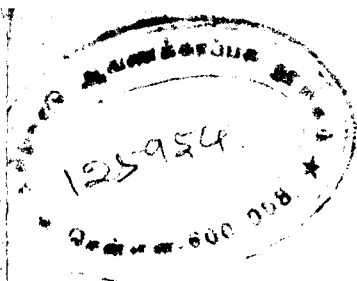




CONTENTS

	PAGE No.
I EDITORIAL NOTES	481
II ARTICLES—	
1. HANDLOOM INDUSTRY IN MADRAS—By R. Suryanarayana Rao	489
2. CASEIN (Contributed)	494
III THE DISTRICT SOCIETY—By R. A. Palmer ...	498
IV CO-OPERATION AIDS THE CHINESE ...	502
V EDUCATIONAL INSTITUTE PLANNED BY THE CHINESE INDUSTRIAL CO-OPERATIVE MOVEMENT	504
VI CONFERENCE— The Eleventh Coorg Provincial Co-operative Conference— Presidential Address—By P.S. Lokanathan...	506
VII WORKING OF SOCIETIES	513
VIII RESOLUTIONS	515
IX REVIEWS	517
X ORDERS AND CIRCULARS	525
XI ACTION TAKEN ON RESOLUTIONS OF PRO- VINCIAL CONFERENCE	530
XII NEWS AND NOTES	533
XIII EXTRACT	536
XIV LIST OF SOCIETIES REGISTERED ...	539



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The Madras Provincial Co-operative Union,

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THE Madras Journal of Co-operation

VOL. XXXIII.]

MARCH 1942.

[No. 9

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

Editorial Notes.

Grow More Food.

Everyone is agreed that a vigorous drive for increasing cultivation of food crops is becoming increasingly necessary and the President of the Federation of Indian Chambers of Commerce wisely emphasised this aspect of country's economy in his speech the other day. It is gratifying to learn that the Government of India propose to convene a Conference of representatives of provinces and States to consider the problem in all its aspects. We trust this Conference will not merely content itself by registering decisions but will set up a machinery to give effect to those decisions. The Provincial Governments, still under the influence of red-tapism, are too slow to move and hesitancy and too much of doubt of the efficacy of methods proposed always influence their actions. What is wanted is the will to push through schemes based on decisions arrived at after careful deliberation. The President of the Federation pleaded for a definite programme of action to secure the following objectives. He said :

- (i) Explore ways and means of inducing the cultivators to increase the area under food grains and fodder crops.
- (ii) Launch a vigorous propaganda in the countryside to persuade the cultivators to grow more food grains and fodder crops as agreed upon.
- (iii) Examine and provide adequate facilities for storing reasonable quantities of foodstuffs and

- (iv) See how far regional self-sufficiency in respect of foodstuffs as between different areas could be attained as a safe-guard against interruption in the transport system.

May we, in this connection, venture to state that the association of representatives of the people is necessary for the purpose and suggest that Provincial Committees should be set up in each province to formulate proposals, plan a line of action and the Provincial Governments should not hesitate to accept and carry out the decisions of these Committees? It is just possible methods which may be considered 'revolutionary' in ordinary times may be necessary to make the plan effective. The Governments should not hesitate to adopt them. One such method we have in view is the acquisition from big landholders of any land which has not been brought under cultivation or where the prospect of bringing it under cultivation is remote and its distribution among *bona-fide* cultivators who can be trusted to develop it to the best advantage. There is also the question of remission of land revenue for a period of years in respect of land brought under cultivation for the first time.

While conservation of food supplies and avoidance of unnecessary wastage, steps which are essential even in normal times, may be preached, we feel there is no justification whatsoever for asking people, "who are already condemned to a chronic state of under-consumption of even the most elementary necessities of life to curtail or to postpone their consumption". This kind of propaganda is likely to have deleterious effects on the already impoverished and enfeebled masses affecting seriously the vitality of the community.

