioneers' Toad Lane Store and the subsequent spread of the Rochdale movement elsewhere in the world must form the subject of several such articles one for each country.

The Future Programme.

By Sri S. A. Venkataraman, I.C.S.,

Registrar of Co-operative Societies, Madras.

The question of the rehabilitation of the co-operative movement and of giving it a new orientation is now under the consideration of the Committee on Co-operation, and I hope that its recommendations will be helpful in reorganizing the movement so as to extend its benefits to a larger number of people. I may, however, make a few general observations here. Co-operation in this Province, as in other provinces, has largely been confined to credit, and this fact has often been the subject of criticism. In a predominantly agricultural country like ours, however, the primary need of an agriculturist is cheap and timely credit, and it is only in the nature of things that attention should have been concentrated for many years on this aspect of the problem. Moreover, even after this emphasis on the credit side for well nigh 35 years, it cannot be stated that co-operative societies now supply the major proportion of the credit requirements of the ryot; the private money-lender still holds the filed. I do not, therefore, think that the criticism is altogether justified. The village credit society has been the foundation of the co-operative banking structure, and I believe that the strength of the movement depends in the last analysis upon it. Its constitution and management and methods of working are, to my mind, well-conceived, but in actual working the societies have not done as well as one would have expected. It is a matter for regret that the number of C and D class societies continues to be high in spite of all attempts at rectification. It is needless for me here to catalogue the defects which have hindered the progress of rural credit organization. I am, however, glad that co-operators generally are very much alive to the need to continue their efforts to place the societies once again on a sound basis. One of the directions in which co-operative opinion has expressed itself for some time past in the matter of reorganization of village credit societies is the enlargement of their area of operations over a group of villages on a limteed liability basis, so as to enable them to work more efficiently and satisfactorily with a paid staff. The Committee on Co-operation has considered this fundamental issue and I am awaiting its final recommendations.

Co-operative credit has, as I have stated, hitherto naturally occupied the front place in Indian co-operation. Experience has, however, shown that the supply of credit alone cannot bring about a marked betterment in the villagers' life. It has of late been increasingly realized that what is required is a comprehensive and sustained attack on all fronts of his life with a view to an improvement in his economic condition and the rousing of a consciousness and a will on his part to improve. The main methods by which this economic improvement may be brought about are, in my opinion, an intensive system of agricultural production through the adoption of up-to-date agricultural methods and technique including the raising on a larger scale of industrial crops, the pursuit of occupations subsidiary to agriculture during the villager's spare time, and improved arrangements of agricultural marketting so as to secure a better price for his produce. For this all-round improvement in his economic condition, an organization is necessary and co-operative societies have admittedly been the most suitable organization for the purpose. The department has begun to concentrate its attention on this threefold programme of development, and a sustained 'drive' will be kept up, with the help of all the agencies concerned. It should be possible for village societies, with the help of the officers of the Co-operative and Agricultural departments, to see to the proper utilization of loans by their members for improved agricultural production under a system of controlled credit. In recent years, societies of various types have been organized, which are intended to promote the two other objects. Better living societies, sale and marketing societies, consolidation of holdings societies, milk-supply societies, etc., aim at eliminating the social and economic waste (which is too marked a feature of village life) and ensuring better farming, better business and better living. There is no reason why good village societies with a set of enthusiastic and energetic panchayatdars should not also function as centres for moral and educational advancement of their members.

This leads me to make a passing reference to a matter which is now agitating the minds of co-operators. There is an influential section of co-operative thought, which holds the view that credit societies should undertake the performance of all the objects now attended to by different types of co-operative organizations. I refer to the reorganization of the village society into a general-purpose or multiple-purpose society. I feel that there is at present nothing which prevents even the existing societies from undertaking this comprehensive programme of co-operative work. It is, however, a

welcome sign of the times that a lively interest should be displayed by co-operators in the widening of the scope and utility of the rural co-operative credit organization. This is again a matter which is engaging the attention of the Committee on Co-operation, and its final recommendations will be awaited.

I notice a feeling of impatience in certain quarters that the expansion of the movement during the last few years has not been as rapid as they would have liked it to be; some others would seem to suggest a three or a five year plan of expansion. The department has been alive to the need for the formation of fresh societies to meet the conditions created by the working of the Agriculturists' Relief Act. During the two years ended 30th June 1939, 1,274 societies were registered, as against 537 societies formed during the previous two years. Co-operators must be aware of the commonly levelled criticism against the hasty expansion of the movement during the period which immediately followed the introduction of the Montford Reforms. For one thing, it is necessary to carry on persistent propaganda among the villagers in the general principles of co-operative effort, and have the ground thoroughly prepared, before a society can be formed. For another, extra staff is required to attend to the work connected with the organization and starting of societies. Nevertheless, I have been trying to satisfy the demand for fresh societies in all deserving cases as far as possible. The Committee on Co-operation has also tentatively suggested a 5, 7 or 10 year plan of reorganization of village societies in order that the whole Province may be covered with co-operative societies within that period. I hope to be able in the near future to draw up a plan of cautious expansion in consultation with non-official co-operative opinion and with the approval of Government.

In this scheme of reorganization and expansion of the village credit system, central banks have an important role to play, and I have no doubt, from what I have heard and seen of their past record of work and traditions, that they will rise equal to the task. I am aware that while the financial position of the central banks is on the whole satisfactory, there are few whose condition calls for immediate attention and remedial measures, and I am losing no time in subjecting them to a close financial examination with a view to suitable practical action. I have already taken the necessary steps in the case of one bank with the concurrence of the Provincial Bank, and as soon as my examination of the other banks is completed, I propose to concert measures to set them in order, and I know I can count upon the support of the Provincial Bank in all my endeavours to reform the banks. This task is admittedly difficult and the progress may be slow, but I venture to deprecate an attitude either of alarm or of defeatism.

I am confident that, as a result of the recommendations of the Committee on Co-operation, a fresh vigour and direction will be given to the movement in the Province. No impartial observer will assert that the movement is without defects; one can easily point to the persistence of overdues, the existence of bad or doubtful debts, some mismanagement here and there, or the lack of co-operative education on the part of members of societies. It is possible that, if one looks only at one side of the picture, these defects may produce a feeling of pessimism or even of despair. But one must remember that many such defects will be found in any great organization. They will disappear in proportion as general economic conditions improve, as members regard the institutions as their own, taking an active interest in their working and exercising a constant vigilance over the management, and as the men in charge of the institutions are animated by a spirit of disinterested service to their fellowmen. The movement has great potentialities. By the joint efforts of official and unofficial co-operators, it should be possible to speed up its progress and make it more comprehensive and beneficial, in the near future, than has so far been the case. I am glad to note that the officers of the department and non-official co-operators are generally alive to the needs of the situation. The men who compose the primary village societies are the crux of the whole matter. If they are of the right type, the whole superstructure will be success; and our future efforts must be mainly directed towards ensuring that only men actuated by true co-operative ideals run the village societies.

I look forward to the future in a spirit of chastened optimism.

Thrift aspect of Self-Sufficiency in farming.

BY SRI K. UNNIKRISHNA MENON,
Deputy Director of Agriculture, IVth Circle.

The economy of any country consists in making it "self-sufficient." This is a theory on which most countries base their work for progress. It is as true of a farm as of a country. I should like to go a step further and wish to state that it is more emphatically applicable to a farmer and his holding than to a country as a whole. In considering the question as to how to make a farm self-sufficient, we have to look for items of a farmer's expenditure for which he has to spend his hard earned money. This money may be cash he may earn by the sale of his produce or any amount that he takes as a loan from a co-operative society or other lending sources. The efforts of the society when it lends money to a member, must all be diverted to improve the repaying capacity of the borrower. In other words, they must be to enable him to get on with his business with as little money expenditure as possible so that the borrower may accumulate almost all his cash income to discharge his debts or put by something substantial to meet the demands of reap years. This in a nutshell is the essence of our work. However, one is always liable to incur money expenses like the payment of kist, rental of lands, if they are cultivated on lease and for purchases of such of one's daily requirements as cannot be profitably produced in the farm. This putting by of sums of money is the basic principle in all thrift movements, and co-operation is a thrift movement in essence. Without adequate attention to this aspect of the movement, we cannot expect to improve the economic position of any one. In order to work the thrift movement properly, there are two or three aspects to consider. The first one is to avert the loss known or unknown to him while the other is to increase the income. Even a third aspect may be added and that will be to reduce his expenditure in every aspect of life so that he may save more. The third aspect is a questionable one indeed as it may sometimes run against the prospect of improving the standard of life and comforts of the individual. Therefore I shall restrict the third aspect with a qualification that he may try to reduce his "unnecessary" expenditure, in every aspect of life. It may, however, be clearly understood that what may look unnecessary at one stage of progress of a farmer's life, may certainly be found necessary when he is able to put by more and is able to adopt luxuries without impairing his financial stability. Thus the term unnecessary is an undefined one always remaining to be explained with full regard to the economic status of the farmer in question.

Coming again to the question of averting losses in detail, I may not be accused of singing my old song, before you hear me explain them in detail, when I speak of the enormous losses the farmer is incurring in his cattle wealth, manure resources and soil. A farmer purchasing a pair of animals for Rs. 150 will find that the pair costs not more than Rs. 60 at the end of the second year. Thus in two years he had to lose Rs. 90 on one pair. This loss is incurred from either borrowed money or wealth put by—in most cases the former. How are we going to improve the situation by averting this loss to enable him to increase his repaying powers especially when the borrowed capital is flittered away? Cattle are absolutely necessary to carry on the cultivation as the machinery age for our country is far out of sight owing to various causes. Therefore it is incumbent on the farmer that goes to purchase cattle to produce them in his own farm as one part of his self-sufficiency programme. For this he must maintain cows and take up cow-keeping as a necessary side-line of farming. As the cow yields both milk and manure besides calves, it continues to give him a daily income of cash by sale of milk and milk products apart from atleast two to three annas worth of manure per day. By these two items of income, the cow more than repays its upkeep, while the growing calf, which must form his future work bullock or cow is a positive asset as a bye-product of the side industry. Because the calf begins to appreciate in its value when it grows into a work bullock, the depreciation or even the loss of one of them by death cannot materially affect the economic aspect of the farmer as severely as in the case of a bullock purchased with his hard earned money or more so when done with borrowed funds. I would therefore recommend a co-operative loan for the purchase of a cow as a more reasonable thrift proposition than one for the purchase of a full grown work animal, which depreciates fast.

