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Editorial Notes.

Cottage Industries.

Elsewhere we have reproduced extracts from the annual report of the Director of Industries and Commerce dealing with the development and possibilities of cottage industries in this province. Their importance as a main occupation or a subsidiary to supplement the meagre income from other sources such as agriculture, is recognised by every one. How best to organise them on co-operative lines so that the middlemen may be eliminated and the workers themselves secure the utmost benefit has always engaged the attention of workers. Often the problems involved in their organisation have baffled solution and have left the workers in despair. But that their development on sound lines is possible if strenuous and sustained efforts are made will be evident to all who have studied the growth of small-scale industries in Japan and of the recent development of the Chinese Industrial Co-operatives. Only an organised effort must be made. In this connection we reiterate our support to the recommendation of the Committee on Co-operation for the formation of a Provincial Industrial Society to organise, administer and finance the production of cottage industries and market their finished goods. Appointment of more regional special officers for development of cottage industries may be necessary so that they may give their whole time and energy for that purpose only. The Departments of Industries and Co-operation should heartily combine in the organisation and working of these industrial co-operatives as they are doing in regard to handloom industry. The Government should also give preference to the finished products of these organisations in making purchases for their requirements. They should give liberal aid to District Museums and sale depots organised for the purpose of popularising the products of cottage industries and place them on a stable basis without making them depend for support on subscriptions, often an uncertain source of income. It is in the interests of Government as well to accord support in all possible ways, as thereby they will ensure some income at least to certain sections of the population in times of scarcity.

Drink More Milk.

The Report on the Marketing of Milk in India and Burma just issued by the Imperial Council of Agricultural Research of the Government of India reveals a state of things which can by no means be considered satisfactory. The average daily consumption of milk in India per head of population is about 6.6 oz. while the per capita consumption per day is 56.8 oz. in Canada, 55.6 oz. in New Zealand, 49.2 oz. in Switzerland, 45.4 oz. in Finland and 40.7 oz. in Great Britain. In India itself the average daily consumption differs from tract to tract according to production of milk and density of population. It is stated that Sind stands first in regard to consumption, with 22 oz. per head per day, followed by the Punjab with 19.7 oz. Assam shows the lowest average with 1.2 oz. per day. It may also be noted that in view of the greater earning capacity and the purchasing power enjoyed by the urban population the consumption in cities and towns is about 12.6 oz. per head per day. Even here the labouring classes consume little or no milk or milk products. One other interesting fact disclosed by the Report is that while consumption of milk had increased in other countries due to the keen interest evinced by the State which has assisted in the planning and development of the dairy industry, there has been no organised attempt even to increase the number of milch cattle to keep pace with the growth of population and thereby assure the necessary supply of milk to prevent further decrease in consumption. The Agricultural Marketing Adviser feels there is scope for increasing production by about 50 per

cent even by proper feeding and management of the existing cattle. Efforts should also be directed to increase the cattle wealth. In this connection we would invite the attention of our readers to the chart on India's Cattle Wealth, which we published in the March issue of the Journal with some extracts from Dr. Norman Wright's Report, through the kind courtesy of the *Hindu*. It is needless to emphasise the need not only to improve the quality of the cattle but also to increase the number, especially as cattle labour continues to play an increasing part in the agricultural economy and the "potential value of cattle as a means of raising the level of fertility of the soil and thus increasing the output of both cash and food crops, is incalculable."

Co-operation can play a leading part in bringing about this desired result. The societies can by precept and example induce its members to improve the breed by maintaining stud bulls, by encouraging loans for the purchase of better cattle, by providing for the sale of milk and milk products, by arranging for joint purchase of feeding-stuffs and in other ways. Already in this province, thanks to the enthusiasm and earnestness of the Registrar of Co-operative Societies and his devoted assistants, much has been done for the organisation and successful working of the Co-operative Milk Supply Unions. Wherever they have been started, they have to some extent solved the problem of milk supply in urban areas. Further reduction in the prices and thereby the prospect of increased consumption are possible if greater facilities for transport from the interior to towns and cities are provided and freight charges are lowered.

How best to increase consumption of milk in rural areas, which is at present very low, is also another problem for consideration. "Drink more milk" campaign should be organised emphasising the importance of milk in sufficient quantity as an integral part of the people's diet. Co-operative institutions by careful planning and with proper guidance can do a great deal in making the people what we may call "milk-minded." At the same time they should assist in increasing the supply for which such propaganda may create the demand. They should utilise the services of the Dairy Expert attached to the office of the Registrar of Co-operative Societies whose ready assistance is always available in solving problems relating to milk trade.

Another suggestion which we may venture to offer is that the Education Department can make useful contribution for making people 'milk-minded' by providing lessons in schools on the importance of milk as an article of daily food, the maintenance and proper care of cattle, the need for observing reasonable cleanliness in production and other allied topics. It has been suggested in certain quarters that every village school should keep a cow to enable the pupils to obtain a just and proper appreciation of milk and milk products. How far this suggestion is feasible and practicable, is a matter for the authorities concerned. However, we feel every Training School for teachers can maintain cattle and afford instruction to the teacher pupils so that they may pass on their knowledge to the pupils committed to their care.

Rehabilitation of the Movement in Orissa.

It may be remembered that as a necessary step for the rehabilitation of the Movement, based probably on the recommendation of the Deivasikhamani Mudaliar Report, the Government of Orissa announced their intention in June 1939, to establish a Provincial Co-operative Bank to be financed by Government either directly or by guaranteeing loans from an outside source. Nothing was heard of the project since then. But recently a *communique* has been issued in which the Government announce their decision abandoning the proposal for the present. In doing so the Government recall the steps taken by the Congress Ministry to rehabilitate the Movement, such as the reduction of the rates of interest on all loans outstanding on the 1st July 1938 to 6½ per cent so far as loans to societies from the Central Banks were concerned and to 7½ per cent in respect of loans to members from societies. The Government of Orissa realise the importance of putting fresh finance into the co-operative societies to enable them to assist the agriculturists, and therefore they propose to finance the primary societies and the Central Banks directly. The *communique* states that the solvent Central Banks will continue to finance the societies in their jurisdiction while the societies in other areas will be financed direct by Government. We doubt very much the wisdom of the course announced. To enable the Movement to stand on its own legs at least in course of time, we feel that the provision of direct finance by Government is not helpful. It is true the Committee on Co-operation in Madras suggested this course in regard to the societies for the scheduled classes. But that, as our readers are aware, was suggested as an exceptional measure owing to the peculiar situation created by the failure of the Christian Central Co-operative Bank. This arrangement cannot and should not exist for all time to come; it is a step in the transitional stage when the process of assimilation is going on and the change in the outlook of the community is slowly but steadily taking place. Therefore, we trust the arrangement proposed by the Government of Orissa to bring into existence the Provincial Bank will not be deferred, as even as a temporary measure the proposed arrangement is not a step in the right direction.

The Government of Orissa also announce an increase in the rates of interest and state that different rates will operate in the case of societies in North and South Orissa. We also doubt the wisdom of prescribing different rates of interest to operate in different tracts in the same province. Perhaps it would have been desirable, if at all, to prescribe maximum and minimum rates of interest and allow each Central Bank, where it exists, to settle its rate of interest to suit its position and the conditions in its area of operations. It is not known from the announcement what arrangements are proposed for the entertainment and disposal of loan applications and the disbursement of loans. The rules under preparation will, it is hoped, clear all these doubts. Whatever may be the nature of the arrangements, it is expected that the agency of the Revenue Department, which now disburses loans to agriculturists for various purposes, will not be chosen as by the nature of its constitution it cannot possess the liberal outlook the Co-operative Department undoubtedly possesses. Owing to the proximity and the fact that some of the districts comprising the province of Orissa once formed part of the Madras Presidency, we are greatly interested in every step for the rehabilitation of the people of Orissa especially as in the districts contiguous to Madras conditions are similar.

Co-operation among workers.

In the Final Report of the Bombay Textile Labour Inquiry Committee just issued, reference has been made to the growth of the Movement among the textile workers. It is stated that societies started years ago collapsed during the prolonged strikes and that the co-operative societies that are now in existence confine their activities to the encouragement of the practice of thrift and the provision of cheap credit. As the rules framed under the Payment of Wages Act permit deductions for payment to co-operative societies, it is gratifying to learn that full advantage has been taken of these provisions by the Chief Inspector of Factories and the Mill Owners' Association to spread the Movement among the workers. Even then it is seen that there are co-operative credit societies in only 24 out of 62 mills. The Committee opine that these societies should be used for a much wider range of economic, social and cultural activities and that they should become agencies for providing various educational and recreational facilities also. The Committee also suggest the introduction of consumers' co-operation. In doing so the Committee observe that 'it is this type of organisation that has met with remarkable success in England and elsewhere.' In our province also earlier efforts to spread the credit movement among workers did not meet with much success. But recent attempts to introduce consumers' co-operation seem to have met with phenominal success especially at Madura and Coimbatore. It is true the Buckingham and Carnatic Mills have for years worked successfully the stores movement. But with the growth of industrialisation such stores were found necessary even in other industrial centres. The joint efforts of the workers, the employers and the Government have yielded satisfactory results. From a review of the Mill Labourers' Co-operative Stores Societies in Coimbatore district, published in the April issue of our *Journal* our readers will have noticed that within a short period that 15 Mill Labourers' Stores were organised and successfully worked. The managements of the Mills concerned have evinced great interest in their working and have contributed a great deal in the shape of advances for the purchase of goods. We have no doubt that these institutions are bound to grow in strength and become increasingly useful to workers if the spirit which animates these joint efforts continues and increases to add strength to the Movement. It should be the endeavour of all concerned to promote this spirit of friendliness, so that the workers may derive the utmost benefit.

Supervision of Co-operative Societies in the Madras City.

BY RAO BAHADUR A. RAJABADAR MUDALIAR.

It is gratifying that at long last a scheme has been started by the present Registrar for supervising the working of co-operative societies in the city. If one part of the co-operative machinery is more vital than another for their efficient working it is the agency for their supervision. The newly started agency in Madras City is termed 'Federation' apparently adopting the name of the now extinct 'District Federations' which were formed of the supervising Unions in districts. As no such agency exists in Madras, the term 'Federation' may not be appropriate for this new agency. Nor does it seem necessary or desirable to form a separate body apart from the District Central Bank to supervise the societies. It would save cost and an additional directorate and be practically also much more helpful for the efficient working of societies if the District Central Bank itself undertakes the work of supervision of the societies affiliated to it by a suitable amendment of its by-laws, and forms a separate committee for supervision from its own directorate. This, I believe, is the plan adopted by other Central Banks in Districts where Federations have been abolished. As the scheme is a new experiment in the City it would seem desirable to begin it with such small societies as need supervision most in the order of importance and urgency and gradually extend it to others according to needs and the equipment of the District Central Bank for this new work. Several societies in the City which are efficiently manned may not require the supervision of the District Bank as is the case with urban banks in districts. The scheme offers every chance of success under the guidance of the experienced and enthusiastic Joint Registrar (retired) Rao Bahadur M. Giriappa and the watchful care of the able Registrar.

A Thought for the month

The smallest effort is not lost ; Each wavelet on the ocean tossed
Aids in the ebb tide or the flow; Each raindrop makes some floweret blow,
Each struggle lessens human woe.

—*C. Mackey.*

Madras Committee on Co-operation.

BY V. S. RAMASWAMI IYER B.A.

Nicholson concluded the preface to his famous report (2 volumes of about 600 foolscap pages) by the words " the whole of this report might be summed up in two words 'Find Raiffeisen', 'Raiffeisen' meaning 'the zeal, energy, patience and continuous devotion to duty so thoroughly exemplified in that great reformer'. Without such right *type of workers,* whether in villages or towns, it is futile to expect the revival of societies, however excellent the recommendations might be. Such earnest workers may find external control rigorous rules and government redtapism irksome. They would, like greater liberty and an atmosphere of freedom to work out their plans, to produce maximum good.

The Committee do not seem to have paid much attention to transform the present "agencies for the distribution of money*" —our societies are nothing else now—into a co-operative movement. Very often they forget the fundamental principle of self-help and seem to have erroneous notions of mutual-help as exemplified in the pooling of reserve funds. Except at the time of refusing to accept the provincialising of employees, they did not conceive a co-operative society as a self-governing independent institution. There may be different ways to solve a particular problem. But what we want from them is a co-operative solution.

The Report has to be judged from the answers to such questions as:—How many Raiffeisens the report is going to produce? How is it going to rid the movement of the undesirable self-seekers, who have now captured the so-called movement, and replace them by the right sort of workers? What are the special facilities and incentives to good societies? How are the recommendations going to fit in with the genius of the people? After all the recommendations are only majority judgment of 21 gentlemen trying to prescribe for a dangerous patient.

Before I begin to give my remarks on a few recommendations, I beg to submit for those who want to take up rectification work, that it would be far easier to start and work up a new society on ideal lines than to rectify a rotten society. Another society may be started in the same village and all good members may be admitted in the

*Page 691, Report of the Central Banking Enquiry Committee.

new society one after another and the old one allowed to die. There is nothing wrong in this and it may be tried.

Recommendation 80 (para 165) and recommendation 70 (para 154). The majority committee decided limited liability as the rule, and unlimited as an exception, while the minority were for quite the reverse. I venture to examine the former.

Both are agreed that co-operative principles require only unlimited liability and limited area. But they did not carry the examination further when the Reserve Bank representative said they were the outcome of 'necessity.'

What is now our problem? We have a set of poor good agriculturists having no doubt good security, but not acceptable to ordinary banks. Their conditions are very peculiar. They are always short of cash. They are illiterate. They are not intelligent nor have they got business habits. In fact we want to teach them these.

We want 1. to get them credit as cheap as possible; 2. all the required credit—pretty large amounts; 3. to give this credit in driblets as and when required; 4. we want 'safety' and 'facility' in the transactions (see Nicholson for the meaning of these two terms); 5. we want to elevate them by introducing better-farming, better-business and better-living, and thus 6. we want to improve their character and develop 'the essential National qualities.'

Now let us apply the recommendations of limited liability and grouping of villages, and find out how far our ambitions will be fulfilled.

1. The greater the security the cheaper is the credit. This is a truism. Since the security offered is going to be less,—for they cannot even offer enough share capital—the credit must necessarily be dearer.

2. They cannot get *all* the required credit as they cannot give sufficient share money. A practical worker knows this. I wish that some University research students, actually take up a grouped society and find out the total credit required, and the amount of share capital that they can subscribe. It is an open secret that in many societies the share money is deducted from the loan itself.

3. *Credit cannot be got easily from an outside village as and when required.*—Mutual-help among the neighbouring villagers, must be less than among the same villagers.

4. Want of proximity must hamper ' facility ' and ' safety ', postulates of the borrower (Nicholson page 37).

5. It will stand in the way of the deserving poor joining the society. Limited liability means larger shares and outside village means his credit is not known.