In this connection we would invite the earnest attention of our readers to the important work of Dr. Aykroyd and his devoted assistants in the field of nutrition. Dr. Aykroyd's latest article on the subject published in the *Indian Journal of Social Work*—December, 1941, on the Economic aspects of the Problem of Nutrition in India, is worth reading. At the end of the article, Dr. Aykroyd observes, "An impartial analysis of the economic aspects of nutrition in India may leave little ground for optimism. *But it is surely true that if the resources of science are brought to bear on the problem, progress can be made, however formidable the obstacles of poverty and ignorance*" (Italics are ours). In considering the question of increasing the cultivation of food crops, we have no doubt the problem of utilising the resources of science will be borne in mind. Co-operative organizations are best fitted for propagating scientific methods of agriculture and for supplying improved seed, implements, manures etc. It is hoped this fact will be prominent in formulating schemes for increased food production.

The problem should be treated as a question of necessity and not of economics. Every piece of available land should be brought under cultivation regardless of economic yield. If for some reason

the owners of land are not in a position to bring their holdings under cultivation, the Government will be justified in commandeering and cultivating them at their expense or advance monies to cultivators to bring them under the plough. Necessary arrangements must be made immediately before the next cultivation season begins. All this means quick decisions and quicker execution of plans brushing aside red-tapism, the bane of every civilized Government. We are happy to note the contribution of Mr. W. K. M. Langley on the subject as also of Pandit Jawaharlal Nehru. In the course of a press statement Pandit Nehru observes:

'Every encouragement should be given to the formation of municipal, public or consumers' co-operatives. They should be preferred to professional middlemen in the distribution of available grain supplies, and should also be given financial assistance wherever necessary and desirable.

'Behind all this it is essential to have a drive for increased production of food crops. This must be done even at the cost of commercial crops. Catch and supplementary crops should be raised, as also more vegetables and fruits. Seasonal fruits and vegetables like melons, water-melons, plantains, potatoes, Sweet-potatoes, carrots, turnips, tomatoes etc., would be very helpful in supplementing the staple cereals. People living in bungalows in towns and cities should utilise their spare land for this purpose. But, above all, groups of villages should form themselves into self-sufficient units and increase their food crop production. They must retain the minimum necessary for their own consumption before disposing of their produce.'

The amendments to loans rules so as to permit District Agricultural Officers to grant loans, not exceeding Rs. 25 in each case, for the purchase of manure or improved seed are a belated recognition of the importance of growing more foodstuffs. As the Agricultural Department has to play an important part in this drive for more food crops, its officers should be empowered to grant even larger loans, at least amounts required to bring some more acres of land under cultivation.

Co-operative Stores.

Dr. P. S. Lokanathan made a pointed reference to the effects of war on prices of essential commodities in the course of his address at Coorg Co-operative Conference to which we invite the attention of our readers. Already the Government and the Co-operative Department have felt the effective way of checking prices would be to organise Consumers' Co-operatives. In the City of Madras the task of storing essential food supplies has been entrusted to the Triplicane Urban Co-operative Stores which has undertaken retail distribution through its 34 branches and 25 depots specially opened for

the purpose. Similar efforts are necessary in the mofussil also. Where separate stores are not organised, we endorse the suggestion of Dr. Lokanathan, the societies, especially the village societies, should undertake the supply on indent of all the domestic and agricultural requirements of their members. The scope for mutual service for which co-operation stands is greater in strenuous times such as these through which we are passing and co-operators should rise equal to the occasion and come forward to serve the community. We earnestly appeal to co-operators, official and non-official, for greater impetus in this direction.

It is gratifying to learn from the Administration Report, the department pursued the policy of starting stores' societies in important centres to check the profiteering tendency of retail shop-keepers. The number of stores increased to 354 while the sales transactions amounted to Rs. 58,33,390. This is really a remarkable figure and we share the optimism of the Registrar that very soon co-operative buying will establish itself with consumers, in urban and semi-urban areas. But we are equally anxious that in rural areas also this change should take place. As already pointed out, we hope the indent system will be revived, if not introduced for the first time, in all village societies. The department may as well concentrate on this work at least in some areas where circumstances are favourable, especially in districts where the co-operative whole-sale stores have been a success.