The loss of manure by neglect in their collection and conservation forces the farmer to go in for cash purchase of artificials. There is no better manure than cattle manure or compost made of farm refuses of all kinds added to cattle dung and urine. The urine of

one animal that is usually wasted every night is equal to more than an anna worth of ammonium sulphate. If that is all conserved most carefully, he shall have secured at no cost at least Rs. 20 worth of valuable manure from an animal in one year. This is all apart from the dung and other refuses partly wasted by negligent conservation or burning. By negligent conservation alone the loss per animal can be roughly estimated to be nearly half an anna a day. It may be roughly put down as Rs. 10 a year from each animal. Putting both these together a ryot loses about Rs. 30 worth of manure per year per animal. Please excuse me for dabbling in figures so far as it was absolutely necessary to bring out to you in relief what is actually happening in the everyday life of the farmer. Apart from all these things if all sorts of household and farm wastes are put in a pit with the available droppings of animals, the manure supply can be considerably augmented so as to avoid purchase of manure from outside.

Is there anything to do easier or more desirable than this one aspect of thrift, the like of which we have none in a farm? Manure worth Re. 1 in possession of a farmer will give him at least Rs. 2 by way of increase in the value of additional produce. In the Coimbatore district, where electric power has come into general use for irrigation, the work animals have been reduced. This is the best opportunity for increasing the number of milk cows in each farm. Huge sums of money of our country are now going to foreign countries on the import of dairy products. This also can then be mostly diverted to the pockets of the toiling farmer. Apart from this, for the welfare and health of the population, it is desirable to drink more milk. Unless there be milk in his own possession a farmer can hardly find the means or secure the convenience to use more milk in his family. Therefore cow-keeping is absolutely necessary from all points of view for the welfare of the population. With the increase in the pressure of population on land, it is necessary to produce more from a given area. From an economic aspect of farming also production should be increased. There is ample scope for this when we take into consideration the yields obtained of grains or other produce in the Research stations and demonstration farms. For this nothing but an increased supply of indigenous cheap manure can help the farmer. Therefore any one interested in the welfare of the country placing the economic advancement of the farmer must place manure conservation work in the fore-front. It improves the sanitation of the village incidentally and makes the villages more attractive and habitable. I should therefore consider that any co-operative loan granted for financing cultivation must be restricted to those of the ryots, who devote their attention properly for manure conservation.

Soil erosion is a thief always stealing away the accumulated wealth of fertility in any soil. Erosion being a slow and gradual process is not spectacular until a ravine is cut deep into the soil or a land-slip occurs causing visible disastrous results. Erosion is caused both by wind and rain. The former is of a trivial nature when compared to the latter except in certain cases. Any way the portion of the soil lost from a field by erosion is the more fertile and finer material which the farmer longs to secure and own as it is most needed for plant growth. When I was recently camping at Perianayackenpalayam, two fields close to the Ramakrishna Mission School, both growing cotton, were examined. The one field that was last ploughed along the slope, was more subject to erosion and had a poor crop, while the other one that had a better crop was given the last ploughing across the slope. This serves to show how one wrong-wise ploughing done by the ignorance of the farmer had such a disastrous effect on the crop. In addition to the direction of ploughing, a farmer may do bunding of the fields. It will certainly prevent rain water accumulating to form a torrent and running away from the field laden with a lot of valuable soil and soluble manurial ingredients. The water itself is most needed for the future use of plants, if it could be allowed to soak into the soil. Bunding at short intervals after sowing will be the right way to prevent this kind of loss by erosion. In steeper slopes digging contour drains and terracing will have to be done. In the Punjab one hillock was remaining bare of any vegetation for a number of years on account of erosion. When contour-drains were dug and nothing more was done in three years time, the hillock became covered with grass. If I go into the various ways of preventing erosion and the damages it does to the health and wealth of the country, it will consume much more of your time. As the damage done by it and preventive methods to be adopted differ under different conditions, it can hardly be explained in general terms. It is therefore up to you to advise the villagers to adopt all ways of preventing erosion before they can enjoy a good crop from any dry field in particular. They can seek the advice of the Agricultural Department in individual cases.

Another point on which I wanted to talk to you today is to make the villagers ideal farmers as enunciated by the Vedas. The Vedas state that the ideal farmer is one who takes care of his seeds. If we sow bad seeds we get a poor crop and better seeds are found to give better yields. The gain in using good seeds is two-fold—firstly in quantity of seed saved and secondly in the yield of crop. Therefore it is necessary for the societies to help the ryots to secure good seeds from the Department and supply them to the members. A sort of seed multiplication and storage for future distribution may be done by the cultivator-members of a society with the assistance of the society. It is also felt that the society in a rural area must serve the members as a depot for their requirements and a bureau of information. The society may stimulate members to carry out improvements on a competitive basis and award prizes for the best work done in all aspects of rural uplift. It may thus help the country not only in improving farming, but also to adopt best ways of maintaining the health of the village, advancing the education of children and adults, improvement of communications, medical relief and so on. I believe it the duty of every society to do all that is needed for the welfare of the members thereof.

When consumers produce, speculation is divorced from production; over capitalization is unnecessary; the 40 to 90 per cent capacity production which is characteristic of many of our so-called efficient industries give place to capacity production running close to 100 per cent; and pay-rolls are spread over year-round production in contrast to the high costs and ineffiency of seasonal labour.

(From Consumers' Co-operation)

Kudige Better Living Co-operative Society Ltd., Coorg.

By Sri M. B. Appaiya,

Supervisor of Non-Credit Societies, North Coorg, Mercara.

The village of Kudige, belonging to Fraserpet Hobli, is situated on the banks of the river Caveri and lies about 3 miles from Fraserpet and 26 miles from Mercara, the capital of Coorg. It is a small village consisting of 60 houses including half a dozen huts of the Harijans and a total population of only 200.

It is interesting to note that these 200 people belong to a dozen different castes and communities. Mahammadans are found living side by side with the Brahmins who in their turn surrounded by castes like the Vakkaligas, Achars and Sivachars. The proximities of these different communities' dwellings were a source of lot of petty disputes among the villagers.

The words 'Sanitation' and 'Personal hygiene' were unknown to the villagers. Their houses, yards and cattle-sheds were so clumsy and devoid of cleanliness some years ago that a visitor could hardly stay even for a few hours in this village. People used to spend yearly hundreds of rupees on litigation. The childeren presented a pitiable appearance being the constant victims of malaria and enlarged spleen. It was impossible to find one healthy child in that village. Out of the 200, there were hardly a dozen who could read and write. Though there was an Elementary School in the neighbouring village, the villagers evinced no interest and sent no children to the school. On the other hand the children were required to help their parents in their field and other domestic occupations. Being bound by ancient customs they used to spend large sums of money on marriages, the major portion of the expenditure being consumed by what is known as the 'Varadakshina.' The poor class people of the village used to borrow Rs. 300 to 500 for the marriages from the richer class people at high rates of interests and bring ruin on their family.

It was with a view to lift this village from this unhappy condition that this Better Living Society was started in the year 1937. At first, the membership was very small but soon the villagers realised the efficacy of the Society and now all the adults of the village are its members. The members have laid out many new roads facilitating communication with other villages. Formerly the villagers

used to go to the river which is about half a mile away from the village for water. Now by the help of the Government and District Board and donations collected by the Better Living Society, three good wells have been sunk in the village. This is no doubt a good acheivement of the Society.

The Society conducts its fortnightly committee meetings which are attended by the officers of the Department. At these sittings petty disputes are settled amicably and it is worthwhile mentioning that the village now saves hundreds of rupees which otherwise would have been spent towards court expenses, once the curse of the village. The Society is also doing useful works in breaking down certain harmful social practices. It has so far conducted six marriages each with a maximum expenditure of Rs. 50. 'Varadakshina' is no more paid. But for the Society these six marriages would have required Rs. 2000 to Rs. 3,000. These reformed marriages are being arranged and conducted by the Society under the guidance of the Departmental Officers. The Registrar himself attended two marriages and blessed the couples.

Since April 1939, the Society is conducting a night school catering both for the adults and the children. At present the strength of the school is 50 and the daily attendance comes to 43 in average. The progress of the pupils, of whom some are above 45 years of age, is quite satisfactory in the 3 R's. The District Educational Officer and the President of the District Board have expressed their satisfaction regarding the progress of the school. The students evince great interest for learning.

Instructions pertaining to village economy, sanitation and elementary principles of village politics and co-operation are also being imparted periodically by the Officers. So far the Government has not contributed anything for the upkeep of the school. The expenditure is met partly by the students and partly by the Society. The Coorg District Board has kindly given three petromax lamps for the benefit of the village.

It is a matter of great pleasure to see the members putting the ideals of sanitation into practice in their daily life. They keep their houses, cow-sheds, and yards quite clean. Surprise visits were paid to this village by officers like the former Commissioner of Coorg, the Director-General of Indian Medical Service, Dr. Burns, Agricultural Commissioner with the Government of India, Mr. K. Yegnanarayana

Ayer, Special Officer, Agriculture and Veterinary enquiry in Coorg, and others of note. All of them were well impressed with the useful work done by the Society and some have expressed the opinion that this was the best piece of work done by the Co-operative Movement. They have unhesitatingly recognised this village as the model village in Coorg.

Arrangements have been made to distribute quinine to the children and the villagers once a week and oftener to the required people. Fifty-six latrine-pits have been sunk and the villagers have been schooled to make use of them and discontinue their former noxious habits of going to the open space to ease themselves. Most of the villagers are farmers owning many herds of cattle. In the absence of proper facilities they were unable to send the milk to other towns for sale. To provide better marketing facilities a milk supply society has also been started here. Though the area of operation of the society extends to the whole of Coorg, the major portion of the supply comes from this village. Now the villagers get good price for their milk through this society. The introduction of the system of joint purchase and sale of agricultural requirements of the people is also under contemplation of the society and the Department.

MADE IN GERMANY

A German citizen, feeling somewhat depressed, decided to commit suicide.

He tried to hang himself, but the rope was "ersatz" (German word for synthetic,) and it broke. He then tried to poison himself, but the poison, too, was "ersatz" and had no effect. In desperation, he attempted to shoot himself, but his cartridges were "ersatz" and would not fire.

Thinking that, perhaps, he was destined to live, and deciding to try life again, he went into a hotel to overcome his misery by having a really good feed, but, unfortunately, the food was "ersatz," and he died.

"Reynolds News."

(From Co-operative Official.)

Conferences.

FIRST RAYALASEEMA CO-OPERATIVE CONFERENCE, KURNOOL.