6. Above all there is no question of the elevation of the moral and national qualities. It is only a vague belief in this and the help to the poor, that is the cause of many philanthropic men and Governments helping the movement. When this is absent, even the very few good people in the movement will bid good bye to it.

Now to solve the problem of bringing in men of property in spite of the unlimited liability, I would suggest the introduction of a council of supervision in every society, with full powers of control over the committee, and reserve those seats for them. Then they need have no fear. I would beg the readers to study, the duties of this council and the meaning of the other terms used from Nicholson or some standard book, before passing judgment.

Some have observed that these principles have changed in foreign countries. Unless there is a change in our premises there can be no change in the conclusions. But, as our agriculturists advance and begin to get more and more rolling cash, weekly, or monthly, through other side occupations, the necessity for the unlimited liability also will become less and less. It is such a stage that accounts for the changes observed by some in foreign countries.

Recommendation 182 (para 256). Investment of reserve funds in Central Banks.

So far as the investment outside the institution is considered, I agree with the committee, though I am not for the rigorous rule of sending insignificant sums, as Rs. 1-7-5 to which stage it has descended in this Presidency. But it is not sound to invest in ***their own*** financing Banks. My reasons are :—

1. *Security.* Days are gone when the investments in central banks were really safe. The Madras Christian Central Bank is a sad example. Many poor depressed class societies must have lost their reserves. There must be some more central banks, whose position cannot warrant the investment of *Reserves.* Hence this rule is not sound. The moral responsibility of Government is not now realised.

2. Again this rule places the other creditors of societies in a very disadvantageous position, as Section 22 of the Co-operative

Societies Act gives the central banks a charge on these deposits and enables them to set off towards their dues, the societies being members.

3. The position of the Mortgage Banks is worse in this matter.

a. A floating charge has been created on all properties of the Central Land Bank by section 5 of the Land Mortgage Bank Act, and there is not a pie left for the unsecured creditors of whom the Primary Bank is one.

b. The words ' assets transferred by mortgage banks ' in section 4(2) and ' assets ' in section 5 of the above Act seem to include these also in the floating charge.

c. These land banks require their reserve funds in a liquid form to raise credit in times of need as their responsibility to keep up obligations is far greater than ordinary societies.

d. On the other hand if invested in its debentures, there will be double advantage (1) greater security, and (2) usefulness in times of need.

Therefore, greater freedom should be given to societies in such investments. Half, if not the whole of the reserve funds of all societies, including the land banks, may be invested in Central Land Mortgage Bank debentures. In addition to greater security and usefulness in times of need, the debentures themselves will become popular even in villages. Many a distant panchayat will get practical teaching and demonstration in the handling of this new form of securities. The educative value of this arrangement is immeasurable.

Recommendation 16 (para 96) and Recommendation 47 (para 114). In para 16 they want legislation on the lines of the ' Torrens System ', but in para 96 they refer to ' Purge '. There seems to be some confusion here. They describe as though both form part of one and the same procedure. The following extracts from Nicholson will make this clear, and show that they are different.

> " There can be no doubt to a student of European land transfer and credit, that the Prussian or Torrens system of (Torrens Act —Australia chiefly) of registration of title with its validation of all successions and transactions by entry in the land register, ***is the system of the future and must eventually be introduced in this Presidency*** whether in its present or in a modified form " (Page 372 of the Report—Suggestions for amending the Registration Law).

"(8) It (*viz.* Purge) has a special and comparatively speedy and cheap method of placing itself in a secure position as first mortgagee, free of all possible claims or privileges of third parties: This is called 'Purge' which is a provision in the general law (France) but under the special law of Credit Foncier is far cheaper, speedier, simple and restricted in its scope (Page 79 of the report—privileges of Credit Foncier).

It may be seen that while Torrens system refers to a perfect system of land registry for which Prussia was noted, the Purge refers to a process of civil law of France. Legislation on the lines of Purge might have made the Act XXIII of 1939 more satisfactory. The injustice of unnecessarily dragging summons, of creditors of prospective borrowers for the sin of lending, might have been avoided, and the value of security also enhanced.

The Government will do well to make a thorough study of both before they embark on legislation, as laws of succession also may have to be suitably amended as opined by Nicholson.

Recommendation 303 (para 390)—Audit.—The problem of audit has not been finally solved yet. They have accepted that civil liability is necessary, by their provision in the draft amendments to place it on the inspector auditor. I seriously doubt whether it is possible at all to place the civil liability on any Government subordinate, unless there is a property qualification fixed for those who audit. This point may perhaps remain unsettled until the matter goes before a full Bench of the High Court. For there are so many intricate points in it.

The Committee's recommendation, to take away the civil liability from the superior officer, who issues the Audit certificate, and place it on the Inspector auditor, is neither just, nor the arrangement satisfactory. It is unjust because 1. the certificate does not go in his name. 2. He has simply to obey the orders or carry out the instructions of his superior. 3. He has no power to take any initiative or independent action. 4. He is hemmed in by time limit, programme etc. 5. He has no status to do justice to his onerous duties.

It is unsatisfactory because, 1. The Audit Certificate has a meaning different from the conception of the Committee. 2. One person issues the certificate and another man audits. 3. It is doubtful if the Inspector is reasonably worth the liability that might be fixed by the courts. 4. They have not defined the word '*qualified*'

as to mean a public accountant as in the Companies Act, in the qualification of the Chief Auditor assistant to the Registrar.

It is sincerely hoped that when a professional Auditor takes up the duties of the Chief Auditor, all these questions will be settled in course of time.

Recommendations 69 and 74. Before concluding I wish to refer to some past experiences, which may be useful, in regard to the five or ten year plan and compulsory membership. What has been often referred to as 'hasty development' in our co-operative history, was due to a five year plan, to introduce co-operative societies in every taluk, begun by the late Mr. Hemmingway in 1920. Unfortunately he did not live to work it up as he wanted.

One enthusiastic Tahsildar, late Mr. A. S. Ponnuswami Iyer, with the active co-operation of the then Registrar, late Mr. R. Ramachandra Rao, actually covered the whole taluk of Kalyandrug, Anantapur district, with co-operative societies as early as 1910, on the lines of the recommendation 69 of the Committee. He also went further and compelled every villager to join the society, through his official influence (he was also Magistrate). The compulsion also was very effective. Though for various reasons, of which want of continuity of policy is the chief one, no special good results were achieved in the direction of economic co-operation. But it helped him a great deal in rural reconstruction, which he actually carried out in several directions successfully. Without those societies it would not have been possible for him to achieve even one thousandth of what he actually did. Those interested in this subject may go through my article 'Rural reconstruction in Kalyandrug taluk' published in this Journal in 1938—39.

Money Lenders and Co-operative Movement.

BY V. K. SOMAN.

The Co-operative movement in Berar is in a very bad way. This is particularly due to the continuous bad years and low prices. All the Central Banks in Berar have stopped payment of their deposits with the exception of the Mehkar Central Bank which is meeting all the obligations of depositors in full. This crisis has very rudely shaken the confidence of the depositors and the general public in the movement. This crisis in Berar had its repurcussions on the movement and Banks in the C. P. also. The Government appointed an Enquiry Committee to suggest ways and means to meet the crisis under the Chairmanship of Mr. Gole, Ex-Minister. The Committee submitted its report with recommendations, but the Government practically ignored all the recommendations of the Committee and has now prepared its own scheme with a view to rehabilitate the movement in the province. This Government scheme has been severely attacked by the depositors who are to be the worst sufferers under it. Under this scheme the Government wants to take the credit of saving the society members at the cost of the depositors as the Government undertakes no financial responsibility or liability under their scheme. On account of the crisis the good Societies that are still working are not being financed by the respective Central Banks as they have no liquid money to meet the current needs of the society members. The Provincial Bank also is not in a mood to further finance the Central Banks as its sums are locked up with these Banks. The society members find themselves in a peculiar position. The various measures adopted by the Government with the object of relieving the agriculturists from the unbearable burden of indebtedness have created an embarrassing situation for the agriculturists in whose interest the above laws are enacted. No doubt these measures are giving some relief to the debtors by reducing their burden of indebtedness. But the Government made no provision to provide current need finance for the agriculturists, they are finding it very difficult to get money for agricultural operations which they require from day to day till the harvest season. The debt conciliation Boards and the Debt Relief Courts have created a panic in the minds of the money lenders. These money lenders were the main source of agricultural finance. The agriculturists on account of continuous bad years and low prices have nothing left

with them to fall back upon in times of emergency. The money lenders are not prepared to advance a single pie to the agriculturists whose credit has been destroyed by the above measures. Money lending has practically stopped. Only unscrupulous people such as Pathans and worst types of sowkars are doing some business on terms which are highly exorbitant. Even a man with good landed assets is not able to secure a debt on credit without executing a sale deed of the property at very low prices. This is injuriously affecting the village economy as agricultural lands are not being properly cultivated and maintained for want of money. The area under cultivation is gradually falling and the yield of crop is also falling for want of proper cultivation. In my opinion now is the time for the Co-operative movement to capture the field. But there are certain difficulties in the way of expansion. It is not that the money lenders do not want to do money lending business but they had to stop it on account of the changing conditions of Government policy. The agriculturists too really want accommodation but they cannot find it on reasonable terms. The business of the co-operative movement should be to bring the borrowers and the money lenders together under its fold.

My idea is that for a number of years Central Banks in Berar will not be able to secure any deposit even though the scheme of rehabilitation succeeds. The co-operative movement will not flourish unless and until it gets cheap finance which is impossible under the present market conditions. Accordingly to my idea this difficulty can be solved very easily by associating private money lenders with the movement. I had got this question included in the questionnaire of the Co-operative Enquiry Committee of which I happened to be a member. But this topic could not be pursued further as the report of the Committee was thrown out by the Government. There are only two ways of associating these private money lenders with the Movement.

One is by taking deposits from them for a certain period; but under the present circumstances no voluntary deposits will be coming for unless and until there is definite guarantee about their return. Such guarantee the Government alone can give. But the present administration is not in any way prepared to take any financial responsibility. The Nizam's Government, I hear, have introduced some such scheme.

The second is of giving certain societies in the charge of certain private money lenders on definite terms and conditions. These private money lenders should be specially licensed to do co-operative business. The terms of licence should specifically state the responsibilities and obligations of the licence holder. Now almost in every province Money Lenders Act is in force and every money lender has to take out a licence for doing money lending business. Under my scheme the money lender will bind himself to finance a certain number of societies upto a certain amount. The rate of interest will be fixed from time to time by the Registrar. The loan will be advanced to the societies and the society as a whole will be responsible to the financier. The financier will have a voice in the management of the society. He will be responsible for the recovery of his dues and will get all the advantages and exemption of stamp duties and award proceedings. With these concessions I think the money lenders will be coming out to finance the society as they will get all the advantages which Co-operative Banks and Societies get. The present difficulty is that they cannot recover their dues from the debtors as they formerly did through the Civil Courts. This difficulty will be solved by the extension of the provisions of the Co-operative Act to their dealings. The accounts of these money lenders as far as their dealings with the society only are concerned will be subject to audit and inspection as the present society accounts are. This will ensure honesty and confidence. The only objection against the above scheme that may be raised will be that of rivalry between the Central Banks and these money lenders but in view of the present paralysed condition of the Central Banks I think the question of rivalry or competition does not arise as the banks are not in a position to finance their societies. The second possible objection is that the business will be transferred from a corporate body to private individuals. But this objection also is not sound as the aim and object in introducing this new system is to save the agriculturist and his lands from a danger which will prove to be a national loss if agriculture fails for want of finance. The second advantage in introducing the above scheme is that the financier whose personal interest is at stake will be always on guard to realise due amounts in time and would not allow them to swell as we at present find in the Movement. This will make the business more smooth and the responsibilities of the department will also be comparatively lighter than at present. This is the rough outline of my scheme. If it is approved more detailed rules and regulations can be framed. This scheme, if successfully carried out, will make the village society a self-contained unit independent of outside finance and centralization will to that extent be eliminated. If we fortunately succeed in this experience, I think this can be extended to the other branches of credit movement such as long-term land mortgage business but this aspect of the question will arise later on. If you find something new in the above proposal which deserves consideration I hope you will please let me know your views on the point and objections also if any. I will try to meet them and satisfy you to the best of my ability. If we succeed in this scheme, till now we will be reviving the link of village Mahajan economy which has served the agricultural community.

My firm conviction is that we will not be able to extend co-operation to the villages unless and until we find out ways and means of utilizing the Mahajan agent in the villages for financing purposes under the new and changed circumstances.

Fidelity Guarantee Insurance in Co-operative Insurance Societies.

(By a Co-operative Bank Employee.)

Of all the forms of insurance, such as, life, fire, marine, personal, accident and employer's liability, a large number of insurances are effected nowadays against risks of burglary, loss of profits, excessive bad debts, embezzlement etc. The ordinary fire insurance is intended to grant indemnities for damage caused by fire to buildings and their contents, but elsewhere in other countries provision is also made for any loss arising out of the interruption of business following the fire. The loss is termed consequential loss or generally loss of profits and the principle of insurance has now been brought to bear upon it so that it can also be insured against by a payment of premium. The mode of transacting the loss of profits insurance along with fire risks insurance will be a subject to be elaborately dealt with by experts in the line. But the purpose of the present article is to deal with at some length about the lastly mentioned form of insurance, *viz.*, insurance against embezzlement or as the learned writer on "the Principles of Insurance" in May issue of the Madras Co-operative Journal puts it, "indemnity against robbery by clerks," or in other words the business of fidelity guarantee of clerks and other officials.

This fidelity guarantee business of an insurance company has always been popular in the enlightened parts of our country. Many of the insurance companies have taken upon them this business side of their activities and it is a fact that many trustworthy clerks and officials have as a result secured higher positions in life which they might otherwise have found it difficult in obtaining owing to lack of private means.

This fidelity guarantee is intended to confer and it does confer an inesteemable benefit upon those with whom character is the only capital. Very many of us have been service-loving people and service abiding people and as such, many of us are employed in one office or another, such as, High Courts, Municipal and Corporation Offices, Railways, Banks, Commercial Houses and Government Offices, where our employers require security either in one form or another for a very many number of posts we hold.

In preference to cash or other forms of security most of the employers prefer to secure themselves with a fidelity guarantee bond in respect of their employees, because the cash deposit carries with it the onus on the part of the employers to invest safely the cash amount so secured in the face of the prevalent laws of the country, so as to afford their employees sufficient income therefrom, or in the alternative if the cash so received by them as security finds no remunerative investment the employers have to account for in the shape of increased salary to such employees. So much so, many of the employers are now prepared to accept fidelity guarantee policies in lieu of cash deposits from their employees, whereby they are indemnified by the insurance companies transacting business in this line against any loss they might sustain as a result of acts of fraud or dishonesty on the part of the employees so guaranteed, in the course of their duties.