Elsewhere we have reproduced an article on a plan for a complete Co-operative Consumer Service by that distinguished co-operator, Mr. R. A. Palmer. Those who read that article will note that the efforts made by the department in our province to start whole-sale stores is on right lines and such success as has attended the efforts of these stores to establish a complete consumers' service is commendable. We hope a society for each district will soon be an accomplished fact. We note that some differences between the Central Stores and the primaries have been satisfactorily settled. We make no apology to reproduce an extract from the Administration Report, which gives an admirable summary of the points of difference and how they have been composed.

"There had been differences between the Central Stores and the primaries in respect of business relating to the supply of finance, purchase of stock, etc. The matter was, therefore, discussed at the recent conference of Deputy Registrars at which it was suggested that for ensuring the smooth working of the wholesale and primary stores, much the larger part of the representation on the Board of Management of the whole-sale stores should go to the primaries which did a decent volume of business, the by-laws of the wholesale stores specifying the volume of business that should be done by a primary to entitle it to a seat on its Board. It was also suggested that primary stores should ordinarily obtain all their main

requirements from the wholesales, that in special cases the primary might be permitted to purchase stock from outside stores and central banks should not give them any but with the previous consent of the wholesale, that the wholesale should take back any stuff supplied by it to primaries in case it is returned because of its inferior quality, that primary stores should be exclusively financed by the wholesale advances, and that wholesale stores should train the staff employed in the primaries, the control of the staff being left to the primaries themselves. I am advising the wholesale and primary stores to adopt these suggestions."

Adequate Margin.

The Registrar of Co-operative Societies has again referred in his Administration Report to the question of adequacy of margin between borrowing and lending rates. We venture to submit that the Registrar is not fair to those who plead for lower lending rate when he states that they profess mere lip-sympathy for the villager without any regard for the principles of ordinary business prudence. Evidently the Registrar thinks that only the department and the Reserve Bank of India have the monopoly of wisdom to appreciate the principles of ordinary business prudence while the host of co-operators who are engaged in day to day co-operative work and who possess intimate practical knowledge of the working of co-operative finance can be described as persons engaged in indulging in mere lip-sympathy without any regard for the principles of ordinary business prudence. Is it seriously suggested by the Registrar that the Directors of the Central Land Mortgage Bank who pleaded that the larger margin between borrowing and lending rates insisted upon was not necessary, as persons who have no regard for the principles of ordinary business prudence? While we agree there is a serious honest difference of opinion on the question of margin, it must be regretfully pointed out the method chosen to solve the difference is not commendable at all. Is it seriously contended that the members of the Committee on Co-operation are ignoramuses who showed no regard for the principles of ordinary business prudence when they pleaded for certain concessions including the reduction in margin between borrowing and lending rates?

Control of Price of Yarn.

The plight of the handloom industry is far from satisfactory. The relief measures undertaken under the provisions of the Famine Code have not been extended to all the parts of the presidency. The tale of woe is heart-rending and unless radical measures are taken the fate of the handloom weavers is doomed and an industry which engages such a large section of the population and the prospect of its survival and growth in the coming strenuous times appear to be bright will receive a serious set-back. However,

THE MADRAS JOURNAL OF CO-OPERATION

it is gratifying to learn the Government of Madras has appointed a Yarn Controller. From what has appeared in the press, he is entrusted with the task of distribution of yarn stocks only and the control he exercises is not with regard to prices of yarn. We have time and again pleaded for the control of prices of yarn as the immediate necessity. We urge this measure again on the attention of the Government. It is refreshing to learn that the Government of the United Provinces propose to fix the maximum price of yarn and as a preliminary to that step they have issued a notification calling for returns of stocks of yarn. We believe such a step has already been taken in this province. However, we take leave to reproduce the notification issued by the Government of the United Provinces. We trust similar steps will be taken and the prices of yarn will be controlled. The notification runs as follows:

In exercise of the power conferred by clause (e) of subrule (2) of rule 81 of the Defence of India Rules, the Governor of the United Provinces hereby makes the following orders:

That every person or firm in the United Provinces owing or possessing on another's behalf, stocks of yarn of an aggregate value of not less than Rs. 10 shall submit a return to the District Magistrate of the district in which the stock of yarn is situated and where such stock is situated in more than one district to the district magistrate of any of those districts, before March 15, 1942, showing his or its stock of yarn as held on February, 14, 1942, classified according to quality.