29—12—1939

PRESIDENTIAL ADDRESS

By Sri B. Narayanamurthy, B.A., B.L.,

Brother co-operators of Rayalaseema,

" . . . . . . The Co-operative Act stands in the Statute Book since 1904. Since then nurtured by the splendid services of a host of non-officials many societies, urban banks and central banks have come into existence. But the fact remains that in most cases the movement was thrust on the people from above, that is the Government departments when there is no education and intelligent self-interest on the part of the people. They were left in this hot house to germinate, live and achieve wonders of co-operative effort and we see the result of it all now in the shape of uninformed primary members, apathetic boards of management and self-seeking wire pullers that manage or mismanage the affairs of primary societies which are the basis on which the entire co-operative structure is built. There was never any real attempt to capitalise honesty and we see to our dispair that the result is very disappointing. The authors of the co-operative idea would look aghast if they were to witness this strange fruit borne by their sincere attempts to elevate the poor and helpless men and women. For the movement to be a success it should grow from below as a result of well-informed people driven by intelligent self-interest to further their material condition by co-operative effort. Until that day dawns I am sure this movement will not bring the entire advantages that it is capable of, in spite of attempts, care and consideration that our well-meaning and sympathetic body of co-operative officials might bestow. I shall not be prepared to be termed a pessimist for the reason that I detail below—the evils I find in various co-operative institutions. I crave your indulgence to be called an optimist, yet a cautious optimist. The primary society is a miserable spectacle of certain well-meaning gentlemen who are roped together. They are vaguely made to believe that whenever any one among them is hard-put to raise a loan they may form a society and apply to the central bank for a loan and that they would get the money. The supreme necessity that the purpose of the loan shall be remunerative, that monies will be lent to those who will repay and that they should never commit default and that their liability is not limited are never brought to their notice and generally the loans taken are never spent properly, returned punctually and at long last the honest member who never takes a loan has his ancestral properties sold to pay for the debts of his spend thrift friends who borrowed and spent and never repaid. Therefore in some villages the idea of forming a co-operative society has become a regular horror and people drop it as if the societies are hot cakes and they do not want to get their fingers scorched. The working of the unions also has not been satisfactory though here and there the good work done by some is precious little. The central banks are working tolerably well. But the department claims a large share of credit for their good condition. Then there is the apex bank financing all these. On the whole the outward structure is alright but I may be excused if I may say that the entire movement is soulless. The picture that I have painted above is perhaps darker than many would like it but I yield to none in the belief that whatever the defects found in the working, the co-operative ideal is by far the best ideal of the age, and so there needs rectification along this line and this if achieved the movement will yield untold advantages for the people. We have met here to-day to concert measures for making the co-operative movement really serve the purpose for which it is intended, i.e., the economic and moral uplift of the people. From what I have said above it will be clear that the existing co-operative societies were started without impressing on the members the principles of the movement and the ideals for which it stands. The primary society in the village is looked upon as simply a money-lending agency worse than the village sowcar because here lender is also the borrower. This idea created a feeling that the repayment of the loan may be evaded. So in the very foundations of this movement seeds of immoral tendencies were sown. Of course the department has been trying to prevent all frauds in the movement and for that, they deserve our thanks. But the essential point is that the object of the co-operative movement must be realised if the societies have to work in a co-operative spirit and look upon the society not as an alien money-lender but as a self-governing institution of their own.

Our duty therefore now is to devise ways and means to change the character of the societies to make them work on right lines so that the members may feel that the society is an institution of their own creation wherein each has got an opportunity to serve for the welfare of all. This is to be done by propaganda and practical work.

Propaganda.

I am of opinion that propaganda by mere lectures cannot bring about the required change in the mentality of the villager and therefore the Government of India grant has not been of much use. It is only practical work done in some societies at least that will act as an incentive to other societies. The Government of India grant may be better utilised for employing two or three paid workers in two or three groups of societies during the whole of the year. As the people begin to see for themselves

the benefits of properly working societies they are bound to come under their beneficient influence. Thus in the course of about 5 or 6 years we will be able to see almost all the societies in a flourishing condition.

The work to be done.

As I have already said, it is the creation of these societies for merely lending monies that has brought about the moral degradation of the movement in our villages. Therefore money-lending alone is not enough to create that spirit of brotherhood which is the essential prerequisite of co-operative enterprise. As the Hon'ble Mr. V. V. Giri said, while opening the proceedings of the Committee on Co-operation, "There has been recently an increasing realisation that co-operative credit alone unaided by other allies as better living, thrift, rural reconstruction and agricultural marketing, cannot go as far as one would desire. There is a feeling that though the co-operative movement has for its achievement the cheapening of the cost of credit, it has not done much to stimulate thrift and savings among agriculturists or artisans or men of limited means. . . . . In this famine zone of Rayalaseema agriculture is at present a deficit economy. Therefore any lasting and substantial amelioration of the economic condition of the agricultural community cannot be brought about by simply lessening the burden of debt by providing facilities for obtaining cheap credit. Without any subsidiary occupations to engage agriculturists in their spare hours, it is not possible to help them to retrieve their lost possession and lead a life of peace and contentment. A society, if it is to be co-operative, must be able to cater to the needs of all the villagers agriculturists, artisans and labourers as well. Separate organisations for different purposes in a village will not encourage the development of the co-operative spirit among the villagers. So I do not agree with the recommendation of the Committee that the scheduled classes' societies should be separately organised and managed by the Labour Commissioner and that the handloom weavers' societies and cottage industries' societies should be separately organised. I think therefore that the solution for the problem is to make every village society a multi-purpose society. . . . . In course of time, I am sure, the societies will become self-supporting. At any rate the experiment may be given a fair trial in a few groups of societies from the Government of India grant. If successful the financing banks may extend the experiment. This will give relief to many unemployed educated young men.

What I am afraid of is not so much the lack of public spirited workers but lack of enthusiasm among the educated classes to encourage our local industries. I am really pained to see many educated gentlemen highly placed in life looking upon the local industrial products with contempt. This, I believe, is due to the effect of western civilization which fortunately is gradually waning in the wake of rising nationalism. We must therefore appeal to the public to encourage our local industries.

Agricultural indebtedness.

This question has two aspects. [1] How is the agriculturist to discharge his present liabilities and [2] how to prevent him from running into future debts.

The suggestion of Sri Rao Bahadur S. V. Narasimha Rao, that the Government should undertake to discharge the debts as scaled down in all suitable cases by annual payments in fixed instalments in course of some years and recover them from debtors annually like land revenue is very good if the Government agreed to do so. In the meantime, cannot Land Mortgage Bank be made available for the dry lands of Rayalaseema? We have been agitating for a long time and fortunately for us the Committee on Co-operation has also recommended it.

2. The more important aspect of the problem of debt relief is to work the societies in such a way as to eliminate the necessity of borrowing by the members. The conversion of the societies into multi-purpose societies will go a long way to achieve this object. Controlled credit should be made compulsory and the loans should be disbursed to the members only when necessity actually arises. The societies should take up the joint purchase of seeds and provisions and joint sale of the agricultural products through marketing societies. The earning capacity of the members should be increased by introducing various cottage industries and the habits of thrift should be developed by periodical saving from the extra income therefrom. Of course the members also must willingly co-operate by avoiding extravegent expenditure and by adopting the principles of better living societies to avoid wasteful expenditure on ceremonies, marriages, etc. For the successful working of cottage industries and marketing the advice and guidance of the technical experts of the Government must be made available to the members of the village societies without any cost.

Liquidation of Societies.

As we believe that the co-operative movement is intended for serving the villagers, liquidation must be practically abolished. All societies must be reclaimed at any cost. The proposal of the Hon'ble Sri V. Ramadoss Pantulu to wipe off irrecoverable arrears and re-imbursing the bad societies from the reserve funds of all primary societies and financing banks by pooling the said reserves to a common trust fund as a temporary expedient, deserves our consideration. But there are differences of opinion on this matter. The question is to be discussed by you all.

Another controvertial question is whether the liability of the members of the rural credit societies should be limited or unlimited. By our experience in the working of the societies in Rayaleseema, on account of ignorance and want of knowledge of co-operative principles, the unlimited liability has scared away many an honest villager for whose benefit the society is intended. It may be that the unlimited liability was enforced only in very exceptional cases. Still the fact remains that the people are terribly afraid of joining a co-operative society for that reason. Therefore the work of organisation has become very difficult. So there is strong opinion in favour of limited liability. And I find that the Committee on Co-operation also has recommended that limited liability should be the rule and unlimited an exception. But you will find practical difficulties in giving relief to the villagers if the limited liability is introduced. The societies cannot get the necessary funds from the financing banks as they cannot lend more than 10 times the share-capital of the societies. It will be quite insufficient for the ordinary needs of agriculture. So you must bestow careful thought to this subject and urge your considered views in the matter upon the Government.

Elimination of individual share-holders, from the Central Banks.

Our central banks owe their foundations and success to the initiative and guidance of a few individual share-holders. Till now our banks are being managed practically by them only. The representatives of rural societies have not had experience of conducting the banks' affairs. So if the individual share-holders are eliminated they will have no incentive to take active interest in the working of the banks. I therefore think that at least in Rayalaseema the elimination of the individual share-holders would be detrimental to the best interests of the banks. The Committee on Co-operation has recommended the elimination. So you will have to consider this question also and urge your views upon the Government.

Non-credit Societies.

The Committee on Co-operation has recommended that marketing societies might be given subsidies by the Government. We must appeal to the Government that in Rayalaseema substantial subsidies should be given as a rule to all marketing societies because at present the societies are still in their infancy and in many places they have not been organized at all. They have to face the competition of local merchants.

Public Servants' Co-operative Societies.

At present much difficulty is being felt in realising the arrears from public servants, especially those who draw a salary of less than

Rs. 100 who form the bulk of the societies. The Civil Procedure Code exempts attachment of their salaries. The pay disbursing officer does not care to accommodate the society by withholding the instalments due from them. So it is necessary that the Government be requested to give instructions to all pay disbursing officers to withhold from the pay of public servants the monthly instalments due to the co-operative societies. The same applies to the Local Board Employees' Societies as well.

Regarding the production societies, generally special attention should be paid by the Government. They must be given the benefit of technical advice and marketing societies must, as a rule, take all their products and find a sale for them. It may be that some of the products may be unsalable. In all such deserving cases the society must not be made to suffer. The Government must give them relief.

The supervising unions.

The supervising unions, I am sorry to state, have not been doing any really useful work except making the usual recommendation for grant of loans to the central banks. The financial bank may conveniently be spared the expenditure which is now being incurred for the maintenance of these unions. The Committee on Co-operation has left the question to be decided by the financing banks without expressing any definite opinion either way. So you will have to consider this and come to your own conclusions. I shall now dwell on some special needs of our Rayalaseema.