The rates of premium vary according to the duties of the guaranteed employee and the system of supervision and check utilised by the employer. Each particular case is treated on its merits and the lowest possible premium is quoted by such insurance companies which undertake such guarantees. Usually the rates vary from 1 per per cent to 2 per cent per annum on the sum guaranteed according to the nature of risk subject to a minimum premium of say, Rs. 5 or Rs. 10. These policies are guarantee bonds, as they are called and are not generally issued in favour of the employees working without a fixed salary, *i.e.*, on commission basis. Necessary proposal forms are to be completed by the employer and the employee respectively and sent to the particular insurance company which underwrites the policy. On receipt of such completed forms, the insurance company makes its usual enquiries and if found satisfactory informs the employer regarding their acceptance of the risk and the amount to be remitted to them on account of the first premium and stamp duty. Then the guaranteeing bond will be executed and forwarded to the employer as soon as the premium reaches them.

Along with individual policies collective policies guaranteeing a whole staff are also issued by the insurance companies. In the case of collective policy the amount of the guarantee is set out against the names of each individual member of the staff in a schedule endorsed on the policy and any alteration necessitated as a result of additions to or substitutions in the staff are effected by means of an endorsement.

Floating policies are also issued by the companies in which the whole of the guaranteed employees are covered for one sum. Special

rates are quoted for this class of policy and premiums are lower than would be the case if separate policies are issued.

Of all the financial undertakings hitherto considered as commercial enterprises and so left over, this insurance activity has now become a special feature of the co-operative movement of Madras and it is a matter for gratification to note that the Co-operative Fire and General Insurance Society now brought into existence is to transact business of fire insurance in all its branches and carry on motor insurance, fidelity guarantee insurance and insurance against house-breaking burglary etc. This is of course an addition to the strength of the movement in this Presidency, in that, apart from life insurance other branches of insurance are also to be effected for the benefit of the public.

Though the main principle underlying this insurance is to compensate any loss suffered, it is not meant to provide a means of gambling on the occurrence or non-occurrence of a particular event by otherwise uninterested persons. As such, much benefit is to occur for human happiness by the action of this kind of co-operative activity and its efforts will be awaited with fairer results than elsewhere in commercial concerns, and we shall see with interest the increase of comfort and well being of our people so eagerly expected also by our learned contributor in the last May Journal.

This branch of insurance scheme known as gurantee insurance or fidelity insurance will, it is hoped, become more and more popular on account of the efforts of this new society, especially amongst public institutions and government offices, co-operative organisations, where a large number of youths may be enabled to obtain positions of importance as executives and responsible officers, which would otherwise be impossible for employees of limited means to aspire.

It is therefore hoped the Registrar in close co-operation with the newly formed insurance society will make the best use of their combined forces and services in making effective propaganda of the peculiar facilities the new society is to afford to the public, especially to a very large number of youths endowed with natural capacity and qualifications, eagerness and energy to obtain higher posts in life in the sphere in which they are now working. Most of the executive offices, such as those of the Secretaries, Cashiers, Accountants etc., in big co-operative institutions in the Presidency which carry with it some or much of responsibility may, as a result of their endeavours, be now made available to persons already employed there itself in the lower rungs of the ladder and whose knowledge and experience may not be made a waste simply because they have not the required means of a cash deposit for the higher posts they are aspiring. In lieu thereof, their character and capacity are the only assets they possess, in consideration of which, guaranteeing bonds of insurance companies may quite well be accepted by employers as against cash securities now often demanded of the employees.

Extracts.

THE HUMANITARIAN BASIS OF CO-OPERATION

By Sir Thomas Allen,
(*Ex-Vice-President of the I.C.A.*)

"By love serve one another.
" ....I pray thee then,
Write me as one that loves his fellow men."

Love of man's fellows holds the key of all social good. The power of love must always be an overcoming and redeeming power of a life worth living, because its treasures outweigh accepted and inevitable suffering and loss. Without it there can be no true human relationships. The keeping of it is fundamental to civilisation itself. It is the corner stone on which all human effort and enterprise must rest for stability and continuity. Without it the future spells the right of might, the battle to the strongest and ultimate chaos.

There must be a common sentiment of a spiritual nature in the consciousness that we are all members one of another, and that we can only advance and realise ourselves by help and sympathy in mutual association. Love might long since have been accepted as the all-enclosing power but for the perpetual jar of life's struggle and the difficulty of finding a way of escape from it.

Like all the other virtues, love must be practised to be achieved. In such an ideal as ours love takes a practical form in mutual association and service. It passes from theoretical belief to application as a reconciling principle of life. Man is an unfinished product of nature and humanity itself is its own trustee for any further progress it may make. In all human endeavour nothing is worth making unless in the process it contributes to the making of man; and, of all the many modes which are practised for the generation of this eminent virtue, none can be more effective than the common participation in practical work in mutual association. In this way the inherent dross and selfishness of our unfinished natures are being cleansed and refined, the better to stand up to the shocks of life.

After 2,000 years of strife since, for the first time, *the brotherhood of man* was universally proclaimed, we are still struggling for a better way of life. Brotherhood is not a piece of exaggerated sentimentality, advocated by soft idealists, but the minimum foundation capable of sustaining the soul of man—even of that world which modern science and economics have called into being.

It is easy to be a brother to those who agree with us but we have yet to discover what brotherhood means when that brother happens to be of a different colour, race or class from ourselves. The truth of brotherhood must be built or it is not there. That building we have undertaken and in so

doing have achieved a practical and widening idealism, spreading a mutual charity and an associated bond of helpfulness among varying peoples and nations.

The Human Race, in spite of the rich diversity characteristic of it, is all of one stock. The essential fact concerning it is never its nationality, colour or social status, but always the simple fact that man is *one creation*. Man's disunity is his most senseless delusion. There is no separate entity in the body of humanity. Only those who "will to power" would make it so. The world will be a happier and more settled place when those who "will to power" give way to a truer and more profound conception of mankind, knit together for common endeavour. Man is here for solidarity and not division, for fraternity and not strife. The constituents of a civlised society are in the recognition of the inherent greatness of human nature, in the emancipation of the individual through the service of social life, in the acceptance of the *Divine* standard by which our relationships with, and our actions towards. our fellows must and shall be judged.

The firmest believer in the *guiding force* of our ideals can hardly refuse to see how the economic conditions of the "Eighteenth Century and After" provided a new and necessary starting point for *humanitarian* effort.

The activities of many associated groups which grew up to support and further humanitarian aims are impressive, and have left their mark upon modern history. The social work which culminated in the abolition of slavery, the passing of factory acts, sanitary laws, housing reforms, and the establishment of Trades Unions, Co-operative Societies, workshops and factories were all carried out by voluntary associations enthused with the humanitarian spirit. They infused those new and deeper elements in civilisation which purely industrial, commercial, financial, and political ties had never even attempted, much less afforded.

Our *conception of humanity* is in the co-operation of mankind in a growing structure of idealism, realising itself in action. In our co-operative practice we see humanity in process of civilising itself. Our way of life has made, and is making, a profound impression in shaping a "new order" which is worthy of the highest endeavour.

It is still contended by some thinkers that all such problems as, by our methods, we deal with, are bound to fail because in their opinion they are but palliatives. These thinkers are at one with those theorists who hold that all humanitarian aims are contrary to natural law; that progress is born of unlimited competition; that in competitive struggle the best survives for continuance and the weakest is deservedly eliminated; that any effort to bolster up the feeble is to lower the level of the human race.

To this theory Co-operation gives the answer that the weakest elements in life are made strong in association, that civilisation is especially a humaniarian conquest and that nothing is really true in this world but human creatures.

Among *the worst profanities* are those systems of sociology by which men persuade themselves that their task is to eliminate their fellow men or, failing that, to mould and manipulate them to their own will and ends.

Co-operation exists to correct these profanities. It seeks no good for itself, no gain for itself, no end for itself that it does not will for, and share with, others. The absolute basis of our ideal is in this will to do things in association with others for strengthening the feeblest. We accept that mutual responsibility for each other which makes the weak strong to survive, to the confusion of the mighty.

Co-operation in its *practical application* deals with the basic infirmities of human nature which are the tap-root of human ills. In virtue of its deepest principles and most confirmed beliefs the Movement has its foundation in that humanitarian spirit which keeps alive all decent feeling men have for each other. Its driving and sustaining force is found in actively and loyally associating in a common task recognised as worthy of human beings. Working together, helping one another through the widest expanse of peoples, strengthening each other's powers, we advance towards a higher goal.

Enjoying these powers *nationally and internationally*, we have built up a community of experience, strengthened the moving sense of human compassion in service, and so found the master key of social life which opens all wards, unlocks all doors, and that because we will for ourselves no social, economic, or moral good for personal advantage but work to give those in association with us all things in equity, and to build for those who come after us a wiser, juster, and a happier world than we have known.

Once we pledge ourselves to *Co-operation* then the concept of *internationalism* and the widest humanitarianism follows; and this because of the inner vitality of our principles to create communities of peoples possessing a genuine social life dedicated to promoting the community good of the whole.

In the course of history we have seen that one generation may destroy, human disposition which took centuries, and the travail of centuries, to bring home as necessary to our orderly and collective life. Through the ages men have believed, struggled, failed; have built towering castles and seen them fall: have dreamed shining dreams and seen them fade. In our own time we have seen well-established landmarks of co-operative enterprise obliterated; our best efforts in many lands have not been spared those happenings, hardships, sufferings, and losses which have overtaken movements, governments and peoples.

But, if over vast areas the material fabric be temporarily broken, the *spiritual strength* remains. Denied for a time the practice and outward expression as a living force, valiant hearts in many lands—notwithstanding the harrowing loss—wait the emergence of a brighter day, and look upon their present trial as one of endurance and faith. In fostering those values

they are helping to keep Co-operation and civilisation itself alive, and are contributing to the enrichment of that spiritual and economic heritage which is man's estate and destiny.

The equipment of victorious living is not so much in the enthusiasm we set out to achieve, as in the power to endure the endless setbacks and disappointments which hinder us in reaching the goal.

If, for the moment, we live in a world of *fears* that are inevitable it is also a world where hopes are legitimate. The root of our *hope for International Co-operation* is in what we profess and in our already established accord. Hope is the deepest thing in us, the most unconquerable by circumstance, and never had more need of exercise than now.

We have been carried forward so far by the prudence and energy of all peoples practising our principles, and we shall yet see the soil of conflict cleansed for the growth of those supreme virtues which have been uprooted.

The one supreme thing for us to remember is that we are *trustees* of a *great heritage*. The material loss has been severe. In the swiftly moving procession of life we must take care lest through any slackness or weariness, the fullness of the spiritual side of the gift we are permitted to handle becomes a meaner thing than when we ourselves received it. We have inherited things we could never have earned in one given generation, unaided. We must retain and enlarge them by toil and sweat. Life must move for us to the rhythm and grace of service, of thanksgiving and of labour to guard and enrich the gift. The call is for guardianship at all costs of a spirit, a way of life, of an inheritance which, if it gives priceless gifts to its adherents, demands all that we have and are that it may continue, a living thing, to bless and inspire new generations to come.

There is no promise to men or movements that stop half-way or make a brave start but lose heart when the journey is long and distant. Unless the final measuring line of man is to be "killing power" we must withstand all encroachments on the buttresses and foundations of our structure and faith.

There is no law that guarantees the continuance of the greatest things of life. All talk of the law of progress is an illusion. It is in the loyalty and devotion of the souls of men that the hope of progress lies, and, apart from that, the inheritance dwindles to a bankrupt estate. It has ever been the task of Co-operators to shape issues for themselves as free and responsible people accepting the challenge of life and witnessing to the true aims of civilised man. Those issues are still with us. Again and again they have been expressed in our national and international literature—in every call to world-wide effort—the inauguration of a new era of peace based upon co-operative principles of association, democratic government, the equitable distribution of the world's resources, humanitarian solidarity based on the equal rights of all men, and calculated to ensure freedom, justice and universal brotherhood.

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The highest values have nothing of the national virus about them. If we make our values purely national and train ourselves to work or fight for them alone, then such a perversion of the spirit of man is bound to arise that will produce hideous results destructive of humanitarian aims.

Accepting the adventure of humanitarianism, we regard all discovery as experimental, all enlightenment as evolutionary and all economic and social theory of human well-being as attainable. Primarily humanitarianism is the conviction that there are extraordinary powers in ordinary people—and that if we throw open the doors of opportunity we get extraordinary results towards a world of united effort marching triumphantly and without human waste to the achievement of that co-operative world we seek to create.

The first requisite is peace—universal peace. War exists as a recognition of man's failure to order the affairs of the world decently. That failure is a human failure. The problem is a human problem to be solved by human means.

The ruin which assaults the soul of man is nowhere so insane as in this business of "killing," of tearing down and laying waste. The tragedy of war is man-made and therefore preventable by man. As man has trained for war so must he be educated for peace, and this peace has ever been the basis of all our humanitarian effort.

Peace is not some foolish faceless thing; not a retreating aspect of humanity, but something more difficult of achievement than war, because, in its final analysis, it is more exacting of human energy. Peace is the regular successor to war by a world order and, therefore, a world-wide task. The subject of peace is as diversified as humanity itself. At the same time we know that if we do not solve it the whole fabric of civilisation will collapse. Civilisation alone cannot live on in any one quarter of the world. As Co-operators we lay primary emphasis on peace, knowing that our Co-operation has universal application. We know, too, that peace is no sluggard's paradise, and that there is no issue in the destiny of mankind more worthy of pursuit. To propose to abolish war is to propose to change, fundamentally, the whole mind of humanity. That will need patience, slow and careful preparation and resolve in building. But it is a task to which we are committed and without its consumation there is no assurance of our co-operative continuance.

As co-operators we have always greeted *freedom* as an expression of our faith in human worth, and as a token of our regard for its significant value. Freedom of thought, freedom of expression, freedom of assembly, freedom to organise for social good and moral development these have been our prerogatives. To deny that freedom is to deny the highest of which we are capable, to strike at the very roots of the faith by which we have lived and to which we are still committed. At its deepest level freedom is the answer to a question as deep as life itself, namely the utmost significance of man's being. Born in the spirit of man, it can only live and spread as it is

spiritually practised. Our hope of its full fruition is in the intelligence and discipline of spirit of those who try to make it work. As co-operators we can take high place among the world's leaders and movements which have striven to that end.

There can be no freedom and no desirable peace without *justice*, and justice is not only the means to an end but an end in itself. Therefore any world peace must be one of Equity and Justice to All. And to these questions of peace, freedom, and justice we bring all those problems of food and its distribution, tariffs and their prohibitions, capital and its abuses, currency and its exploitation, raw material and its denial—all of which are subjects which provoke war and keep separate mankind.