I am not one of those who think that when bigger issues are in the balance and the fate of India is in the lap of Gods who may do anything which may cause the least diversion of energies into by-paths. I firmly believe that the case for special remedies for Rayalaseema has suffered seriously by defaults and we are the worse for such neglect. If we should make amends for past neglects we should work with redoubled effort and recover the lost ground.

Famine conditions.

The ideal of co-operation to the expectations of our founders could not be achieved in our districts because of the ever present danger of the periodical famines. Famine relief and the part the movement can play has been engaging the attention of all for the last decade and it is time we settle down things to mitigate the evils of famine by co-operative efforts. Given a larger outlook and broader vision, the Government can set its wheels in motion and by careful planning on their part and sincere effort on our part we can devise means of establishing remunerative enterprises which add to villager's income not only during famine but also in normal times. Besides the encouragement of cottage

industries to which I have already referred the utilisation of forest wealth, fruit growing and mining are few of the ways by which a villager can be made to earn more by his labour. Though the land in Rayalaseema is not productive of sufficient harvest there is much mineral wealth under ground which can be explored by co-operative effort. It is a pity that Government has not yet published the report of Famine Committee. We must urge upon the Government to publish the report and to implement the recommendations of the Committee.

(2) As our economic system is thoroughly different from the other districts in the Province on account of uncertain harvests and frequent famines the comparatively poor price value of the lands and the poor standard of living creates special problems to tackle which special attention will have to be paid for the needs of these districts. The purpose of our societies will be better served by establishing an apex bank for the Rayalaseema area. The Committee on Co-operation has recommended that there should be two banks, one for the Andhra districts and another for the Tamil Nad. I am afraid that one bank for both Rayalaseema and Delta districts may not serve our purpose. Any by-laws made for the two areas in common cannot take particular interest in our requirements. Very often they may work at cross purposes.

Scheduled Classes' Societies.

I have already mentioned that a separate organisation for schedule classes will endanger the co-operative spirit among the villagers. But special attention will have to be paid for their requirements. They are absolutely illiterate. Still they are the most hard worked. Spinning and weaving has been from time immemorial a subsidiary occupation for them and we see that it is languishing for lack of credit facilities and sufficient advertisement. Secondly with large flocks of sheep the skin dealers are carrying on a roaring trade and get a lot in the middlemen's profits by simply exporting the raw hides. It is curious how this very prosperous business has been completely lost sight of by the co-operative department. Thirdly leather products, both cheap and costly are daily invading our markets from other places and the native talent is dying out. It is imperative that something should be done at once to arrest the annihilation of these industries in Rayalaseema.

Labour Contract Societies.

The labour societies for road makers were started in dozens but I wonder if any of them ever got any contract work. Given the will it shall not be beyond the powers of the officers to circumvent the rules and orders to provide work for them. If need be the stringency of the rules may be slightly relaxed in favour of such societies and these societies be enabled to take work on contract free from cut-throat competition at least for a period of 10 years to set them on their feet firmly.

Prohibition.

Closely allied to the working of the co-operative societies is the subject of prohibition which is absolutely necessary not only to improve the economic condition of the people but also to give them mental strength and vigour and straighten their moral backbone. Our thanks are due to the Congress Government for having boldly introduced prohibition and for having devised means to carry it out in spite of adverse criticisms and protests. We, of the Rayalaseema, must urge upon the present Government to carry on this policy and extend it to Kurnool, Bellary and Anantapur districts at least from October 1940.

In conclusion, gentlemen, I must express on behalf of you all, our feelings of gratitude to the late Congress Government for their intentions and attempts to improve the economic condition of the villages. Besides the introduction of prohibition, the formation of Debt Conciliation Boards, the passing of the Agriculturists' Debt Relief Act and establishment of Provincial and District Museums, formation of the National Planning Committee and Committees on Co-operation and Famine relief are all instances of their desire to give a new orientation to the day-to-day activity and make life worth living. Inspired by the lofty ideals of Mahatma Gandhi the Government boldly started the business with the object of instilling nationalism in the villagers and make them fit to govern themselves. If they had continued in office, I have no doubt they would have carried their object. But unfortunately they had to resign at the call of the Mother Land in order to maintain the self-respect of our nation. We must congratulate them on the good work done by them and hope that they will come back to office very soon.

One word more. The country is pulsating with new life in all its activities and the consciousness of nationalism has taken root and people are interesting themselves in various movements and the Indians have now shaken off their lethargy and indifference to a large extent and are taking interest in renovating their life. The urge to fashion things in a way congenial to the land, civilisation and culture has greatly increased and I have no doubt that given a new method of work on the lines, suggested by me, the movement will succeed in our Rayalaseema."

Reviews.

I

Reports of the Directory Agriculture, Madras for 1938-39.

As co-operators there is no subject dearer to us than Agriculture and hence this brief survey of the progress of agricultural education and research as described by the Director in his Annual Report for the year 1938-39. The Coimbatore Agricultural College continues to be popular, where students are being trained for the degree examination of the University, but the Department also runs short courses for farm labourers.

The research section did valuable work and carried on research in Agricultural Chemistry, Botany, Pathology of Plants and Agricultural implements and above all with regard to many crops, Paddy, Millet and Potato, Cotton, Hemp and Sugar, fruits, oil seeds and spices.

The Department took part in many exhibitions and demonstrations and tried to bring the results of their researches within the reach of the peasant and we are glad to note that improved varities of paddy, cotton and sugarcane introduced by them are becoming more and more popular. Though the livestock section has been transferred to Veterinary Department, Agricultural Department took interest in Bee-keeping and did good work in agricultural marketing: in this respect they were helped by the Co-operative Department.

On the whole the various officers seem to have done very good work; but the general impression still is that these great researches keep their light under a bushel and do not bring their knowledge to the market place and make it easily available to the farmer.

We are glad to note that the Department has availed itself of the radio and broadcasted many a useful talk; but we are not at all certain how many receiving sets there are in villages to bring these talks within the reach of the villager.

In the advanced countries of the west up-to-date information is being periodically supplied by the Department to the farmers scattered all over the country which they pick up by their own receivers and try to introduce reforms suggested by the researches. We have not yet advanced to such a stage and we have to depend upon the exhibitions, demonstration shows etc. to bring the latest knowledge within the reach of the masses. We hope the Department will make the fullest use of Co-operative Societies for the dissemination of useful knowledge.

S. K. Y.

II

The Report on the working of the Co-operative Societies in the Baroda State for the year ended 1937-38.

The following statistics culled from the report will give the reader a fair idea of the progress of the movement during the year under review compared with the previous 2 years. The policy of the Department both with regard to the reconstruction of the existing bad societies and the organization of new ones has been laid down in Government order which is quoted in full towards the end of the report. We hope with the Registrar that "if this policy is followed in a proper spirit both by the officers and by non-official workers, it will go a great way towards quickening of life into the movement which at present seems almost extinct."

Progress of the Co-operative Movement in the Baroda State.

S. No.	Item.	1935-36	1936-37	1937-38
1	Number of Societies.	1,111	1,125	1,139
2	Number of members.	50,905	55,037	55,735
		Rs.	Rs.	Rs.
3	Share Capital ...	9,12,160	10,28,677	10,65,850
4	Deposits from members ...	26,07,451	29,38,679	29,36,610
5	Loans and Deposits from non-members.	18,31,455	90,09,685	21,32,882
6	Total working capital.	81,91,486	90,01,962	91,81,038
7	Reserve and other fund ...	13,92,029	15,72,124	16,77,139

We do not take such a pessimistic view of the movement in the state. The Land Mortgage Bank, the principal and interest of whose debentures have been guaranteed by Government, has been doing good work and it is expected some more banks will be started. The Co-operative Central Banks have been doing their bit and the Banking Union of Kodinar about which the Reserve Bank published a special bulletin has kept up its reputation by selling large quantities of cotton belonging to its members and by distributing seedlings of mangoes, cocoanuts, papayas, lemon and plantains to its members. The Registrar's analysis of the causes that have led to the present condition contained in paragraph 22 of the Report is quite correct. But as he points out no financial crisis has come though the position of the average ryot has become considerably worsened.

Shree Sayaji Sahakar Sewak Sangh (Co-operative Institute) of the State has been doing useful work and it has been publishing a *Gram*

Jivan, a monthly Journal in Gujarati dealing with co-operation, agriculture, sanitation, etc. Though overdues have been steadily mounting up during the last decade, yet we are glad to note that steps have been taken by the Department to arrest its growth.

The State also can boast of many societies of different types for non-credit purposes such as those for consolidation of holdings, cotton sale, cattle breeding and milk supply, irrigation, co-operative house building, etc. There are some successful stores in the State and taking all aspects into consideration there is no room for the gloomy tone of Registrar's remarks. With faith in co-operation as the only remedy for the economic evils of the rural population, the Department will do well to go ahead following the combined policy of rectification and consolidation on the one hand and cautious expansion on the other. The programme for the coming year outlined in the Registrar's report in paragraph 72 is based upon the needs of the State and we shall watch with interest the success achieved during the next year in realising the hopes entertained.

S. K. Y.

III

The annual report on the working of co-operative societies in H.E.H. the Nizam's Dominions for Fasli 1346-1347 (7-7-1937 to 6-7-1938).

This is a document recording steady progress achieved in many directions in the working of the Co-operative Movement. The statement given below will show that the number of agricultural societies and of non-agricultural societies increased in numbers causing an appreciable increase in the total number of members and the working capital of the movement. As in our Province there is the Dominion Bank and the Central Co-operative Union which latter seems to have conducted training classes for supervisors and Rural Reconstruction Classes attended by village teachers.

Serial No.	Kind of Societies.	1346 F.			1347 F.			Increase on last year.		
		No. of Societies.	Members.	Working Capital.	No. of Societies.	Members.	Working Capital.	No. of Societies.	Members.	Working Capital.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
				Rs.			Rs.			Rs.
1	Dominion Bank.	1	770	43,10,037	1	871	143,05,274	...	101	...
2	Central Banks.	39	4,420	63,95,687	39	4,506	64,35 935	...	86	40,248
3	Agricultural Societies.	2,546	52,421	81,93,340	2,693	56,561	83,44,735	147	4,140	1,51,395
4	Non-Agricultural Societies.	505	34,103	47,62,368	612	43,800	51,13,925	107	9,697	3,51.557
5	Co-operative Union.	1	2,584	...	1	2,678	...	...	94	...
	Total ...	3,092	94,298	2,36,61,432	3,346	1,08,416	2,41,99,869	254	14,118	5,43,200

The Dominion Bank is getting slowly converted into an Apex Bank owned by Central Banks as the shares owned by individual members are getting slowly transferred to Central Banks.