We conclude with the assertion that all our principles and all our practice rest on a humanitarian basis. *Our allegiance is to humanity*, our defence that of the human spirit. Though crippled here and there in our international life and effort, we stand at the heart of the world for the practical application of our principles, in all lands, among all peoples; stand, too, as a peace-promoting association of peoples bringing nations together in justice and equity; working for a wiser, more honest, more compassionate world; fighting against national and international social and economic barriers and all those forces of society that would segregate mankind into privileged races and privileged classes, which impede humanitarian progress and promote the material and social good of one section of mankind to the hurt and impoverishment of the other.

On this ennobling humanitarian foundation it is ours to build, even in these days, for the Soul of Co-operation, the collective spirit—and that in the determination and wisdom which sees things through.

(*Review of International Co-operation November-December 1940.*)

What Canada does in Agriculture.

Press and Publicity Section.

Throughout the year 1939—40, the Press and Publicity Section was the principal clearing house for all departmental information issued to the press and for radio broadcasts. Every effort was made to supply the press with the material considered to be of the most importance to farmers and all other sections of the public.

A total of 1,498 articles in both English and French was issued to the daily and weekly papers, the farm press and other periodicals and publications. These articles had an aggregate wordage of 8,30,000 and gave useful information on the research work, the wide activities of the Science Service in entomology, plant pathology and other scientific studies as well as important phases of the work of the Experimental Farms, and the Production and Marketing Services of the Department.

As new publications were issued they were reviewed and summaries of their contents sent to the press, so that farmers and the public generally would know what was available and where it could be obtained. As an additional service to editors, photographs illustrating every phase of Canada's agriculture were available on request. In the fiscal year with which this report deals, 866 photographs were sent out.

A notable extension of publicity work carried on by this section was made during the year when a radio service, designed especially for farmers, was developed as a result of arrangement between the Dominion Department of agriculture and the Canadian Broadcasting Corporation. This service, known as the Farm Broadcast gave farmers the latest information on practically all phases of farming, as well as items of helpful news about the activities of the different Divisions of the Department. The special talks or releases dealt with cultural practices in field, garden and orchard, with the advantage of using the best varieties of seed, with production methods in live stock and poultry and emphasized the need for quality, uniformity and orderly marketing of farm products. Recommendations of the Department's entomologists and botanists were made regarding control of insects and plant diseases when such information was seasonal. Publicity was given to regular bulletins and circulars issued by the Department as well as to the War-Time Production Series of pamphlets by the Agricultural Supplies Board.

During the year approximately 500 radio releases were issued by Press and Publicity for the Farm Broadcasts. These releases varied in length from 200 to 600 words each.

Lantern Slide Service.

The lending library of lantern slides now contains 71 sets of slides, illustrating 14 different subjects. Two new subjects were added and two subjects completely renewed during the year. The usefulness and scope of this service in extension work is steadily increasing. Three hundred and ninety sets were sent out to agricultural meetings and short courses, horticultural societies, schools and women's institutes. Requests for slides were received from all provinces of the Dominion and the average attendance where the slides were used was about 100 per meeting.

(Report of the Minister of Agriculture for the Dominion of Canada for the year ended March 31, 1940.)

Cottage Industries.*

In the review of the administration report of the department for the year 1938-39, it was stated that with a view to finding out ways and means of providing employment for the landless rural labour during the periods of enforced idleness, Collectors had been asked to prepare comprehensive memoranda on the manner in which the development of cottage industries in their districts could be fostered and encouraged, to place them before district periodical conferences for discussion, and to submit detailed reports to Government for consideration. Several memoranda were received from Collectors during the year and reports thereon submitted to Government on which orders have been passed since the close of the period under review. Several Collectors have suggested the advisability of conducting demonstrations in order to encourage the production of improved jaggery in their districts. Demonstrations of improved palmyra and coconut jaggery manufacture could be staged in any area where suitable facilities exist provided that arrangements could be made by people locally interested to supply free juice, free fuel and free labour and meet a further expenditure not exceeding Rs. 50 in each case for the construction of furnaces, railway freight and transport of appliances. The demonstrations should be followed up by the formation of co-operative societies in suitable cases. Similarly attempts might be made in some areas to produce a better quality of coir fibre and coir yarn and if interested people could arrange for the free supply of husks and defray the cost of transport of the appliances, demonstrations could be arranged in different areas at minimum cost. There would seem to be considerable scope for co-operative effort in the coir industry.

In framing schemes for the development of cottage industries, much depends on whether suitable local aid can be enlisted in conducting them. The co-operation of a gentleman in the Bellary district and of the correspondent of an aided industrial school near Madras has been very useful in connexion with the development of the hand-made paper industry, and if local non-official action could be stimulated in a similar way in different areas, much might be done under existing rules and with existing facilities. Local bodies and associations should be given every encouragement to submit schemes for the development of cottage industries by the provision of instruction in classes under the Code of Regulations for Industrial Schools, though the extent to which they could be aided to cover the cost, wholly or in part, as the circumstances of each case may require, will necessarily depend upon the funds which Government are able from time to time to make available for the purpose. Under this arrangement, all the technical assistance required would be provided by the Department of Industries and Commerce, and this should be supplemented by the efforts of the Co-operative Department in the direction of providing facilities for co-operative buying and selling. I am in agreement with the view expressed by the Registrar of Co-operative Societies that there is need for a detailed survey with reference to the survival value of the existing cottage industries under modern conditions, and the extent of State help or protection necessary for their revival. There is, I consider, much to be said in favour of placing an experienced technical officer of the Department of Industries and Commerce on special duty for revising and bringing up-to-date and supplementing the information contained in the reports of the Special Officer who was

* **Extract from the Report of the Department of Industries and Commerce, Madras for the year ending 31st March 1940.**

appointed to survey the cottage industries of the Province in 1927. With the information that might be expected to become available from such a survey carried out by a technical officer, it would be possible for the department to consider if anything could be done to establish a new industry in any particular area or to improve an existing industry by providing finance, assistance in marketing, or improvement in technique and design, whilst the Co-operative Department could consider whether co-operative methods were applicable It is no doubt almost as necessary to introduce and develop new cottage industries as to find an extended market for the products of the existing ones, and this aspect of the matter could also be examined by the Special Officer. In many cottage industries, there is scope for the introduction of improved apparatus and appliances, but owing to lack of staff and other necessary facilities for the conduct of experiments in connection with the devising of such appliances, little progress has been made in this direction. Another very important question affecting cottage industries is that of improvement of design for handicrafts and the introduction of improved patterns and designs amongst the cottage workers and craftsmen. It should be the function of the School of Arts and Crafts to arrange as far as possible for the adaptation of design in indigenous industries with a view to meeting modern demands and for the development of a closer relationship between art and industry, and as first step, it has been proposed that a design teacher should be appointed for the purpose of imparting instruction in design in the crafts section of the School of Arts and Crafts, and to assist in the introduction of improved designs in cottage industries. If funds permit, on the conclusion of a properly conducted survey, cottage industries officers for groups of districts might be appointed, as an expermental measure, to organize and develop cottage industries. Every endeavour should be made to form industrial co-operative societies or associations in each district for the supply to the cottage workers of raw materials, improved designs and appliances, and for the marketing of their products. Demonstrations of improved methods and processes and of improved appliances could also in suitable cases be carried out through the medium of these co-operative societies or district associations.

59. *Deputation of Sri V. R. Chitra to Japan to study the small scale and cottage industries of that country.*—It was stated in the report of the previous year that arrangements had been made to depute Sri V. R. Chitra, Superintendent, Crafts section, School of Arts and Crafts, to Japan for the purpose of studying the methods, technique, and organization of the cottage and small scale industries of that country. Sri Chitra left for Japan in July and returned to Madras in November 1939. The capacity of Japan to export cheap industrial goods has been ascribed by various authorities to a combination of factors; to the active interest of the Government of Japan in the industry of the country to rationalization, to constantly improving technique, to adaptability to new requirements, to the supply of cheap power throughout the towns and villages of Japan, and to cheap and highly efficient labour. The traditional policy of the Japanese Government has been to encourage and promote small as well as large industries, and in Japan small workshops which employ fewer than ten workers and therefore are outside the regulation of Japanese Factory Acts are extremely numerous, probably about one half of all industrial workers being employed under such conditions. It is estimated by some authorities that from 60 to 70 per cent of Japanese exports consist of the manufactures of small and medium-scale industries. A special feature of Japanese industry is the integration of production. The small

industries of Japan are for the most part run by families assisted by hired workers who live almost as members of the employing family. These cottage industries are mechanized as cheap power is available and the use of small motors and machines is universal. The products of the cottage industries are collected, finished, graded and marketed by large scale organizations. It is evident that the particular characteristic of Japanese industry is the control which the Japanese Government exercise over industry, both directly and through various organizations and by various legislative enactments so as to ensure co-operation and co-ordination, to prevent undercutting, to provide cheap transport facilities and to develop export markets. In the memorandum of instructions which I drew up for Sri Chitra prior to his departure for Japan, I gave a list of fifteen different industries which I considered it advisable that he should intensively study, and stated that if it was found impossible to obtain detailed information in regard to all these industries, he should confine himself to obtaining information in regard to such of the cottage and small-scale industries of Japan as appeared *prima facie* to be suitable for introduction and development in this Province. In the time at his disposal, Sri Chitra, was able to study only the hand-made paper, pottery and porcelain, enamelware, picture-frame moulding and dolls and toys industries and the important question of design for handicrafts. Sri Chitra's report with my recommendations, were submitted to Government shortly after the close of the year and are now engaging their attention.

60. *Handspinning and Khadi manufacture.*—A provision of Rs. 2,00,000 was made in the budget for 1939-40 for the development of the handspinning and khadi industry. Government approved the proposals of the All India Spinners' Association, Ahmedabad, for the utilization of an amount of Rs. 43,399 by the branches of the Association in this Province for the Andhra (Masulipatam), and Kerala (Payyanur) including Moplanad, in order to finance the designing, manufacturing and supplying of gins, bows, with guts and spindles with thin pulleys. speed wheels, vertical and horizontal charkas, fly shuttle looms and fittings and also for the conduct of research work in carding, spinning, printing, dyeing and weaving, and for the training of workers and their employment as instructors in the villages with a view to increasing the efficiency of the artisans and the implements used. Government also sanctioned a subsidy up to a maximum of Rs. 1,51,250 to cover possible losses caused by inexperienced workers and to enable adequate wages to be given to the spinners and the other artisans, based on the actual increase in the production of khadi during the year, calculated at the rate of one anna per square yard of increase. In regard to the famine areas, a grant of Rs. 5,349, including a subsidy of Rs. 1,000 calculated at the rate of annas eight per viss of yarn produced, was sanctioned in respect of schemes for development in Adoni Taluk of the Bellary District and in Kurnool Taluk of the Kurnool istrict. A total grant of Rs. 46 470 under non-famine and famine areas and a total subsidy of Rs. 74,652 to the branches of the Association were drawn and disbursed during the year.

(To be continued.)

Recent Utterances*

NON-CREDIT CO-OPERATION

By T. R. Nagaraja Rao,

The Madras Provincial Co-operative Bank, Ltd.

It was with some hesitation, for two or three reasons, that I accepted to speak on Non-Credit Co-operation. First, I am not very much equipped for the job, my experience having all along been on the Credit side; second, I happen to speak at the end of your course in the Institute and your able lecturers and other outside speakers would have exhaustively dealt with the subject and much of what I might say today would be stale—like a stale cheque which could not be cashed; and third, within the limits of about an hour it is impossible for me to deal with the several types of Non-Credit activities and their special characteristics. But, I shall, to the best of my ability, tell you some of my thoughts on the subject. They can necessarily be of a general nature and, perhaps, commonplace. But as Lord Morley has so well said, " Everybody knows all; but we all know such a multitude of things of which it does no harm to be reminded." I am speaking only in that spirit and I trust you will take it so.

2. It has become the fashion in this country to classify Co-operative activities into " Credit " and " Non-Credit ", and a further sub-division is made into " Agricultural Non-Credit " and "Non-agricultural Non-Credit." The division may not perhaps be scientific, but we all understand it. A more appropriate classification would be that adopted in the International reports and observed in the exhibition of statistics in our Registrar's Reports :—

(i) Credit Societies.
(ii) Trading Societies (Purchase, Purchase & Sale).
(iii) Industrial Societies (Production, Production & Sale).
(iv) Insurance Societies.
(v) Other types (Utility Societies & Welfare Societies).

Societies falling under classes ii to v are called " Non-Credit Societies."

3. At this point, let me tell you about the relation between Credit and Non-Credit. Credit or Banking is only one leg of a Table—the others are Production, Consumption and Distribution. Those are the main economic activities that provide work for the Banks. By themselves, Banks cannot do much, and unless people produce and consume, money in the banks can do no work. The credit activities are thus dependent on the business activities like Agriculture, Manufacture and Trade. How they are financed must have been already explained to you in the lessons on Banking.

* Lecture delivered at the Central Co-operative Institute.

4. Whatever be the business carried on by the Co-operatives, the form, the internal structure and operating principles are quite the same. A comparison of the model by-laws of several types of Societies would reveal it. The objectives, modus-operandi, and the manner of sharing the results, are all the same. They are all subject to the same legal regulations.

5. The observation that has so often been made with regard to Indian Co-operation is that the development has been one-sided, *viz.*, credit. To a great extent, the reasons are historical. The original object of the movement was to provide credit to the Agriculturists That was their dire need as it was then thought The Act itself, till the one of 1912 was enacted, was called Co-operative *Credit* Societies Act of 1904. The Registrars were called " Registrars of Co-operative *Credit* Societies." Naturally, more attention was paid to credit; and the initial urge continued long thereafter. The Act of 1912 widened the scope of Co-operative activities and removed several little clogs in the framework of the Movement.

6. Where do we stand today? On the 30th June, 1940, we had 14,170 Societies in this Province, and, out of them, Credit Societies numbered 12,478, and Non-Credit 1,692. Dividing them into Agricultural and Non-Agricultural, as is customary, we had :—

I. Agricultural Credit		... 11,216
" Non-Credit :		... 694
(i) Purchase & Sale	175	
(ii) Production & Sale	97	
(iii) Others	422	
	Total	... 11,910
II. Non-Agricultural Credit		... 1,161
" Non-Credit :		... 937
(i) Purchase & Sale	610	
(ii) Production & Sale	88	
(iii) Insurance	2	
(iv) Other types	237	
	Total	... 2,098

You see how overwhelmingly Credit Societies preponderate.

7. Our activities are rightly credit centred. Millions of people have no money in any Bank. More millions are without legitimate sources of credit, even for perfectly reasonable purposes. Out of some 2,600 Towns in this country only about 400 have banks. There are practically no banks in villages. The Co-operative Banks are banks for the countryside. And then, the by-laws of all Credit Societies, particularly of the village ones, enable them to carry out joint sale of members' produce and joint purchase of requirements. That is the Raiffeisen way. Credit Societies are to be the

nucleus of non-credit activities. With the limited capacity for management the villagers could not have done more. We were not therefore very much on the wrong road.

8. Fay, in his book, makes some interesting observations about our Co-operative work.

> "Indian Co-operators pass rapidly from one enthusiasm to another. First, it was the village bank; then, the hierarchy above the village bank, then, co-operative selling, then, the land mortgage bank; and now rural reconstruction."

I may add that we have now moved on to multi-purpose and non-Credit. We may have changed, no doubt, our objectives from time to time, as we gained experience of our needs, and emphasised particular aspects of Co-operative work. But, one has to remember that India is as big a country as Europe *minus* Russia, and the country needs varieties of Co-operative enterprises to meet the requirements comprehensively.

9. It was in 1923-1924 that in this Province a wave of enthusiasm for non-credit activities was beginning to manifest itself. The Department provided the drive. We had then Deputy Collector—Deputy Registrars—one for each district. The Registrar's Report for 1924-1925 describes how these officers were relieved of their credit work and instructed to develop non-credit work. Special Senior Inspectors were also appointed to assist them. I believe we had also a distinguished economist, Dr. John Mathai, as Registrar's Assistant at one time. We had also for sometime an Agricultural Officer attached to the Department. The following figures will tell you the subsequent story. The figures relate only to Trading & Industrial Societies (classes ii & iii.)

Year-end.	No. of Agricultural Non-Credit Societies.	No. of Non-Agricultural Non-Credit Societies.
1924—25	103	169
25—26	82	151
26—27	132	206
27—28	153	241
28—29	174	270
29—30	170	262
30—31	129	226
31—32	106	208
32—33	89	192
33—34	85	199
34—35	89	194
35—36	104	221
36—37	150	240
37—38	168	383
38—39	208	410
39—40	272	700

You will notice how the number of Societies increased upto 1928-29; and then, the decline began and reached the lowest point about the early

thirties. Then, again, another cycle of progress began and today, we are very enthusiastic and serious about non-credit work. The variety of activities has very greatly been increased. Page 14 of the Registrar's Report for 1939-40 gives you the number of societies under each head.

The reasons for the winding up of so many societies in the last decade (25-35) were mainly that they were business failures. Final Reports of the liquidators which are pigeon-holed in the Registrar's record rooms would throw a flood of light on the reasons for failure. These are not however available to the public.

10. Experience, I hope, has now enlightened us. The one lesson that we should have learnt is that societies must not be hastily initiated or developed at a rate which popular understanding and efficient control could not keep pace. Mr. F. B. Wace, Punjab Registrar, in his article in the *Agricultural Co-operation 1939* writes, "If the history of Co-operation in this province (Punjab) has taught us anything in the last 30 years, it should be that only a comparatively small proportion of the rural population is as yet really fitted, by character and education, to be trusted with a Co-operative Credit Organization. The ideal of 'a Co-operative Society for every village' is a fine one; but, it is, alas! Utopian and dangerous." These observations apply with equal force to non-credit societies and to this province also. Co-operation can progress no faster than the people can be made to understand and administer its business and appreciate its benefits. The foreign Banking Experts well observe "Not the number of Societies in a Province is decisive but their efficiency. Inefficient Societies discredit Co-operative work." Successful societies show what Co-operation is capable of. Their achievements encourage us in our endeavours to spread the message of Co-operation; but, I submit, we should not have "forced marches."

11. About our workers, the Registrar has some interesting observations to make. In his 35th Annual Report (for 1939-40) he writes "Our bankers have generally never been in a Commercial Bank; our Stores Managers were formerly School Masters or Government Servants; our Marketing Officers have never bought and sold on their own account. The Panchayatdars and Members of Primary Societies are to a disquieting extent Co-operative illiterates." Happily for us, our guides, philosophers and friends—I refer to Departmental Officials—are also in the picture. The Deputy Registrars have all *now* been trained in modern banking methods and they have learnt, I suppose, all its mysteries and the tricks of the trade in that short time. The Inspectors are shaken out of the groove of routine and made to think out things for themselves in refresher courses. I am saying all this only to impress on you our short-comings, so that very great care and thought may be exercised when launching new Co-operative enterprises.

In passing, I am tempted to observe that, with all our defects, we have got on and survived to tell the story of "Three Decades of Co-operative Progress," unlike Burma, where for sometime, the Co-operative map remained rolled up.

12. Let us not repeat the mistakes of the past in the organization of Societies. I wish to impress on you some points in this connection.

(i) The need for a non-credit Society should be felt by the promoters and the prospective members. They must know well what they are about and the risks and responsibilities involved. No Society should be started to satisfy the whim or hobby of a person, official or non-official.

(ii) There must be sufficient volume of business forthcoming within a reasonable time to justify the creation of a Society and the likelihood of earning a profit. They would not survive otherwise. Profit is the yardstick by which the success of Trading and Industrial Societies will be measured. (Don't confuse Profit-making with profit seeking.)

(iii) Managerial ability must be forthcoming from the members or the ability to pay for it exist. External aids whether in men or money will not be continued long. When they are withdrawn, Societies will come to grief.

(iv) Last, but not least, sufficient paid up share capital should be put up by the members. In Non-Credit Societies, loan capital should play a subsidiary part. Except for sale Societies, Banks would not be too ready to grant financial accommodation. They can only provide a part of the supplemental working capital needed and not the funds required to carry on the enterprise.

A few may begin; but unless Societies can stand upon their own legs within a reasonable time by increase in membership and business, they are doomed to failure. Let us have societies that are destined to endure. Let us not overfill our Co-operative Map.

13. I have not the time or the equipment to speak to you about the special characteristics of the several types of non-credit societies. I have therefore confined myself to matters of a general nature. But, let me emphasise that Co-operation is only *a way of doing business* and it would succeed to the extent that business principles are observed in the organization and management. The criterion of success may differ somewhat, as the objectives of Co-operatives are greatly different from those of joint stock enterprises.

14. Three points I wish to impress on you in conclusion.

(i) Co-operation is a business as well as a faith. What that faith is, has been put in a nutshell by a writer "The great object of the idealists (if not of the rank and file of the members) of the Co-operative Movement has been by means of mutual association to eliminate the present competitive industrial system and to substitute a system of mutual Co-operation for

the common good as the basis of Society. The aim is to do this by the collective ownership of common things and to use such common things for the benefit of the community instead of for the benefit of a few individuals. The ideal is to secure a Co-operative Commonwealth set up on this earth, here and now, an ideal expressed so frequently in the phrase, 'Each for all and all for each.' Under which form of Co-operation, Producers' or Consumers,' this can be attained is still a matter of debate. But some would draw the picture this way 'The Co-operative Movement logically begins with the retail consumers' Co-operative. The credit Union closely follows. The wholesale is next in line of development. Production Co-operatives come next. Then the various utility co-operatives are called for and at the same time a wholesale series of welfare co-operatives, such as housing, insurance and health. Although the order may be varied, the method and ideal are the same."

In India, our viewpoint may be different, as our circumstances and environments are different. We are yet a long way off from formulating an ideal. The ideal for the Irish Co-operators laid down by Sir Horace Plunket, *viz.*, "Better farming, Better business, and Better living," is more suited to our circumstances. A co-operator must be group-minded, must participate and share.

(ii) We want better societies and not more societies.

(iii) We must concentrate on some activities for the present: Sales Societies for villages and Stores for the towns. "Sell together" must be your slogan in villages and "Buy together" in towns.

15. Friends, some of you may be propagandists; some may be members of committees; some may be employees. Whatever you are, your success will depend on your capacity to inspire—nay—to infect others with your enthusiasm for Co-operation and its mission. Let me also remind you of a saying that an uninformed enthusiast is a danger. I have no doubt that during your stay here, the Principal and his colleagues have infected you with their own enthusiasm for Co-operation and equipped you with the necessary knowledge required for your work. I sometimes feel that the best way to teach Co-operation is to let the pupils learn it for themselves. I have myself learnt it that way. I shall tell you a story with a moral and conclude. Three men were engaged in building operations. On being asked what they were doing, the first replied "Mixing concrete"; the second, "Earning my pay"; and the third, "Restoring the old cathedral." Look upon your work in the Co-operative Movement in the same spirit as the third workman looked upon his work in restoring the old cathedral. If you do so, your work would not be in vain. That opportunity awaits you on leaving this school.

Reviews.

Annual Report—The South Kanara Agriculturists' Co-operative Wholesale Society, Limited.

The twenty-first annual report of the South Kanara Agriculturists Co-operative Wholesale Society, Limited, with the five appendices giving an analysis of the year's working under different heads, gives an interesting and instructive account of the very large volume of business done by the society during the year. This is perhaps one of the very few sale societies, in the Presidency surviving out of a large number started in the early years. Although its main object is marketing, giving loans on the pledge of produce is done on a large scale. It also attends to the supply of agricultural and other requisites of members.

There were 38 society members and 1,814 individual members with a total paid up capital of Rs. 5,849. The accumulated Reserve and other funds amounted to Rs. 11,894. At the end of the year, there were 47 branches in the district catering to the needs of members in 482 villages. The ideal of the society is to start 100 branches and thus cover the whole district, leaving about 40 villages in the Kasaragod taluk where there is a loan and sale society working.

Finance.—With Rs. 17,743 as its owned capital, the society has been able to attract about Rs. 18,658 as deposits, (though a sale society), and to obtain a cash credit of 5 lakhs of rupees from the District Central Bank. This must be due not a little to the great confidence of the public in the institution, which means in the Directorate, presided over by Mr. M. Shiva Rao. The cash credit of 5 lakhs is distributed among the various branches according to their needs, from Rs. 1,000 to Rs. 60,000 each, and the Agents of the branches have powers to sanction loans on the pledge of produce, subject to certain conditions.

Business.—The turnover during the year, amounted to the huge sum of Rs. 45.11 lakhs. Loans amounting to Rs. 15,76,699 were made on the pledge of produce during the year and Rs. 13,66,549 was repaid leaving a balance of Rs. 3,15,032. The sale of members' produce amounted to Rs. 7,20,402 and the agricultural and other requisites amounting to Rs. 76,882, were supplied to members, after purchasing them wholesale. The total income derived from the various sources amounted to Rs. 47,960, and the expenditure incurred to Rs. 47,910, thus resulting in a profit of Rs. 50. Of course, the usefulness and success of a co-operative society should not be judged from the amount of profits made. This poor profit is explained to be due to the starting of new ventures for the future development of the society, and also to the heavy rent and audit fees charged by Government Rs. (1,443-14-0). It may be seen that the loan business still continues to be the greater activity.

The following are the noteworthy events of the year :—

1. A comprehensive scheme of starting 100 branches covering the whole of the district was inaugurated, of which 47 branches were actually started during the year.

2. A rice section was added to the Mangalore branch.

3. A branch was opened in Bombay to find a sale for arecanuts.

4. A branch was started in Baliapatnam in North Malabar to find sale for pepper.

5. Lastly, Committees of supervision were tried to be constituted in all branches. Such committees were actually constituted in the Mangalore branch and also in several other branches. In the long run it may be realized that this is a step in the right direction.

General.—One of the difficult problems confronting the management is the dispensing of credit on a large scale to the customers. In May 1940 it had reached the big sum of Rs. 1,16,089. In addition to the risk, the society has to incur loss in the shape of interest, as it is not the local custom to charge interest in such cases. But the society has anyhow to incur this expenditure.

The Government have gratiously sanctioned the services of an Inspector free to the society. But the society does not seem to have been much benefited by this, owing to the frequent changes in the personnel, as the Inspectors themselves take some months to learn the details of work.

It is hoped that the co-operation of the department and the society will result in the possibility of holding the annual general meeting at the latest in the middle of September, instead of eleven months after the close of the year.

But for the enthusiasm of the Directors and a large body of honorary workers, it would not have been possible to turn out such a large volume of business from such a wide area in the district. The President Mr. M. Shiva Rao is one of the pioneers of the Movement in the Presidency, and belongs to the old set of *real* co-operators. Probably, the communal and political mischief, and selfishness, which have done so much havoc in the other parts of the presidency, were not able to drive him out of the Movement in that district. May he continue long. The Directors deserve to be congratulated on the excellent work done.

V. S. R.

Annual report of the Central Provinces and Berar Provincial Co-operative Bank—1939—40.

This is the 29th Annual Report. It had a subscribed and a paid up share capital of Rs. 5.19 lakhs of rupees, and its Reserve and other funds amounted to Rs. 14.58 lakhs. A slight fall in deposits is reported which amounted to Rs. 126.72 lakhs at the end of the year. The loans outstanding from Central Banks amounted to Rs. 42.70 lakhs. Owing to lack of demand from societies, it had to invest about Rs. 26 lakhs of rupees outside the Movement. The Bank is financing also 21 Land Mortgage Banks in the Province, by raising Rs. 14 lakhs through Debentures. The profits of the year amounted to Rs. 78,075-8-6.

Out of the Rs. 42.70 lakhs due from Central Banks, Rs. 13.42 lakhs are reported to be overdue, and another Rs. 16.33 lakhs, due from Central Banks under suspension. The Directors are prepared to meet losses up to 10 lakhs of rupees, from the reserve and other funds. It is most unfortunate that the hard-earned profits of several years, accumulated in the reserve fund should be written off in a single year. When it is remembered, that the Registrar is responsible for the Audit of all co-operative societies—including the Central Banks financed by this Bank—, and that under the Co-operative Societies Act, Audit "*includes an examination of overdue debts*", it is clear that there must be something radically wrong in the Registrar's audit. Under these circumstances is it too much to expect the Government to share a portion of this loss along with the Bank? Even in this year's Audit it is stated in the Balance sheet that "no estimate has been made of the probable Bad Debts."

V. S. R.

Prices and returns for Nova Scotia Apples by A. E. Richards.

(Publication No. 707, Dominion of Canada, Department of Agriculture, Technical Bulletin No. 29, 50 pages).

The bulletin sets forth the results of an enquiry conducted by the Economic Division of the Dominion Department of Canada on the Nova Scotia Apple crop. Eighteen packing and exporting companies were chosen for the study, and the purpose was to measure more accurately the price returns to the producer for variety, grade and size of apples exported to England. Annually over two million barrels of apples representing 40 per cent. of Canadian production are produced in Nova Scotia. Of the above, 85 to 90 per cent. is exported mainly to England (90 per cent. of exports).

It was found that of the 18 companies whose accounts were examined in detail there was considerable difference in the price paid to the grower, even for the same grade and variety of apples. Some companies gave consistently higher returns and certain others consistently low ones. It may be incidentally stated that these packing companies are of the joint stock type, with limited liability to shareholders. They were not co-operative in name, but had co-operative characteristics in organisation and co-operation.

The price returned by the companies ranged from 1.92 to 2.51 dollars per barrel, the returns being based on nearly a million barrels, in the seven years 1931 to 1937. It was found that a premium on quality was generally paid, that for number I grade being 39 per cent. more than domestic grade

(Government standards). For size, a premium was paid in certain standard varieties, more in cooking ones than in desert types. Although the supplies of Nova Scotia apples to England are extremely irregular, prices are relatively stable in England.