There seems to be steady flow of money from the Apex to the Central Banks and from them through primary societies to members and back again to the Dominion Bank. We are glad to learn that the proportion of owned capital to the total working capital of agricultural credit societies was 48 per cent. which is highly creditable. The comparatively high percentage of overdue interest is explained by the fact that in the case of most of the older societies repayments made by them were credited to the principal loan amount while interest was recovered only to the extent of the accrued amount which is likely to be at variance with the practice obtaining elswhere. Non-agricultural societies, especially Salary earners' co-operative societies and urban societies did very well and we hope the policy contemplated, viz., that every taluk must have an urban bank of its own will soon be carried out.

Sales societies have not done so well, whereas in our Province they have done exceedingly well. We are glad to note that the Dominion has started a Co-operative Insurance Society of its own and during the year under review, which is the third year, it enrolled 502 new members and accepted 505 proposals assuring a sum of nearly Rs. 5 lakhs. The total number of policies issued during the year is 835 and the sum assured is nearly 9 lakhs. We are also glad to be told that 33⅓ per cent. of the first year's premium of the 87½ per cent. of the renewals are being carried to the life fund. About 30 per cent. of the proposals have come from rural areas which is a promising sign.

As an experimental measure one housing society has been started for Government employees whose salaries range from 50 to 275 rupees a month. The non-availability of suitable plots is the chief cause for the slow progress of this aspect of co-operation.

In conclusion we are glad to be assured that, in spite of the various restrictions put upon the villagers in the matter of borrowing, they have begun to realise the usefulness of co-operative societies and are clamouring to have more of them. We hope with the Registrar that as the movement spreads money-lending and propertied classes will take an interest in the working of village societies which are being registered on limited liability as rural banks. We also hope with him that success of rural banks will in turn tend to promote the development of co-operative marketing and thus there will be an all round progress.

Report on the working of Co-operative Societies in Bihar for the year 1937.

The year under report was certainly a very bad year. There was no doubt a small increase in the number of societies but they were mostly cane growers' co-operative societies. The old credit movement was certainly not functioning satisfactorily.

Official documents like the report of the Registrar generally do not indulge in panicky statements. But when the Registrar's report notes the fact that the fall in deposits of the Central Banks to the extent of Rs. 9 lakhs "is rather disquieting" and adds that "a few years ago the Provincial Co-operative Bank was in a position to get deposits in excess of its requirements at a rate half per cent. less than the rate allowed by their local banks" the impartial reader will note that every thing is not all right with the Co-operative Movement in Bihar. We are glad to be told that steps are being taken to strengthen the position of the Provincial Co-operative Bank and the matter is already receiving the attention of the Government. Recoveries deteriorated. Out of about Rs. 9¾ lakhs due as interest only about a lakh was realised and nearly 8½ lakhs was overdue at the end of the year.

If that be the case with regard to the Provincial Bank the Central Banks have not been faring better. Many Banks were able to collect only below 5 per cent. of principal and the percentage of collections of interest was 14.5. As the Registrar remarks "The gravity of the situation in a bank not being able to collect even full interest from year to year is not sufficiently realised and this is apparently the reason why the banks have been fast deteriorating."

The primary credit societies with unlimited liability were able to collect only 7.8 lakhs of principal and 11.4 lakhs of interest leaving 97 lakhs of principal and 60 lakhs of interest uncollected. "The proportion of interest to principal under the head of total demand is alarming."

But even the darkest cloud has a silver lining and we are glad to see that cane growers' co-operative societies have been doing pretty well.

The Bihar and Orissa Co-operative Federation held the provincial congress under the presidency of Prof. V. J. Kale, M. A., of Poona. It maintained 70 local auditors for the audit of primary societies and 21 assistant and junior auditors for the audit of Central Banks and non-credit societies. The Federation also continued the publication of the Bihar Co-operative Journal and the Hindi magazine "Sahjog."

The Registrar's report contains his scheme of rehabilitation which being an important subject in itself will be dealt with separately.

S. K. Y.

Letters to the Editor.

I

Dear Sir,

I am glad to see that you are going to set apart some pages of the Journal for discussing problems connected with the different sections of co-operative activities.

As a member of a co-operative house building society I should like to place my problem before you to draw the attention of the Government through the pages of the Journal to the great hardship they have caused by a recent circular of theirs.

Co-operative house building societies form a very important branch of co-operative activities in this Province. As was pointed in an editorial of your Journal in the month of December last, houses actually constructed and under construction are estimated to cost over Rs. 80 lakhs and most of these houses have been built with the help of the Government loans granted with facilities for returning the same in easy instalments.

When the War was declared towards the close of last year, all Governments became somewhat panicky and took action in that frame of mind. The Registrar of Co-operative Societies issued a circular towards the end of October intimating all co-operative house building societies that no fresh Government loans would be granted and applications for loans would be considered only if the intending applicant had spent a considerable sum towards the construction of the houses in the hope of getting Government loan. This was like the proverbial bolt from the blue. Many a member of a building society had plans etc. ready for constructing houses and had also his own quota of contribution ready, but because he had not invested a portion already in the purchase of land or in the construction of houses such a member has now been debarred from being eligible to Government loan under emergency circumstances.

We see after six months of war that neither in the fighting front nor in the rest of the world is there anything strikingly decisive except occasional sinking of ships and bombing. Life continues to flow as usual and, so far as our own province is concerned, the Government communique recently issued on the budget for the coming year makes it clear that we certainly are not heading towards any financial crisis. The Sales Tax introduced by the Congress Ministry when in power seems to be like the proverbial *Kamadhenu* and the Government have realised so much out of this (much-maligned tax for which the former Ministry was blamed by both friends and foes alike) that the present Government have thought it fit to reduce it by half.

That being the case may I, as an ordinary member of a co-operative house building society, request you to use your influence with the

Department to see that the old policy of helping poor people to own their own houses by grant of the loan be revived. If for any reason the Government should consider that such a step may not be desirable, may I request the Department through you to see that some other arrangement is made to meet the demand of house building societies for long term loan ?

There is plenty of money in the Movement. As you remarked in your editorial in the January number of your Journal, the Provincial Co-operative Bank is surplusing to such an extent that it has invested nearly 1½ crores of its money in Government securities fetching probably not more than 2 per cent. The insurance societies of the land, both co-operative and otherwise must have huge sums of money at their disposal waiting for long term investment. Would it not be possible for the Department to act as a channal between the building societies requiring long term loans and the big banks and institutions desirous of safe investment for long periods at remunerative rates of interest?

I know there are technical difficulties in the Provincial Bank lending to primary house building societies, but these are after all not of an insurmountable nature and it must be possible for the Department to alter the rules and the bye-laws in such a way as to enable surplusing institutions to invest their excess money in building societies.

That the security offered by houses constructed by members in building societies is a very satisfactory one is seen by the fact that the Government has been pleased to invest lakhs of its amount in this section of the Movement and when they have invested their own money they won't hestitate to advice co-operative institutions to do likewise.

We look forward to a speedy solution of this impasse. It is like there being plenty of water in the reservoir and the neighbouring land being scorched for lack of water. All that is necessary is to connect the tank with the land by means of a channel. We hope there is plenty of engineering talent in the co-operative department to bring the reservoir within the reach of the thirsty land to make the waters useful.

MADRAS,
5th March 1940.

Yours truly,
NARAYANA AIYAR.

II

AN APPEAL.

Sir,

In the course of my tour in about 100 villages in Kulittalai, Musiri and Karur Taluks I have had occasion to meet numerous educated young persons not engaged in doing anything particular, but were apparently waiting in the hope that something is bound to happen in due course which, they, expect will in some unexpected manner solve their problem which, to most of them, is chiefly a problem of their existence.

It has occurred to me often and there seems to be general agreement about it, that, an urgent remedy must be devised to tackle this matter. The general consonance of opinion is that it is essential to mobilise all this youthful energy, that is now stagnant and is running into waste, for the good of the suffering community in villages.

The will and the capacity is there. What is lacking is, the urgent organisation. Leadership there must of course be. Co-operative activity in various fields has helped to organise the economic conditions in many countries. There is immense scope for young men for similar work in our country to-day. Co-operation can be successfully applied in the promotion and marketing of rural crops and hand crafts. Possibilities of achieving rural co-operative credit for the masses have been amply demonstrated even by the fitful experiments of the present administration.

Illiteracy, rural sanitation, exposing exploitation by quacks of various types, organisation for physical health, spreading civic knowledge, tolerance in religion, these and many more call for intelligent work by well guided persons.

I am confident that the young man in villages will and can raise to the situation. In order to husband our resources and before actually taking concrete action by securing the sympathy and co-operation of the existing agencies including the Government Departments, it is necessary to get a clear idea of the extent and nature of the personnel available, their past record, their qualifications, their present activities and their ambitions. When such a list is ready it is proposed to assign to each such work as may be congenial to him and his surroundings and also of immediate benefit to the community among which he lives. Those that are in sympathy with these proposals are requested to furnish the above necessary information and send it to the undersigned as early as possible.

N. V. SWAMINATHAN, B.A.

News and Notes.

At the meeting of the General Body of the Central Co-operative Printing Works, Ltd., that was held on the 28th October '39, Directors were elected. The Special Committee ceased to function from 1st January '40. The election of the Executive Committee from the Board of Management was held on the 6th January 1940. The following constitute the present Board and the first five Executive Committee.

1 Sri V. Venkatachalam, M.A., B.L. (*President*)
2 ,, S. S. Sankara Mudaliar, B.A., B.L. (*Vice-President*)
3 ,, R. Suryanarayana Rao B.A.
4 Rao Sahib Sri M. J. Venkatakrishna Pillai, B.A.
5 Sri T. Raghavendra, Rao.
} *Members of the Executive Committee.*
6 ,, S. K. Yegnanarayana Iyer, M.A.
7 ,, G. K. Duraisami Chettiar.
8 ,, T. Balasundara Mudaliar.
9 ,, V. Viyyanna, B.A., B.L.
10 ,, H. F. Kapadia.

* * *

A refresher course for the supervisors of the Tinnevelly district was held on the 2nd and 3rd of February last in the premises of the District Co-operative Central Bank, Ltd. The conference was opened by the Deputy Registrar of Co-operative Societies, Tinnevelly, and in doing so he observed " It is the supervisors who come in contact with the simple, poor agriculturists more than any body else and are in intimate touch with their joys and sorrows and their needs and aspirations. They are their guides, philosophers and friends who shape their views and conduct. They should realise the dignity of labour and do everything that is in their power to help them."