It is the attempt of the paper to explain the variations in returns, and by a study of the more successful companies to increase the returns to producers, especially by a study of controllable losses. Factors of shrinkage and decay which lead to slackness of the pack were studied in regard to variety, grade, size, season of shipment, air temperature, period of transit and ports of shipping. Increased slackness of pack was associated with high temperature in storage or ship, and long transit. Some interesting conclusions are given in respect of the individual operation of companies. Thus companies which packed a high percentage of larger size received a relatively high return. Companies which had a large turnover or investment returned better margin to the producer and had proporitonately less debt. The interest varied from 1.2 cents to 24 cents a barrel and the debts from 5 cents to four dollars a barrel.

The working costs of these companies have been analysed through all the details of expenditure. The net return to the grower was 59 per cent. of the wholesale price in England. Contrary to expectation, companies having cold storage facilities did not return more to the grower than common stores, and it is suggested that the type of cold storage installation requires more study. Companies which paid high wages and salaries, paid better returns to the grower, and this is significant. The percentage of cost of packing was 13½ per cent in large companies and as high as 25 per cent in smaller ones. An efficient unit for a company for operation was about 15,000 barrels a year.

Although apples are not produced commercially in this province, there are certain lessons from this study which hold good both from a co-operative as well as marketing point of veiw. Thus companies which had more business per dollar of plant value were the best from the producers' point of view. The smaller companies invariably paid poor returns. "Where there is over accommodation of plant and equipment with no prospect of increased business, members would do better in the long run to liquidate their assets even at immediate loss, and associate themselves with a strongly organised company." The moral is for greater efficiency and organisation, than for greater numbers.

The bulletin is attractively printed and illustrated and there are 48 tables, neatly arranged setting forth the analysis of the data.

K. G. R.

Report of the working of Co-operative Societies in Mysore 1939-40.

Mysore leads other States in several respects. The Report of the Registrar shows that it does not do so in co-operation.

There were 1895 societies, with a membership of 1.43 lakhs, and a working capital of Rs. 264.19 lakhs, on the last date of the year The deposits of individuals, which is a correct indication of the working of the Movement, has decreased by about Rs. 3.43 lakhs.

The seasonal conditions are reported to be fairly satisfactory in para 15, but when explaining overdues they are stated to be 'unfavourable.'

The Mysore Provincial Co-operative Apex Bank. The words 'Provincial' and 'Apex' seem to be misleading. The Bank is dealing directly with 1063 out of the 1430 societies in the State. The decrease in deposits, by about Rs. 2.08 lakhs, and the Government's help of a cash-credit of Rs. 5 lakhs 'to enable the bank to tide over difficulties', are not satisfactory featnres. The 77.15 per cent of overdues under principal, and about three years' interest in arrears (the accrued annual interest is Rs. 1.84, and arrears Rs. 5.65) deserve prompt attention. The following figures indicate the financial position of the bank.

Owned Capital.

Share capital	Rs. 2.49 Lakhs	Arrears of principal 77.15%	Rs. 17.26 Lakhs
Reserve fund	Rs. 1.78 do	Arrears under interest	Rs. 5.65 Lakhs
Other funds	Rs. 1.29 do		
Total	Rs. 5.56 Lakhs	Total	Rs. 22.91 Lakhs

Perhaps the situation requires more active steps from Government than lending the services of an experienced officer as Secretary.

District Central Banks. Since the Provincial Bank deals directly with societies, the District Banks are very small. Only two of them have about 33 thousand rupees as working capital. Statement A shows that no loans were made by any of them during the year. The Hassan District Bank which is indebted only to an extent of Rs. 4,957 is reported to be 'heavily indebted to the Apex Bank and is a bad defaulter'. The significance of this statement is not clear.

Agricultural and Non-agricultural Societies. It is really inexplicable how in the face of the good transactions and active life shown during the year, in the 1,311 agricultural credit societies and in the 311 non-agricultural credit societies, as evidenced by the B and C statements, appended to the report, the working of the Apex Bank and the District Banks could not be satisfactory. Among them those with limited liability show a good record.

Other societies. The Industrial and other non-credit societies, as the weavers' societies, sericultural societies, marketing societies, poultry societies etc. all seem to be still in the experimental stage. Special attention is being paid to marketing societies. The depressed class societies and the house-building societies are working indifferently.

General. The Movement is on the whole passing through a very critical period The 'special attention to the recovery of dues, devoted' by the officers of the department, does not seem to have effected much improvement in the tone of the Movement. There may be reasons for the co-operative movement not being a really people's movement in the British Indian Provinces. But in an Indian State, if it be in the hands of patriotic and sincere workers, it could not be bad. Real national workers should be found and they should be allowed to work out their plan without much official interference.

V. S. R.

Working of Societies.

Notes on the working of the Milk Supply Union Ltd., Coimbatore.

The Coimbatore Co-operative Milk Supply Union is the second of its kind to be started in this province. From the point of view of work done and volume of present transactions also it is only next to the Madras Co-operative Milk Supply Union, the earliest and the first Milk Supply Union in the province. This Union has many valuable lessons to give to its sister institutions. It was registered and started on July 15, 1937 largely due to the efforts and enthusiasm of influential co-operators and public-spirited men of the town. It began work with one affiliated milk supply society and 25 individuals and to-day it has on its rolls 6 societies and 25 individuals with a paid up share capital of Rs. 2,540.

2. The institution being new to the city, it was not encouraged at its initial stages but was mistaken for a middleman As a result of the discouragement, and want of experience, the Union had to face heavy surpluses. Faced with large surplus, the management with the help of the department set itself resolutely to reduce it by prevailing upon the producers to accept lower price for their milk, by enlisting more customers by intensive door to door propaganda, by offering concessional rates for bulk orders by coffee clubs and hotels etc. The Union with the co-operation of the producers regulated the supply of milk to the Union by fixing a quota for each affiliated society considering the demand and also prevailed on them to accept a lower price, for their milk. It secured the co-operation and partronage of the Tea Cess Committee, through which it was able to sell a considerable part of its surplus. With the assistance of the Sanitary Inspector of the town, the influx of adulterated and skimmed milk into the town was checked. This enhanced the sales to the Union. Continuous and vigorous propaganda had also the desired effect of securing more customers. The surplus, still left, is converted into by-products such as butter, butter-milk, curds, kowa etc. The manufacture of kowa was profitable and brought more recognition to the Union.

3. The surplus production was thus brought under control gradually, when the Union entered its second stage of existence, which is marked by all round co-operation and effort to put the institution on a stable foundation. Undaunted by the failures at the initial stages, the President and the Secretary rendered financial assistance and as a result of measures taken and continued interest evinced, especially by its Secretary, the Union recouped the loss of Rs. 2,185-4-0 on June 30, 1938 and earned a net profit of Rs. 322 on June 30, 1939. At this stage, it secured the contract of milk supply to the

Government Head Quarters Hospital. From 1st September 1939, the Union had definitely begun to work at a profit, increased the price paid by it to the producers by one pie without hardship to the consumer and has been paying from 1 April 1939 a monthly subsidy to the affiliated societies to meet deficit, if any, in their working expenses.

4. Today, the Union caters to the needs of nearly 561 customers, 16 coffee clubs, 13 Textile Mills and the Agricultural College Hostel, besides holding the contract to the Government Hospital and Central Jail. On an average it handles about 2250 measures of milk per day. The arrivals and sales of milk for the 3 years of its working are shown below :—

	Purchases.			**Sales.**		
	1937–38	*1938–39*	*1939–40*	*1937–38*	*1938–39*	*1939–40*
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Milk.	34,332-7	54,339-6	79,199-13	38,486-2	62,983-11	88,839-0
Byproducts.	5,472-11	3,428-12	4,355-5	4,988-12	1,571-5	5,348-10

5. Members of the feeder societies bring their milch animals to the premises of the feeder societies at 5 A.M. in the mornings and 3 P.M. in the evenings. Milking is supervised by the office-bearers of the societies and one of the employees of the Union certifies to the purity of the milk so drawn. To minimise contamination in transport and excessive handling of milk and to save time, milk is supplied direct by the societies to the customers at the respective centres by societies within municipal limits. Milk produced in societies outside Municipal limits is transported in bullock carts to the Union in aluminium or brass cans for supply to customers in town. The Union purchases milk at a flat rate of Rs. 0-2-2 per measure of 32 oz., and gets free one measure for every 100 measures to cover wastage in transport and retail distribution. Distribution of milk to Mills and coffee hotels are made through messengers in tricycles, owned by the Union, while messengers on cycles serve milk from door to door to the customers. These cycle-boys are paid a conveyance allowance of Rs. 2 per mensem. The Union has also taken security deposits from distribution boys. Milk is taken for distribution in sealed aluminium or brass cans with taps fixed at the bottom to prevent adulteration in transport and milk is drawn through the tap in the presence of the customers at the time of delivery.

6. The Union supplies milk to customers on credit on the security of trade deposits. The scale prescribed for supply of one measure per day is Rs. 5 for cow's milk and Rs. 6 for buffalo's milk. The customer should deposit Rs. 3 for supply of milk at his doors. The deposits are refundable on the cessation of supply of milk. It has collected Rs. 3,706 by way of trade deposits which form a source of finance to the Union. The Union has

opened 8 depots at which milk is sold in retail and the average daily sales come up to 150 measures. It has also engaged 6 hawkers for sale of milk in the streets. The Union sells milk at different rates ranging from Rs. 0-2-4 per measure to Rs. 0-2-8 per measure ranging according to the quantity ordered.

Cow's milk.	Rs. 0-2-6	per measure,	for all customers.
Buffalo's milk.	0-2-8		Do.
Retail sales at depot.	0-2-8	Do.	of both varieties.
Coffee clubs.	0-2-6	Do.	for orders less than 20 measures
Do.	0-2-4	Do.	for 20 measures and above.
Mills.	0-2-4	Do.	

The Union purchases milk at Rs. 0-1-3½ per pint and sells it to the Hospital at Rs. 0-1-3½ per pint. The average daily supply to the hospital is 700 pints (420 measures) and that to the Central Jail is 150 pints (90 measures).

7. The establishment of this Union is divided into four sections—one for general branch, one each for work connected with Jail Supply and Hospital and a distribution section. The monthly establishment charges come to Rs. 872-8-0 and the average contingent expenses per month to Rs. 223-12-0. The supervisors employed by the Union inspect periodically the milking process in affiliated societies. They are in charge of supervision of the depots and distribution of milk by the messengers.

8. The Management of the Union vests in a Board of 11, of whom the Health Officer is an ex-officio director, 5 representatives of affiliated societies and the rest are individuals drawn from influential men of the town.

9. The Union owns a building costing Rs. 7,575 including site value of Rs. 500. It has invested Rs. 322 in the Reserve Fund. The liquid assets of the Capital inclusive of investments under Reserve Fund, shares in other institutions and security deposits amount to Rs. 11,650 against the floating outside liabilities inclusive of a loan of Rs. 4,000 to the financing bank, amounting to Rs. 9,957.

10. The Government have been pleased to permit the second Veterinary Assistant Surgeon to inspect the animals of the Union periodically free of charge and to receive conveyance allowance of Rs. 3 per mensem. The Union has secured the patronage of all classes of people in the town and looks forward for its expansion by organisation of new societies in Mill areas, putting up pasteurising plants and adopting quick distribution methods.

(Continued)

Conferences.

RESOLUTIONS PASSED AT THE 24th SESSION OF THE U. P. CO-OPERATIVE CONFERENCE HELD AT GORAKHPUR.

(1) Resolved that this Conference requests the Government to place the Sugarcane Co-operative Unions entirely under the Registrar of Co-operative Societies, and the Officers working in these sugarcane co-operative Unions should be placed under the control of the Registrar of Co-operative Societies.

(2) Resolved that a deputation of the prominent co-operators of the Province do wait on His Excellency the Governor to impress the importance of the formation of an Apex Bank.

(3) Resolved that this Conference is of opinion that an experiment be made to find employment for the unemployed by the formation of an employment co-operative society for the educated unemployed.

(3) Resolved that with a view to minimise the difficulties in the supply of pure ghee, the Government be requested kindly to prescribe definite colours for vegetable ghee sold in the market.

Resolved further that Government be requested to move the Municipal Boards in the Province to exempt from Octroi duty all ghee brought by the members of co-operative societies for sale at the co-operative marketing unions established in the mundies.

(5) Resolved that until a Provincial Bank is formed and is able to supply necessary finance, Government be requested to provide special loans at a cheap rate of interest to District and Central Co-operative Banks for financing marketing operations and to finance special types of societies such as irrigation societies, seed stores, marketing unions, ghee and milk supply societies etc.

(6) Resolved that the Reserve Bank of India be requested to revise their rules and afford remittance facilities and charge the same rates from all the central banks as allowed to scheduled banks on exchange business.

(7) Resolved that co-operative banks be permitted to allow their individual members overdrafts on the security of fixed deposits.

(8) Resolved that all isolated societies be advised to get themselves affiliated to the District or Central Co-operative Banks, and all non-member central institutions in the province be advised to become members of the U. P. Co-operative Union.

(9) This Conference recommends to the Government that it be made obligatory on the mills ~~to make~~ purchase of cane proportionately from all the members of societies within its jurisdiction and that in the years of excessive production, the proportion be reduced

instead of reducing the number of centres. Resolved also that no centre running this year be excluded from the reserved area of the mills.

(10) This Conference requests the Local Government to be pleased to grant adequete compensation to the cane growers of the U.P. who have suffered heavy losses during the crushing season of 1940-41.

(11) Resolved that women uplift work in the province on co-operative lines be further extended and strengthened by organising better living societies for women in almost all the districts of the province and under almost all the co-opertative banks which may be requested to contribute towards this humanitarian cause out of their working expenses, profits or any other fund.

(12) Resolved that the Registrar of Co-operative Societies may be requested to encourage the formation of consumers' stores.

(13) Resolved that in view of the operations of the U. P. Debt Redemption Act and the U. P. Regulation of Agricultural Credit Act and its effect on agrioultural credit, this Conference is of opinion that the formation of new credit co-operative societies be taken up in right earnest and with this object in view the Co-operative Union and the Registrar be requested to chalk out a systematic five year plan for development.

RESOLUTIONS PASSED AT THE ELEVENTH ANDHRA PROVINCIAL CO-OPERATIVE CONFERENCE HELD AT BHIMADOLE IN APRIL, 1941.