Mr. R. V. Chockalingam Pillai, Vice-President of the Bank who also spoke on the occasion said that he was making arrangements for starting a circulating library in order to make the supervisors up-to-date in their knowledge and make co-operation a living force among the rural co-operators.

* * *

The Chingleput District Co-operative Non-Official Employees' Association has been formed for the benefit of the co-operative non-official employees of the district. At the General Body meeting held on 22-1-1940, influential members like Mr. R. A. Shanmugavelu, B.A., (Hons.) and Mr. P.G. Nathamuni and others have been elected as office-bearers of the Association. Sri S. Rangaswami Iyengar, has been appointed as Hon. Auditor. It was resolved by the General Body to affiliate the Association to the Provincial Association.

* * *

It is reported that the Punjab Government are examining the draft of a Bill which is intended to improve the working of the co-operative credit societies in the province. The said Bill has been scrutinised by a specially appointed Committee of Deputy Registrars and by a special Sub-Committee of the Punjab Co-operative Union.

A General Body Meeting and a Board Meeting of the Madras District Co-operative Labour Society, Ltd., were held on the 18th February, 1940. The total number of members on the rolls on 18-2-1940 was 166 (153 labourers and 13 helpers). The following were elected Directors & Office-Bearers for 3 years :—

1. Mr. M. Venkataramayya, B.A., B.L. (*President*) } Subject to the
2. Rao Sahib K. Kylasam Iyer (*Vice-President*) } approval of the Registrar of C.S.
3. Mr. A. Balasundara Naicker (*Secretary*)
4. „ N. E. Jambulinga Nayagar, A.I.I.A.
5. „ V. Manicka Moodaliar
6. Dr. M. E. Doraisamy, L.M. & S.
7. Mr. D. John } *Labour members*
8. „ Margabandu Moodaliar }
9. „ M. Doraisamy Naicker }

Honorary Technical Advisers.

1. Mr. K. Srinivasa Iyengar, B.A., B.E.
2. „ N. E. Jambulinga Nayagar, A.I.I.A.

Honorary Legal Adviser.

Mr. Sarangaraja Iyengar, B.A., B.L.

* * *

The Hon'ble Sri V. Ramadas Pantulu, President of the Madras Provincial Co-operative Union and the All-India Co-operative Institutes' Association, paid a visit to Howrah on 28-9-'39 and inspected the Guard of Honour presented at the station by the members of the Co-operative Service Corps under the leadership of Mr. Amalendu Kar, Special Officer in charge of the corps. Mr. Pantulu expressed satisfaction at the working of the Calcutta Milk Societies' Union and congratulated Mr. M. W. Zaman, Deputy Chairman of the Union and other Directors present on the efficient management of the Institution. In doing so he declared that the Union was "the largest Milk Supply Society in India and deservedly enjoyed an all-India reputation." At the Bengal Co-operative Insurance Society, which he later visited, he discussed with Khan Bahadur Abdur Rahman, Deputy Chairman of the Society and other Directors on the desirability of amalgamating the three Provincial Co-operative Insurance Societies at Madras, Bengal, and Bombay.

Mr. Pantulu appreciated the spirit of fellowship and co-operation noticed in Bengal amongst co-operators, both official and non-official, in the pursuit of their ideals. He evinced great interest in the folk songs that Mr. Abbas Uddin Ahmed, the reputed singer of Bengal, sang for him.

Visiting the Lady Abala Bose's Women's Co-operative Industrial Home and the Dumdum Co-operative Training Institute, he eulogised the great services of Lady Abala Bose in the realm of women's co-operation.

At the usual triennial election of the South India Co-operative Insurance Society, Madras, held on the 25th of February last the following persons were elected as Directors.

M. R. Ry. The Hon'ble Mr. V. Ramadas Pantulu Garu, B.A., B.L. (Member, Council of State)—President. (Nominated by M. P. C. B as per the By-laws of the Society.)

„ T. A. Ramalingam Chettiar Avl., B.A., B.L., M.L.C., (P. C. U. Representative.)

„ S. K. Yegnanararayana Iyer Avl., M.A. (Original Signatory.)

„ V. Viyyanna Pantulu Garu, B.A., B.L.

„ Dr. M. Krishnamurthy, M.B.B.S., B.S.SC.

„ D. Bhimiah Chetty, Merchant of Hindupur and President of the Hindupur Town Bank, Ltd.

„ P. S. Kumaraswamy Rajah, M.L.A.

„ Dr. P. Gurumurthy.

„ Dr. P. J. Thomas.

We hope that with the newly formed influential directorate and with Mr. V. Venkatachalam, M.A., B.L., as the Secretary of the Society the Institution will grow from strength to strength in the years to come.

* * *

Inaugurating the Trichi Urban Co-operative Stores at Trichinopoly on 31-1-1940 Dr. T. S. S. Rajan said that the present was the most opportune time for starting such co-operative enterprises as these because non-credit activities had developed and as there was a change in the co-operative methods as a whole in the Presidency. Proceeding further he observed that the whole village life in the past was a co-operative endeavour; workers received in kind and the village republic was a success. Khadder, he said, was a great co-operative effort in rural India though the Government Co-operative Department had no hand in it. Rao Sahib G. P. Venkataram Sastrigal, Retired Deputy Registrar of Co-operative Societies also spoke on the occasion on "Consumers' Societies."

* * *

Khan Bahadur Javad Hussain, Collector, Chittoor had the pleasure of declaring open a conference of the co-operative inspectors in the District on the 1st of February last. While doing so he appreciated the work turned out by the Department and appealed to the co-operators present not to slacken their interest in such a service as serving the public. The Ag. Deputy Registrar, Chittoor, who next spoke said that after the advent of Prohibition, out of the total number of 405 co-operative societies formed, 51 were only for promoting thirft among the ex-addicts.

* * *

Mrs. Vijay Laxmi Pandit performed recently the pleasant function of inaugurating the first model village in the district of Allahabad, United Provinces, at Kathauli. In this connection a baby show and a spinning demonstration were organised. Two merino rams were presented to the model village for improved sheep breeding.

* * *

In the course of a lecture delivered on the 12th February last on "Cottage Industries for the Agriculturists" Mr. K. Raghavachari, Assistant Director of Agriculture, Cuddapah observed: "Given the proper training and education, it must be possible for the agriculturist to employ himself in the agricultural industry throughout the year and increase his income". Describing the conditions of the Indian Agriculturist, he remarked that in many cases there were "no cottages even for a cottage industry." The lecturer made a suggestion that it was possible to employ the agriculturist in building good and sanitary houses with the materials available locally.

* * *

It is pleasing to note that the Sind Assembly passed into law the Agriculturists' Debt Relief Bill. The Bill was introduced and referred to the Select Committee on February 6th and was passed into law on the 12th February, within a week after the introduction.

* * *

Mr. A. F. W. Dixon had, it is learnt, issued a circular, requesting the Village Uplift Sanghams to do propaganda to promote Thrift, which states "of the 1,412 sanghams, leaving a wide margin, it should be possible for at least 1,000 to persuade at least 20 members each to take to thrift habit. If each person were to deposit a rupee a month, the collections would come to not less than Rs. 20,000".

* * *

The Silver Jubilee of the Ozhalur village Co-operative Society was celebrated on 11-2-1940 and Mr. B. S. Baindoor presided over the occasion. Mr. A. Muthukumaraswami Mudaliar who presented the Society's Silver Jubilee report explained how Ozhalur, which was selected as a model village for rural uplift, had now decent roads, a clock-tower, a well, a radio, etc.

* * *

Presiding over the Harur Taluq Ryots' Conference held at Papireddipatti recently, Rao Saheb T. M. Chinnayya Pillai, President, Salem District Urban Bank, Ltd., outlined the progress of co-operation and rural uplift in Salem district and made an appeal to the peasants to cultivate the habit of thirft and thus take advantage of the sales society which is going to be shortly opened in the Taluq.

* * *

The foundation stone of the Dindigul North Urban Co-operative Bank was laid by Sri. S. A. Venkataraman, Registrar of Co-operative Societies on the 18th February last. While doing so he congratulated Mr. K. Kuppuswami Ayyar, M. L. A., former President of the Bank on the successful working of the institution.

Mr. S. A. Venkataraman, Registrar of Co-operative Societies, presided over the annual meeting of the Chidambaram Co-operative Paddy Sale Society. In doing so he said that he was not in favour of a society with multi-purpose activities and he thought that a paddy loan and sale society should confine its activities to crop finance. The primary societies, he felt, could do the supervision work very well and when the harvesting of the crops had been over crop-loans of the primary society could be converted into their Society loans. The Registrar suggested to the Society to take up co-operative marketing also. Loan and sale societies, he further observed, should transact their business on commission basis and not purchase the commodities outright and thus taking the risk. In conclusion, he stated that insurance of paddy should not at all be felt as a burden.

* * *

It is proposed by the Government of Madras to start a colonisation scheme very soon. The six hundred and odd acres of fertile land available in Karuvakkurichi and Thalaikottai villages in Mannargudi Taluq, Tanjore district, will be made use of for this purpose. The extent of each holding will be limited to two to three acres. The scheme will be carried out on a co-operative basis.

* * *

"The co-operative movement stands for the principle 'each for all and all for each' and so does the labour movement. Therefore Trade Unionists can be good co-operators." Thus observed Mr. V. V. Giri, declaring open the Co-operative Stores for the Madura Mills' labourers. Referring to the co-operative housing scheme started there last year Mr. Giri expressed a desire that every worker should have the benefits of co-operative housing with co-operative gardening and co-operative farming also, if possible.

* * *

In the programme of works drawn up in connection with rural development in Mysore by the Department of Industries and Commerce, manufacture of glue, button, artistic inlay work and coir industry are included as the cottage industries. It is said that an officer has also been deputed to Malabar to study the working of the coir industry. Channapatna has been selected for carrying on this industry.

Within seven miles of Huddersfield Town Hall are to be found the shops and offices of the 35 retail societies in the Huddersfield district of the Co-operative Union. Huddersfield Industrial Society alone has over 35,000 members out of the district total of nearly 80,000 and handles about two-fifths of the district trade total of £2,500,000. Among the remaining 34 units, 17 have less than 1,000 members each, 12 between 1,000 and 2,000 members, and five are in the 2,000 to 5,000 membership group.

No detached observer of the co-operative scene in Huddersfield can fail to realise the waste and inefficiency arising from the present separatism.