1. This Conference recommends that at least one stores society be started in each taluk.
2. Resolved that at least one Labour Society be started in each taluk and that the works relating to the Government and local bodies be entrusted to them.
3. Resolved that the medium of instruction for co-operative training and propaganda should be the languages of the districts.
4. This Conference recommends that, wherever possible, societies for the encouragement of cottage industries should be started.
5. This Conference considers that the Registrars of districts should be clothed with power to deliver possession of properties sold in execution of decrees or awards, without having recourse to civil courts.
6. This Conference considers that steps should be taken to secure the expeditious disposal of execution petitions by the Department, as they are now being delayed just as in civil courts.
7. This Conference considers that power should be given to the Department to proceed against the surety in case he fails to produce the property placed in his custody.
8. Resolved to request the Government to revive the concession of free transmission of funds by co-operative banks through R. T. R.

issued by the treasuries, as the commission charged by the Reserve Bank of India is prohibitive.

9. Resolved to request the Government to make the necessary arrangements to permit the primary land mortgage banks to issue loans to their members charging interest at a rate not exceeding that fixed by the Agriculturists' Loans Act.

10. This Conference requests the Government to permit the creation of common good fund and building fund in the bylaws of primary land mortgage banks.

11. This Conference requests the Government to dispense with the execution of separate deeds by members of primary land mortgage banks in favour of the banks, assignment deeds by primary land mortgage banks to the central land mortgage bank and trust deeds by the central land mortgage bank in favour of the Trustee and instead, to permit the execution of a single deed by the member direct to the Trustee as the present system involves heavy registration charges.

12. As the present system of revaluation of mortgaged properties once every year involves difficulties and expense, resolved to request the Government to permit the revaluation of the properties once in three years or, in the alternative, to revalue only 25 per cent. of the properties each year.

13. Whereas the members of primary land mortgage banks are put to great difficulty in getting the sketches of properties proposed to be pledged by them whenever there are partitions and also in getting the signature of the owners of parts in the same survey number, and whereas such members are withdrawing their applications for want of the above information, this Conference requests the Government to have the sub-division of properties of members made free of cost, at the request of primary land mortgage banks.

14. Whereas members in Zamindari areas are put to great trouble by the Tandars, etc., by refusing to issue pattas and are unable to get any loans from primary land mortgage banks, it is resolved to request the Government to arrange with the Zamindars to furnish pattas and the necessary information in respect of members, on the application of primary land mortgage banks.

15. This Conference resolves that it is necessary to have elections (Panchayatdars) once in three years in village societies also.

16. This conference considers that it is necessary to register, as far as possible, primary land mortgage bank even in dry areas.

17. This Conference places on record its appreciation of the close co-operation of the officials with the non-officials in the present development of the Movement.

18. This Conference commends the action of the Government in having enacted a rule prohibiting the employment of the relatives of directors in co-operative societies, as this is beneficial to the Movement.

19. Resolved to appoint a committee consisting of the following persons to frame subsidiary rules under the by-laws of the Andhra Co-operative Union, in respect of the Andhra Provincial Co-operative Conference.

1.	Vizagapatam	... Sri A. Veerabhadradu.
2.	E. Godavari	... „ M. Narasanna.
3.	W. Godavari	... „ M. Ramakrishna Reddi.
4.	Kistna	... „ G. Ramayya Nayudu.
5.	Guntur	... „ P. V. Krishnayya Chaudari.
6.	Nellore	... „ M. Ranga Reddi.
7.	Chittoor	... „ Rao Saheb G. Gurrappa Nayudu.
8.	Anantapur	... „ B. Reddi.
9.	Cuddappah	... „ P. V. Pattabhi Reddi.
10.	Bellary	... „ Tandu Mudaliar.
11.	Kurnool	... „ G. Harisarvothama Rao. (*Convener.*)

20. It is resolved to request the respective heads of Departments to extend the necessary help in the collection of overdues from Government Servants (to Co-operative Societies).

Correspondence.

To

The Editor,

The Madras Journal of Co-operation.

Sir,

I have carefully gone through the article of Mr. G. Srinivasa Raghavachari published in March issue of the Journal and I feel that the criticism levelled by the author of it against the non-credit enterprises in the Co-operative Movement is not justifiable either from facts or from experience. He presumes that the Co-operative Movement is started mainly for the benefit of the villagers. I respectfully disagree with this assumption. The Co-operative Societies Act contemplates the registration of societies not only for agriculturists but also for non-agriculturists as well. The economic condition of the artisans, labourers, and other persons of limited means in urban areas is in no way better than that of their brethren in villages and it is not clear why the author of the above article who is a Retired Government Official and who must have had enough experience of the urban areas should be so unconcerned about the welfare of the urban population. Co-operation is as vital for improving the conditions of the poor and middle class persons in the towns as it is of the villagers. In fact, the line of distinction between the urban and rural population cannot be clearly drawn. The Congress Government while in power committed this very mistake. In their anxiety to please the villagers in order to ensure their position in the future elections they enacted certain pieces of legislation which entirely neglected the welfare of the urban population. The Madras Agriculturists Relief Act is one such instance and experience now shows how ill-conceived and inequitable is that legislation.

The main grievance of Mr. Srinivasa Raghavachariar is that there is a growing tendency amongst officials as well as non-officials to improve the non-credit side of the movement and that such ventures, being experimental, ought not to be resorted to with public funds. Every financial undertaking needs some enterprise. If the principles upon which it is started are sound and if it is worked by proper persons risks ought not to stand in the way. In fact there cannot be any progress in any movement without bold and enterprising schemes. Our friend is obsessed with the idea of the work that remains to be done on the credit side in the overhauling and reconstruction of societies. True, this work has to be done and the Department has been doing it with the greatest zeal possible. A perusal of the Administration Report for the last three years would show the steps that had been taken to weed out the defects in the credit side. There is now a steady, though gradual, reduction in the percentage of overdues in all co-operative banks. But provision for credit alone is not sufficient to bring about an improvement in the condition of the ryots. What is the good of giving loans to cultivation expenses and of holding up the produce when we cannot help the ryot by showing him a good market for his produce! Obviously the village societies cannot undertake marketing. Sale societies located at marketing centres are essential. A wholesale society like the Tanjore Marketing Federation can have an effective control over the produce in a definite area.

Mr. Raghavachariar says that that the whole-sale stores in Madura is unnecessary because there are a large number of mundies in the place, the milk supply union need not be formed because there are many men who have made the supply of milk their hereditary profession and are able to deliver milk at the doors of the consumers and that the Paddy Marketing Federation in Tanjore is superfluous because there are many joint-stock banks ready to give money on the pledge of produce. If this argument is extended to the credit side of the movement all the credit societies will be found unnecessary as there are sowcars, village money-lenders, joint stock banks, indigenous banks etc., who supply credit in the villages, perhaps more expeditiously than in co-operative societies. This argument is therefore, very fallacious and cuts at the very root of the principles involved in co-operative effort. Nobody denies the existence of mundies in Madura but do they do their business for earning the maximum profits for themselves or for supplying the best stuff at the cheapest price to the consumer? Will they not resort to all malpractices if there is any chance of profit to them by doing so? Will they not exploit all favourable situations which may bring them more money at the expense of the consumer? The object of the wholesale stores is totally different. It is an association of the consumers and whatever profits it makes goes back to the consumers themselves. Again, what is the aim of the Milk-societies? Does the author of the article consider that the system under which milkmen milk their cows at the doors of houses and supply milk is satisfactory? Very few people can afford to get the cows milked at their houses. Majority of the consumers purchase milk only from the street vendors and it is mostly adulterated. Milk supply societies which are largely comprised of owners of cows themselves are intended to tackle many of these problems and to bring about an improvement both in public health and also in the breed of cattle.

It is, therefore, essential that non credit societies should receive as much attention, if not more, as the credit societies. The remarks of Mr. Raghavachariar that official and non-official energies are being frittered away on non-credit work are very unjustifiable and ill-founded. In fact I would urge upon the Government to pay more attention to the non-credit side. Unless this side is developed the movement becomes stagnant. If the Co-operative Movement is to show itself as a benefit to the public it can only be through its non-credit side. Such a development requires a lot of support and impetus from the Government. Thanks to the present Registrar, he is now giving a good official drive for the development of the non-credit activities without at the same time, in any way impairing the progress on the credit side. Mutual co-operation between the officials and the non-officials in the working of the Movement is growing day by day and it is a very healthy sign of the sure progress of the movement. It is strange that Mr. Raghavachariar, an ex-official, instead of appreciating the help given by the officials of the Department for the new developments in the movement should rush to the press with unjustifiable criticisms against them.

May 25, 1941 M. SITARAMAYYA.

News and Notes.

Economic Survey in Travancore.

An economic survey, the first of its kind is being carried on in different parts of Travancore. The present investigation is confined to certain families living in certain typical and representative areas chosen from the different parts of the State. The State is divided into three zones—the Lowland, the Midland and the Highland. Apart from these three big divisions, the Municipal towns, marketing centres and industrial areas have also been kept in view in the choice of representative units for investigation. A set of 70 questions has been framed in a key schedule under the heads of, size of the family, wealth and income, expenditure, Crops and indebtedness, etc.

"Each one to Teach One."

The Punjab has made much headway in the anti-illiteracy campaign in the last year. Of the 1,06,473 who received instruction, 50,779 were made literate. This year the slogan is each one to teach one which rendered in Urdu read "Parho aur Parhao." Out of the Government grant of Rs. 22,800, 308,000 copies of primers in different scripts and 56,000 copies of follow-up literature were purchased by the Education Department. Adult centres were also run in accordance with Laubach's method of "Each one to teach one." The movement has also gained support among women in places like Multan, Rawalpindi and Lahore.

Co-operative Bank President Felicitated.

To meet Rao Sahib K. Sitaramiah Pantulu on his election as President of the Madras Provincial Co-operative Bank, the staff of the District Co-operative Bank, Coconada, gave a tea party. A welcome address was presented to him on the occasion. The Vice-President of the Bank spoke on Rao Sahib K. Sitaramiah Pantulu's services to the Co-operative movement. The President replied suitably.

Rural Uplift in Tirupattur.

The special Development Officer, Mr. J. C. Ryan, visited Pallankuppam and Madavalam villages and spoke on Rural Uplift. He referred to the success of prohibition in the North Arcot District and emphasised on the issue of cash credit loans to agriculturists'. The need for cultivation of thrift was stressed by the speaker and about 20 hundi boxes were distributed.

Markets for Indian Products.

It is understood that at the meeting of the Export Advisory Council, a resolution was passed appreciating the services rendered by the Commerce Member and his Department's efforts to help the Indian export trade to the fullest extent possible under the present conditions. The question of alternative markets for Indian hides and skins was examined and it was considered that South Africa would be a potential outlet for this. As for mica, the American Market was considered in the light of the observations made by the Meek-Gregory Report. It is understood that the Government is actively examining this subject and in order to obviate certain difficulties felt by the trade, Government are themselves now purchasing mica for export to America. The question of standardisation of Indian manufactured goods was considered and as the Meek-Gregory Report emphasised, these products enjoy a reputation in the American market and in order to maintain this reputation, it was suggested that an organisation to control standards should be set up with Government support.

Prohibition at Vellore.

Reviewing the administration of the Prohibition Act for 1940–41, the Collector of North Arcot points out that there was an improvement in the condition of living of the former addicts. It is pleasing to note that many of them are better economically and that they are able to liquidate their old liabilities. There are more than 1000 Grama Sanghams in the district and rural sports are popular past-time among the villagers. The Hundi collections amounted to Rs. 31,835.

Land Mortgage Bank—Loan by Government.

The Madras Government have sanctioned a temporary advance of Rs. 3 lakhs at three per cent to the Madras Co-operative Central Land Mortgage Bank for financing the primary land mortgage banks in the Presidency.

Poultry Farm for Madras.

It is understood that the Government of Madras will shortly start a poultry farm.

The Novel Scheme.

The Bhimavaram Co-operative Crop Loan and Sale Society has introduced the novel scheme of paddy seed multiplication in the taluk through its members so as to ensure the genuineness of the seedlings.

Swadeshi Exhibition at Trichur.

Dr. A. R. Menon, the Minister for Rural Development and the President of the Exhibition, in replying to an address presented to him by the Stall Holders, said that nationalisation of industries alone could enhance the economic prosperity of any country and made a fervant appeal to the audience to cultivate the habit of using only swadeshi articles.

Industrial Missions' Exhibition.

The Annual Exhibition and Sale of the manual and industrial products of Missionary Societies organised under the auspices of the Industrial Missionary Association opened at the Highclerc, Kodaikanal. Over 35 different missionary organisntions in South India and Deccan, Travancore and Cochin, had sent exhibits covering a wide range of occupations. These were displayed in 60 stalls mostly in charge of women missionary workers. The exhibition was kept open for two days.

Rural Reconstruction in Cochin.

A new rural reconstruction centre at Palluruthi was declared open by the Officer-in-charge of the Rural Reconstruction Centre at Cherpu. Several speakers addressed the meeting on various aspects of rural reconstruction work. The President spoke on the advantages of thrift and appealed to the rural workers not to migrate to the towns but to concentrate on the villages themselves.

Co-operative Societies—War Supply.

A Press note states that orders of an aggregate value of about one and a quarter lakhs of rupees have been placed with the U. P. *Co-operative* Department by the Supply Department of the Government of India for the supply of tent components made of "tat-patti." The Co-operative Department welcomes this order as helping to divert a good deal of money to the villagers. As for the supply of 'tat-patti' of required specification for the Army, the Co-operative Department after a detailed survey of the cheap producing centres has ultimately decided to start a production centre at Antu in the Partabgarh District. The Partabgarh District Co-operative Bank finances the undertaking. There seems to be much scope for the sale of sann-hemp, one of the most important money *crops of the* eastern *districts* of the United Provinces. This new undertaking provides work for over 300 workers daily.

Conference at Rayadrug.

A conference of the ryots of the Rayadrug taluk was held on Saturday last under the presidency of the Revenue Divisional Officer, Bellary after the conclusion of jamabandi at Rayadrug. Health and child welfare exhibition, agricultural exhibition, veterinary demonstration and lectures on rural problems were the principal items of the programme.

Government and Industries.

Sir Purushotamadas Thakurdas in declaring open a factory for the manufacture of Chromite at Andheri, a suburb of Bombay, referred to the Government of India's fiscal policy and pleaded for the adoption of full-fledged production policy in the best interests of India. He said that the Government of India should do all in their power to prevent the repetition of the mistake which they allowed to happen after the end of the Great War when many an industry that started had to go to the wall for want of Government support for the industrialisation of India in peace time. He said that discriminating protection had failed in the fundamental object of giving protection and the public in India could not reconcile themselves to anything less than a full-fledged protection policy adopted in the best interest of India.

Inspection of Co-operative Societies.

Mr. S. A. Venkataraman, I.C.S., Registrar of Co-operative Societies paid a visit to Anikorai, and held a combined inspection of Anikorai, Kadanad and Chinna Coonoor Co-operative Societies. The Registrar spoke a few words about the development of agriculture.

Co-operative Meeting.