There is only one rational long-term policy for co-operative concentration in Huddersfield—the consolidation of the 35 seperate units into a single regional society.

War needs call for magnificent effort. Huddersfield co-operators have a unique opportunity to end their internecine struggle and fit their movement to take a comprehensive part in the controlled war economy rapidly growing around them. Are they ready for unity now?

(From Co-op. News.)

Extract.

BIOGRAPHICAL SKETCH OF THE LIFE OF SIR D. HAMILTON.

Sir Daniel Mackinnon Hamilton was born in December, 1860, at Helensburg, Scotland. When he was 20, he came out to India where he soon found employment in a Calcutta business. Working hard, saving money and studying trading conditions in India and the markets for its exports, he started a business of his own a few years later. This, as Mackinnon, Mackenzie and Co., with headquarters in Calcutta, eventually became one of the largest European general merchandize firms in India.

In 1904 Lord Curzon, the then Viceroy, appointed Mr. Hamilton as an additional member of his Council. Next year Mr. Hamilton took part in the official welcome to the Prince and Princess of Wales (afterwards King George V and Queen Mary) on their tour of India. In 1906 he was Knighted.

The Gosaba Institute.

Sir Daniel established in 1932 the Gosaba Institute, a "Co-operative Commonwealth," in the Sunderbans, 50 miles from Calcutta. It involved the reclamation of 1,000 acres of waste land, and aimed at making BHADROLOG young men of Bengal self-supporting in matters of food supply, clothing, education and medical aid.

The "Commonwealth" has its stores, a zemindary kutchery, a central bank, rice mills, a Rural Reconstruction Institute, a school, an agricultural farm and weaving factory, all founded on the co-operative principle.

Among interesting souvenirs placed in the foundation-stone of the institute were two bricks with the Livingstone message, "Be Honest" with a card bearing a similar message from Mr. Gandhi.

The bricks formed part of a church, lately burned down, at Ongar in Essex where Livingstone as a young man preached his first sermon. The story of the bricks and Mr. Gandhi's card was related by Sir Daniel Hamilton in his address at the ceremony of laying the foundation stone.

"About two years ago," said Sir Daniel, "I wrote a letter to Mr. Gandhi giving him some excellent advice which, however, he did not take. At the end of my letter I asked him if he would do me favour by signing one hundred cards with his message to Congress 'Be Honest' which I would give to a hundred young men entering the co-operative department of Government. Mr. Gandhi said he would gladly do so, but suggested that the message should be in Bengali or Hindi rather than in English."

"I had asked Mr. Gandhi to sign one hundred cards only; but, being Scottish, I thought I might get him to do something more, so I had three hundred cards printed which I sent up to him at Allahabad last cold whether. Mr. Gandhi proved to be three times better than his word, for he signed the

three hundred cards, straight away, and kept Congress waiting while he signed them; and I hope he will live to sign many more of these nation-building cards."

Sir John Anderson, then Governor of Bengal, visited the Institute in 1937.

His Economics.

Sir Daniel had no patience with the currency policy of the Government of India. He considered that many crores of rupees were being locked up in the currency reserve which ought to have been taken out and used as the basis of a mightier credit structure than had ever been dreamt of by any Finance Minister.

He conducted an interesting experiment by circulating one-rupee notes within his own estate at Gosaba.

On retiring from business he returned to Scotland where he had acquired an estate in Ross-shire. Every year Sir Daniel revisited India to watch the progress of his institute at Gosaba. Before doing so in 1936 he planned a similar scheme on his estate. He gave a castle to be used as a centre for training young people to become self-supporting by growing their own food, weaving their clothing and building cottage homes.

Sir Daniel never regarded India merely as a place to make money in and get out of as quickly as possible. India to him was a country to love and be grateful to. In his later years he took pains to learn to write Bengali. The Indians, wrote one who knew him, were his brothers to be helped in every possible way, especially where agriculture was concerned. Madras owed to him its agricultural banks, Bengal owed to him the settlement of Gosaba in the Sunderbuns.

Gosaba Co-operative Conference.

He was present at the Co-operative Conference held at Gosaba on the 5th and the 6th February last year and in the course of an interesting address declared: "If Co-operation is the best hope of rural India, so is it also the best hope of industrial India; for co-operative finance can be applied to manufactures as well as to agriculture; and the workers in the mill can become owners of the mill, and capital and Labour become one. Strikes then go, peace comes, and a new spirit turns the lines that the jute growing and manufacturing problems of Bengal will ultimately be solved."

(Reprinted from the Bengal Co-operative Journal Vol. XXV No. 2.)

REGISTRAR'S REMARKS ON THE URBAN BANKS.

Urban banks are, in general, working well; their membership is large and their transactions are heavy. They earn sufficient profits to maintain a well-paid and qualified staff. There are, however, one or two points in connexion with their working to which I should like to draw attention. Though a large membership is a source of strength to the banks, yet in many cases the membership is so unwieldy that it is impossible for the general body to transact any serious business at a meeting. A case in point is the Madras and Southern Mahratta Railway Employees' Co-operative Bank the jurisdiction of which extends beyond one province, and whose membership exceeds twenty-thousand. There are certain functions of the general body, such as amendments to by-laws, which cannot be delegated to the Board of Directors.

It is necessary that a body more representative than the Board of Directors but smaller than the full general body should be constituted with powers to transact business on behalf of the general body. On my recommendation, the Government have, after the close of the year, framed a rule under the Madras Co-operative Societies Act empowering the Registrar to permit societies to amend their by-laws by such smaller bodies representing the society as may be prescribed in the rules or by-laws. Passing amendments to by-laws is not the only important function of the general body, there are other matters equally important, such as the election of directors. It is desirable that provision should be made for constituting a smaller general body to which the full general body may delegate all or any of its powers. I have suggested to Government necessary amendments to the Madras Co-operative Societies Act to secure this end.

One obstacle in the way of the greater progress of some of the urban banks is the unhealthy competition among the members to capture during elections places of position in the banks. Instances are not wanting where, just before the elections, the directors in office enlist as members as many persons as possible who would support them in the elections, at the same time refusing admission to others who, they fear, will not vote for them. While the Board of Directors of a society is within its rights when it refuses admission to certain persons, I am afraid that this right is sometimes abused to further party ends. It is not possible to check these tendencies by any provisions in the rules or by-laws. The evil, will diminish only with the increasing education of the members in the true principles of co-operation. I would only appeal to the good sense of co-operators to set their face, against such practises and would ask them to devote their attention to the many useful directions in which the activities of urban banks may expand. For example, a good deal remains to be done in popularizing loans on the security of gold and silver jewels. One of the best means of providing quick credit through co-operative societies for men of limited means is to advance small loans on the security of gold and silver. These loans can be disbursed quickly whenever the members want them, and if the jewels are valued with care, there need be no fear of any loss to the banks. Joint-stock banks and Marwari sowcars are doing a very large business in this line, and there is no reason why urban banks, too, should not do it. Another direction in which urban banks can do useful service is in encouraging thrift among the urban population. Far too much attention is now paid by banks to the issue and recovery of loans, while practically nothing is done to encourage thrift. It is often forgotten that thrift is one of the basic principles of co-operation, and the success of a co-operative institution, particularly an urban society, must be judged not only by the volume of its loan transactions but by the extent to which it has encouraged the habit and practice of thrift among its members and made their position economically better. It should be the endeavour of urban banks to see that every member who has a daily income saves at least a small amount every day. During my recent tour in the Chittoor district I had occasion to observe the 'day deposit scheme' in one of the banks there, and the benefit it has conferred on its members. Under this system each member makes a deposit every day of a fixed sum of As. 4, As. 8 or Re. 1 or a multiple of it. These deposits are, on maturity, either refunded to him or adjusted towards the loans if any, due from him. It is easy to introduce this scheme among the urban wage earners, artisans, petty traders, etc., who have a daily income. I have recently taken steps to introduce this system in all districts and shall watch the results.

Circular.

D. 940/40-C.

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES,
Madras, Dated 18-2-940.

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

CIRCULAR.

Sub :—Non-credit activities—Linking of primary societies with co-operative Stores.

The Registrar considers that one of the main reasons for the overdues in rural credit societies is the tendency on the part of members to spend the money borrowed from societies for purposes other than those for which it has been obtained. It is true that members specify the purpose of the loans in their loan applications, but very often a great part of the loan is missed and wasted on unproductive purposes. To check this habit, it has been suggested that loans should be disbursed as far as possible in kind by linking the village societies with the co-operative stores working in the neighbourhood and the agricultural depots. The object of the scheme is to supply the requirements of members such as provisions, clothing, etc., from co-operative stores and their agricultural requirements from the nearest agricultural depot maintained by the Department of Agriculture. A beginning in this direction has been made in the Madura District; the essential details of the scheme are as follows :—

"..........Societies have been advised to ascertain clearly and in detail the needs of members regarding provisions and clothing, agricultural requirements such as seeds and manure and also the kist payable by them and furnish the particulars in the loan applications. On receipt of the loan applications through the unions with their recommendations, the Central Bank scrutinies them and issues "cheques" instead of money to the extent to which they require provisions etc., and disburses in the shape of money for other purposes. The kist payable by the members will be paid by the bank direct. The members present these "cheques" which are of the denomination of Re. 1 each at the nearest stores or agricultural depots. In exchange for this the members obtain provisions from the stores and seed, manure and implements from the agricultural depots. The money value of the "cheques" will be paid by the Central Bank when presented. The members will be informed of the stores at which they can present the "cheques" and on the body of the "cheque" itself the name of the stores is noted. The "cheque" is not negotiable............"

2. The Registrar commends the scheme for adoption in other districts. To get over the technical difficulty that sales by co-operative stores to members of credit societies will amount to sale to non-members, the stores may

admit the credit societies concerned as members. Even under by-law 39 of stores societies, it can sell articles to co-operative societies with the sanction of the Registrar.

3. The agricultural requirements stocked in the agricultural depots are sold only for cash and the officers in charge of these depots may in some cases decline to accept the "cheques" issued by the Central Bank. In such cases, the Central Bank may remit the cost of the agricultural requirements in cash to the depots instead of issuing cheques and advise them to deliver the articles to the co-operative societies concerned which will distribute them to their members.

4. The successful working of the scheme depends on the formation of co-operative stores in the several centres in the District and upon the ability of the Co-operative stores to supply the needs of all their members. Deputy Registrars should, therefore, take steps to bring into existence co-operative stores at suitable centres. The scheme, if properly worked, will ensure the proper utilisation of the loans and will help the members of rural societies to get their domestic requirements at reasonable prices.

5. A copy of the "cheque" in use in Madura referred to above, is enclosed. "Cheques" of the same size may be used in the other districts also.

6. A report should be submitted once in two months before the 10th of the third month on the progress made in the introduction of the scheme. The first report for the months of January and February should be submitted on 10-3-1940.

(By Order)

G. CHANDRASEKHARAN,
Manager.

Copy of the "Cheque."

M. R. C. C. Bank Ltd.
No. 8.

Issued to
Mr.........................
....
...............Society.
Secy.

To
....
.... Co-op. Stores
..............194 .

The Madura Ramnad Central Co-operative Bank Ltd., Madura.

No. 8. A. 975. ....194 .

Please deliver goods to the value of one rupee only.

To
Mr...
....................Co-operative Society

For the Madura Ramnad Central Co-op. Bank Ltd., Madura.

To
Co-operative Stores.

Secretary.

List of Societies Registered in February 1940.

Serial No.	Name of the Society.	District.
1	The Chicacole Co-operative Stores, Ltd. ...	Vizagapatam
2	The Narasapatam Board High School Students' Co-operative Stores, Ltd.	"
3	The Kongaram Co-operative Society	"
4	The Pedapadam " "	"
5	The Kothuru " "	"
6	The Parvatipur Board High School Students' Co-operative Stores, Ltd.	"
7	The Vizianagaram Municipal Middle School Students' Co-operative Stores, Ltd.	"
8	The Tekkali Co-operative Stores, Ltd.	"
9	The Mandasa High School Students' Co-operative Stores, Ltd.	"
10	The Dubacherla Co-operative Credit Sociey ...	W. Godavari
11	The Kothapeta Board High School Students' Co-operative Stores, Ltd.	E. Godavari
12	The Pasalapudi Co-operative Ghee Supply Society, Ltd.	"
13	The Ramaraopeta Co-operative Stores, Ltd. ...	"
14	The Peddapuram Co-operative Urban Bank, Ltd. ...	"
15	The Anthervedipalem Thurupugunta Field Labourers' Co-operative Credit Society	"
16	The Kuyyeru Co-operative Credit Society ...	"
17	The Doddavaram Co-operative Credit Society ...	"
18	The Mandapeta Co-operative Stores, Ltd. ...	"
19	The Rajahmundry Municipal High School Students' Stores, Ltd.	"
20	The Bandar Co-operative Stores, Ltd.	Krishna
21	The Mopparru Co-operative Credit Society ...	Guntur
22	The Uppalapadu Sri Nageswara Co-operative Credit Society	"
23	The Devarampadu Cattle Breeding Co-operative Society, Ltd.	"
24	The Konur Co-operative Credit Society ...	"
25	The Chiluvur " " " ...	"
26	The Chigurupadu " " " ...	"
27	The Vinjanampadu Co-operative Credit Society ...	"
28	The Kondepadu " " " ...	"
29	The Alapadu " " " ...	"
30	The Machavaram " " " ...	Nellore
31	The Siddeswarapuram " " " ...	"
32	The Madanapallee Board High School Students' Co-operative Stores, Ltd.	Chittoor

other things, because these are things we most need and which we shall have the best chance of selling in our stores. We must sell these first because we must have trade to be successful; but when we have been going a little time, we will start selling calicoes, dresses, boots and other similar things; and as trade increases we will set our members to work milling the flour that we sell, weaving the Calico and the flannel that we sell, and we will find work for our daughters and sisters in making the dresses and hats that we sell.

11. *Productive activities thought of.* In time we shall begin to make and sell other things which our members need, so that there will come a day when we shall be able to find work for most of our members and their families. We shall then be able to find them more regular work and pay better wages than they get now. There will be no sweating in our factories and workshops and there will be no cruel treatment from cruel masters. After we have gone so far successfully and saved a little money by our co-operative trading we will go in for buying land so that we can grow some of the food we need, and thus we will find work for more of our members; and we will build houses which will be better ones than those we have to live in now, and the bricklayers and joiners we employ will be members of our own society.

12. *Co-operative Workers' Community.* In these ways we shall gradually establish a community or a group of people living entirely upon co-operative lines. They will be people who recognise that it is a good thing to work together for common good; they will be kind and helpful to one another and through their factories and shops they will be able to make and sell useful things of a good quality at a reasonable price and still pay everybody a good wage. Our Co-operative Society will find work for everybody and no body will have to work too hard. Yet everybody will have wage. Then there will not be many private land lords to take big rents from members of the Society or private factory owners making big profits out of them by keeping wages down or private shopkeepers trying to sell goods of bad quality and at high prices. By practising co-operation and mutual aid the members of the society will learn to do things for themselves; they will appoint some of their own members to manage their farms, factories and shops and thus displace to a large extent *the private landlord, the private employer* and *the private shopkeeper* who make poor people poorer by higher rents, low wages and high prices.

"I quite agree with what was said about ignorance being our enemy" he continued, "but I have a plan to meet that difficulty. I suggest that every time we reckon up our accounts and ascertain profits *we should set aside a portion of these profits and use it for education.* We will engage teachers who will see to it that neither we nor our children will be kept back by ignorance."

13. *Final Decision.* These proposals seemed so simple and yet so sound that everybody agreed that the difficulties that had been raised had been more than met. It was therefore decided that a society should be formed.

14. *Collection of means.* If such a society is to be started money must be forthcoming. The subscription list was handed down. A dozen of these Lilliputian Capitalists put down a weekly subscription of 2d. each which these Rochdale Rothchilds did not know how to pay. These two pences must be collected with great activity. The difficulty in all poor people's movement is the collection of means. The collection of 40 subscriptions would have involved a journey of 20 miles. The Equitable Pioneers were 40 in number living in various parts of the town; only a man with the devotion of a missionary could undertake the task of collection. Some undertook it, and be it said to their honour, performed what they undertook. Three collectors were appointed who visited the members at their residences every Sunday, the town being divided into 3 districts for the purpose. At length a formidable sum of £28 was collected and accumulated and with this capital the new moral world of theirs was to be commenced.

15. *Registration.* On the 24th of October 1844 the Society was registered under the name of "*The Rochdale Equitable Pioneers.*"

16. *Their aims were.* 1. The establishment of a Store for the sale of provisions, clothing, etc.

2. The building, purchasing and erecting of a number of houses in which those members who are desirous of assisting each other in improving their domestic and social conditions may reside.

3. To commence the manufacture of such articles as the society may determine upon for the employment of such members as may be without employment or who may be suffering in consequence of repeated reductions of their wages.

4. As a further benefit and security of the members, the Society shall purchase or rent an estate of land which shall be

Serial No.	Name of the Society.	District.
33	The Hindupur Co-operative Stores	Anantapur
34	The Dharmapuram Dharmamba Co-operative Stores.	,,
35	The Pachaiyappas College Students' Co-operative Stores, Ltd.	Madras
36	The Government Training School Students' Co-operative Stores, Ltd.	Chingleput
37	The Ponneri Board High School Stores, Ltd. ...	,,
38	The Periavarigam Co-operative Jaggery Society ...	N. Arcot
39	The China Ichambattu Co-operative Jaggery Society...	,,
40	The Gudiyattam Taluk ,, ,, ,, ...	,,
41	The North Arcot District ,, ,, ,, ...	,,
42	The Anikaranchatram Mat Weavers' Co-operative Sale Society, Ltd.	Tanjore
43	The Uthamapalayam Co-operative Stores, Ltd. ...	Madura
44	The American College Co-operative Stores, Ltd. ...	,,
45	The Rajapalayam Co-operative Consolidation of Holdings Society	Ramnad
46	The Sattur Co-operative Stores	,,
47	The Harvey Mills Employees' Co-operative Stores Ltd.	Tinnevelly
48	The Inam Veerapatti Co-operative Credit Society ...	,,
49	The Tinnevelly Women Government Training School Students' Co-operative Stores, Ltd.	,, ,,
50	The Kadayanallur Board High School Students' Co-operative Stores	,,
51	The Kasthurirengapuram Co-operative Credit Society.	,,
52	The Udangudi Co-operative Stores, Ltd. ...	,,
53	The Tenkasi Co-operative Stores, Ltd. ...	,,
54	The Coimbatore Murugan Mills' Co-operative Stores, Ltd.	Coimbatore
55	The Hubbathalai Board High School Co-operative Stores, Ltd.	,,
56	The South Kanara Cottage Industries' Co-operative Society, Ltd.	S. Kanara
57	The Puttur Co-operative Stores, Ltd.	,,
58	The Karkal ,, ,, ,, ...	,,

CIRCULAR

List of Societies Cancelled in February 1940.

S. No.	Name of the Society.	District	Date of cancellation.
1	The Konganapadu Co-op. Society ...	Kurnool ...	30-1-40
2	The Bhuvanagiri Co-op. Society ...	South Arcot ...	3-2-40
3	The P. Settihalli Co-op. Society ...	Salem ...	3-2-40
4	The Nimmakayalakothapalle Agnikula Kshtriya Co-op. Society ...	East Godavary ...	3-2-40
5	The Surappagudem Co-op. Society ...	West Godavari...	3-2-40
6	The Nellikuppam Sugarcane Growers' Co-operative Society ...	South Arcot ...	5-2-40
7	The Karthanaparthi Co-op. Society ...	Anantapur ...	6-2-40
8	The Gudipadu Adi-Andhra Co-op. Society	Kurnool ...	6-2-40
9	The Dugguduru Co-op. Society ...	East Godavari ...	10-2-40
10	The Subauppalavadi Co-op. Society ...	South Arcot ...	12-2-40
11	The Peddapur Weavers' Co-op. Society.	East Godavari ...	13-3-40
12	The Panemangalore Gowd Saraswathi Brahmins' Co-op. Building Society.	South Kanara ...	13-2-40
13	The Kogalisamath Kodihalli Co-op. Society	Bellary ...	15-2-40
14	The Nuthimadugu Co-op. Society ...	Anantapur ...	17-2-40
15	The Beerepalli Co-operative Society ...	,, ...	18-2-40
16	The Kannapalayam Co-op. Milk Supply Society	Chingleput ...	23-2-40
17	The Sennerikuppam Co-op. Milk Supply Society	,, ...	23-2-40
18	The Valasapalle Co-operative Society.	Cuddapah ...	23-2-40
19	The Mangudi C.M.S. Co-op. Society ...	Tinnevelly ...	23-2-40
20	The Kurinjakulam Adi-Dravida Co-op. Society	,, ...	28-2-40
21	The Shiyali Sugarcane Growers' Co-op. Society	Tanjore ...	29-2-40