At a meeting of the Kotagiri Co-operative Union, under the presidency of Sri K. Belli Gowder, a discussion took place on the possibility of manufacturing potato fertilisers by the Co-operative Department. Rao Sahib K. Rangaswami Naidu, Joint Registrar of Co-operative Societies who was present at the meeting explained the difficulties involved in the proposal. He said that while the proposal would receive the Department's best consideration, he would see that an arrangement was made in the meantime by which the growers will obtain fertilisers at reduced rates from private firms. The question of starting a building society at Kotagiri was also discussed.

Government Dairy Expert.

It is understood that Mr. Bannerji of the Bangalore Dairy Institute is likely to succeed Mr. W. L. Davies the Dairy expert of the Government of India. Mr. Bannerji it is stated will be asked to build on the foundations laid by the late Mr. Davies and will carry on his work at Bangalore instead of at New Delhi.

Handloom-weaving in Travancore.

Dr. P. J. Thomas, the Chairman of the Fact Finding Committee, speaking at a party given in honour of the Committee at Trivandrum said that handloom weaving had progressed on right lines in Travancore and under the present benign rule of His Highness the Maharaja such progress would be maintained and increased. He said that he had studied the question over quarter of a century and could say that the position now was greatly different and industry had progressed very rapidly.

Mixed Farming.

In order to demonstrate the advantages of mixed farming, combining crop and livestock husbandry, the Imperial Council of Agricultural Research has sanctioned a 5 year scheme for the United Provinces costing Rs. 25,560. Half the cost of the scheme is to be borne by the Imperial Council and the other half by the Provincial Department of Agriculture. The object of the scheme is to demonstrate the possibilities of mixed farming by developing certain cultivators' holdings on mixed farming lines, and to compare their results with those obtained from holdings which follow the ordinary farming practices of the locality.

Tribute to Co-operators.

Mr. S. A. Venkataraman, I.C.S., Registrar of Co-operative Societies, in unveiling the portrait of the late Mr. F. R. Hemingway, once the Registrar of Co-operative Societies, and Rao Bahadur M. Giriappa, the retired Joint Registrar of Co-operative Societies, in the premises of the District Urban Bank, Coimbatore, dwelt on the contribution the two gentlemen had made to the Co-operative Movement in Madras.

Agricultural Exhibition.

The first agricultural exhibition under the auspices of the Taluk Agricultural Association and the Health and Baby Week celebrations were conducted for three days at Ramachandrapuram. Lectures on agricultural topics and health subjects were delivered on all the three days. There were also interesting items of entertainment.

Dairy Industry in India.

Substantial increase in the agricultural and dairy production of the Farms, a satisfactory number of students attending the courses started at the Institute, an increase in the volume of research in dairying and dairy technology and improvements in the milking stock of the Institute are some of the features of the Annual Report of the Imperial Dairy Department, for the year ending June 1940. The Report deals with the activities of the offices of the Director of Dairy Research and of the Imperial Diary Expert and of the Imperial Dairy Institute, Bangalore, and the milk depot, Wellington.

Rehabilitation of the Co-operative Movement.

The Orissa Government, in a Press communique, state that they have come to the conclusion that the present circumstances are not suitable for the inception of a Provincial Co-operative Bank, which was under contemplation of being established and financed either directly by Government or by guaranteeing loans from ouside sources. They have, however, decided to implement the decision for the rehabilitation of the co-operative movement by financing primary societies and central banks. The primary societies in urban areas will continue to be financed through central banks, while those situated in other areas, will be financed directly by Government. For this purpose, Rs. 1,50,000 has been allotted in the 1941-42 budget.

New Store Opened.

The Coondapoor Co-operative Stores was opened for daily sales on May 23, 1941 by R. Prasad Esq., I. C. S. In a nice little speech he pointed out that co-operation generally stood for something more than mere money transactions, and that it was expected to get into all the activities of village life, and that he was anxious that every village or group of adjacent villages should take up the co-operative idea and work up to the ideals in all common matters concerning public life

Fraternal Greetings.

The following message of fraternal greetings has been cabled by the Hon'ble Mr. V. Ramadas Pantulu, President, All India Co-operative Institutes' Association to the *Co-operative News*, Manchester, on the occasion of the International Co-operators' Day :—

> " India stands behind the British Co-operators' efforts defeating aggression, defending liberty, democracy, ensuring social justice. Congratulates them on admirable sacrifice and enterprise. "

G. O's. and Circulars.

Copy of G. O. No. P. 593, (Development), dated 24th March 1941.

Sub :—Acts and Rules—Co-operative Societies Act—Rules—Committees of societies—Membership —Disqualification of defaulters—Rule XXVII —Amendments—Confirmed.

ORDER :—

In exercise of the powers conferred by sub-sections (1) and (2) of section 65 of the Madras Co-operative Societies Act, 1932 (Madras Act VI of 1932), His Excellency the Governor of Madras is hereby pleased to make the following amendments to the rules published with Development Department Notification No. 264, dated the 1st August 1933, at pages 1178–1185 of Part I of the Fort St. George Gazette, dated the 1st August 1933, as subsequently amended, the same having been previously published as required by sub-section (3) of the said section.

AMENDMENTS.

In rule XXVII of the said rules :—

(1) In sub-rule (1) after clause (*e*), the following word and clause shall be added, namely :—

" or

(*f*) is a defaulter to the society or to any other society " ;

and

(2) in sub-rule (2) after clause (*e*), the following word and clause shall be added, namely :—

" or

(*f*) becomes a defaulter to the society or to any other society ".

CIRCULAR.

No. R. C. 8199/40-B.

I.

Sub :—By-laws —Supervising Unions—Power of general body to remove members of the governing body—amendment to model by-laws—suggested.

The model by-laws of all societies except supervising unions provide for the removal of a member or members of the committee by the general body at any time. Thus, by-law No. 20 of unlimited liability credit societies lays down that "any member or members of the panchayat may at any time be removed by a resolution of the general body" ; and, in by-law No. 31 dealing with the powers of the general body, "the election and *removal* of the

panchayat" is specifically mentioned. The by-laws of other types of societies also provide for the removal of the members of their boards of management. The Registrar has, after an examination of the question whether it is not necessary that the by-laws of unions should provide for such removal, come to the conclusion that it is necessary and desirable to do so. In the absence of this power, it will not be possible for the general body of a union to remove members of the governing body, should that step be considered necessary in the interests of the institution. The following amendments to the model by-laws of supervising unions are, therefore, commended for adoption by unions. Deputy Registrars and Assistant Registrars are requested to see that unions in their districts adopt these amendments as soon as possible.

AMENDMENTS.

(1) By-law No. 10 :

Add the following sentence at the end of this by-law :—

" Any member or members of the governing body may at any time be removed by a resolution of the general assembly ".

(2) By-law No. 26 (1) :

For : " The election of the members of the Governing body,"

Read : " The election and removal of the members of the governing body."

No. R. 2169/41-B. *Dated, 28th May 1941.*

II.

Sub : -Rural Broadcasting—purchase and maintenance of radio sets by co-operative societies—permissibility—instructions - issued.

It has been suggested that, as the radio has become a prime instrument of education, it could be popularised in rural areas to a great extent if co-operative societies are allowed to purchase and maintain radio sets out of their funds. The Government, after examining the suggestion in consultation with the Registrar, have decided that the common good fund of co-operative societies could readily be made use of for the purpose, as the fund can be spent for purposes of educative value. They have also held that institutions which have as one of their objects the spread of co-operative education and propaganda can spend their general funds also for the purpose. The following general instructions are, therefore, issued for the information and guidance of officers of the Department and the institutions concerned.

2. (i) Co-operative Societies, generally, may make use of their common good fund for the purchase and maintenance of radio sets, if their by-laws contemplate the expenditure of that fund on 'education'.

(ii) Propagandist institutions such as the Madras Provincial Co-operative Union and the Language Federations can, if their funds permit, purchase and maintain radio sets from their general funds.

(iii) After the liquidation of the District Federations, their functions have been taken over by the central banks. The latter can, therefore, devote more attention to propaganda, in addition to their main function of dispensing credit. For this purpose, they may use their general funds for the purchase of radio sets, which may be kept at rural centres where supervising unions or big credit societies are working.

(iv) It is also open to credit societies and urban banks to adopt suitable amendments to their by-laws on the lines of those of better-living societies and then make use of their general funds for the purchase and maintenance of radio sets.

3. Deputy Registrars, Assistant Registrars and the Central Banks are requested to bring these instructions to the notice of all important institutions in their districts, so that such of those as are in a position to purchase and maintain radio sets for serving rural centres may do so and thus help in popularising education through the medium of the radio in the villages.

The Success of a Co-operative.

The success of a Co-operative is not determined by the magnitude of its business or even the operating surplus it creates. It is determined by the service it provides and the economy it effects for its members. A true co-operative is merely a corporate agency of the members primarily for their mutual service. If it merely creates operating surpluses and fails to serve as a co-operative it is not a success.—

CANADIAN CO-OPERATOR.

Food is Strength.

Should we not say the same of India ?

NOTE :—*The foregoing appeared in the Consumers' Guide issued by the United States Department of Agriculture. It emphasises that the first line of defence for a democracy is a well-fed, healthy, contented people.*

America can dream that want will disappear. America can hope and live in hope that none will lack the food he needs. We can dream and hope, but we must also work.

We can work.

With our lands, and hands, and machines we have built greatly. We have raised from the earth buildings that soar a thousand feet We have dammed gigantic rivers and made their waters do the work of millions. We have created cities and highways, factories and machines that are the marvel of the world.

We have worked at many things. We must do more.

We must work at this job of getting everybody a chance to earn a livelihood that includes the food he needs. We must make sure that our farmers, the most abundant producers on earth, will have the help they need to keep on raising food and saving soil. We must make our dollars buy the best and safest meals for all.

This means work.

We can start in our own homes. Make food do all the jobs it can do. Make certain each member of the family gets the food that keeps him strong and well.

We can look at our own communities, discover where meals are poor, why they are poor, how they must be enriched.

We can banish low income and waste, and abolish monopoly that chokes the flow of foods from farms to homes.

We have the talent to do all this vigorously, persistently, and in the ways of a democratic people.

We can make America strong by making Americans stronger.

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The Travancore Co-operative Journal—No. 1 & 2.
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List of Societies Cancelled during April 1941.

S. No.	Name of Society.	District.	Date of Cancellation of Registration.
1	Nanguneri Alankulam C. S. ...	Tinnevelly ...	4-4-41
2	Ayyampet Co-operative Society ...	Tanjore ...	11-4-41
3	Prodattur Power and Light employees Co-operative Thrift Society Ltd. ...	Cuddappah ...	13-4-41
4	Nagaluty Christian C. S. ...	do ...	13.4-41
5	Sankaranarayana Co-operative Building Society, Ltd. ...	Tanjore ...	16-4-41
6	Pittigunta Christian C. S. ...	Cuddappah ...	do
7	Kalahasti Panagal Bell Metal Factory Labourers' Co-op. Thrift Society, Ltd.	Chittoor ...	17.4-41
8	Murukkambat C. S. ...	do ...	do
9	Shrotriem Attivakkam C. S. ...	Chingleput ...	20-4-41
10	Kathari C. S. ...	Salem ...	22-4-41
11	Mukkultumalai C. S. ...	Tinnevelly ...	do
12	Sennagarampatti C. S. ...	Madura ...	do
13	Chinnathadagam Central C. S. ...	Coimbatore ...	do
14	Kavadur Agricultural Improvemet C. S. Ltd. ...	Chingleput ...	do
15	Bubusaripalli Christian C. S. ...	Cuddappah ...	28-4-41
16	Gadivemula Christian C. S. ...	Kurnool ...	do
17	Karuppur Field Labourers' C. S. ...	South Arcot ...	29-4-41
18	Kuriyamangalam Field Labourers' C. S.	do ...	do
19	Kothangudi Field Labourers' C. S. ...	do ...	do
20	Karaimedu Field Labourers' C. S. ...	do ...	do
21	Pudaiyur Field Labourers' C. S. ...	do ...	do
22	Edayar Agricultural Field Labourers' C. S.	do ...	do
23	Alaganur C. S. ...	Kurnool ...	do
24	Nossam C. S. ...	do ...	do
25	Nikarampalli Christian C. S. ...	do ...	do
26	Uppugundur Adi Andhra Tenants' C. S....	Guntur ...	do
27	Alapatamba C. S. ...	Malabar ...	do
28	Kusalipatti C. S. ...	Tinnevelly ...	do
29	Palankoil Balambika Weavers' Co-op. Sale Society, Ltd. ...	North Arcot ...	do
30	Mudithalai Nagalapuram C. S. ...	Ramnad ...	do
31	Sanaputhur Field Labourers' C. S. ...	Chingleput ...	30-4-41
32	Vellakulam Cheri C. S. ...	do ...	do
33	Brahmanapalli Christian C. S. ...	Kurnool ...	do
34	Kunukunda Panchama C. S. ...	do ...	do
35	Pulimaddi Christian C. S. ...	do ...	do
36	Dupadu C. S. ...	do ...	do
37	Skinnerpuram C. S. ...	W. Godavari ...	do

List of Societies Registered in May 1941.

S. No.	Name of Society.	District.
1	The Munganda Co-operative Stores Ltd. ...	E. Godavari
2	,, Mummidivaram Co-operative Stores Ltd. ...	,,
3	,, Allavaram Co-operative Stores Ltd. ...	,,
4	,, Bobbarlanka Field Labourers' Co-operative Credit Society	,,
5	,, Kothapeta Co-operative Stores ...	,,
6	,, Razole Co-operative Stores Ltd. ...	,,
7	,, Bodasakurru Co-operative Credit Society ...	,,
8	,, Indian Leaf Tobacco Development Company Employees' Co-operative Credit Society ...	,,
9	,, Aryapuram Co-operative Stores Ltd. ...	,,
10	,, Tanuku Co-operative Stores Ltd. ...	W. Godavari
11	,, Pulla Co-operative Stores Ltd. ...	,,
12	,, Bhimavaram Co-operative Stores Ltd. ...	,,
13	,, Chinapalem Co-operative Society ...	Guntur
14	,, Etimoga Fishermen Field Labourers' Co-operative Society ...	Kistna
15	,, Avinigadda Field Labourers' Co-operative Society	,,
16	,, Velikallu Co-operative Credit Society ...	Nellore
17	,, Chilamanur Co-operative Credit Society ...	,,
18	,, Motakatla Co-operative Society ...	Cuddappah
19	,, Brahmasamudram Co-operative Credit Society ...	Bellary
20	,, Madras District Co-operative Federation Ltd. ...	Madras
21	,, Kadappakkam Cocoanut and Firewood Growers' Co-operative Sale Society Ltd. ...	Chingleput
22	,, Seelayampatti Co-operative Society ...	Madura
23	,, Peddanallur Co-operative Society ...	Salem
24	,, Karuveppampatti Co-operative Society ...	,,
25	,, Pothanur Co-operative Stores Ltd. ...	,,
26	,, Sri Ranga Vilas ginning, spinning and weaving Mills Co-operative Stores Ltd. ...	Coimbatore