That commencing from April 2, 1942 every such person or firm shall also submit to the district magistrate on the second and 16th day of every month a separate return showing the stock of yarn, classified according to quality, held by him or it at the end of the first and 15th day of the month respectively.

That if any person or firm contravenes any of the provisions of this order, he or it shall be punishable in accordance with the provisions of rule 81 (4) of the Defence of India Rules, with imprisonment for a term which may extend to 3 years or with fine or with both.

It has been suggested that a price fixing committee consisting of representatives of mills, the yarn dealers and the weavers may be established to advise the Yarn Controller in fixing the prices. We commend this suggestion for the consideration of Government. It is not known if the Price Control Committees have also been entrusted with this work. If that has been done or it is proposed to do, the fixation of yarn prices may be subject to the approval of the Yarn Controller.

Rectification.

The section in the Administration Report dealing with overhaul and improvement is interesting reading. We entirely endorse the

observations of the Registrar in regard to 'collection drive' that 'belated spurts of activity at the fag end of the year' are not desirable and it would be better like the kist the dues are collected in three or four instalments. It is needless to point out that kist collection is supposed to have some relation to harvest season. But it is well known that the kist periods are so timed that the agriculturist is often forced to sell his produce when the prices are low and thereby suffer loss. Some time must elapse between the harvest and the sale of produce. The loan and sale societies and the village credit societies as suggested in the circular printed elsewhere, should assist the agriculturist in holding up his produce and advance monies on the security of produce for payments in instalments towards kist as also the dues of the co-operative societies. It is regrettable that the department should have decided to inform the central banks that they should no more expect the assistance of the departmental staff in collection work. In this decision we are constrained to say that there is a decided tendency to treat non-official work as different from official duties. However, it is stated that if any central bank wanted to have the work done through the department it should place its supervisory staff directly under the control of the Deputy Registrar during the 'collection season.' We do not know why this condition is stipulated. As far as we are aware, no central bank has ever failed to co-operate with the departmental staff in regard to any matter unless it was a case of 'undue official interference.' We have been under the impression that always full co-operation marked the relations between the central banks and the departmental staff. The condition stipulated virtually demands the central banks to abrogate their power to control their own staff even though for period of time. We believe the department should be as much interested in reducing overdues by assisting in collection work and would continue to do so as in the past without imposing unnecessary conditions or adopting a pusillanimous attitude of unconcern. In their review of the Report, the Government are pleased to observe that rectification work has not made much progress and suggest to the Registrar that he should devote his close attention. We, however, invite the attention of our readers to the extracts from the Administration Report reproduced elsewhere. They give an account of earnest efforts made with fairly satisfactory results. We hope these efforts will be continued with greater vigour and rehabilitation of the Movement will soon be accomplished. In this task we earnestly plead for co-operation of the departmental staff with the non-official co-operators.

Societies for Scheduled Castes.

We regret very much that the Government have not accepted all the recommendations of the Committee on Co-operation in regard to the societies for the scheduled castes. As the public is aware that this subject engaged the earnest attention of the Committee as just

then the question of the cancellation of registration of the Madras Christian Central Co-operative Bank to which as many as 1243 societies were affiliated, was under serious consideration. The Administration Report for 1940-41 states that since the cancellation of registration of the Madras Christian Central Co-operative Bank 110 societies have been liquidated while 335 societies have been affiliated to the local central banks. It is known what the fate of the remaining 798 societies is. Is any organisation financing them? Are all or most of them fit only for liquidation? Cannot at least some of them be revived and such steps as those proposed to revive moribund or dormant societies be applied in their case? Any scheme for the thorough overhaul of these societies, involving the examination of the condition of each society in detail, needs adequate staff. We are surprised to learn that as a measure of economy the number of special inspectors has been reduced at the rate of one inspector for 30 societies instead of one inspector for 25 societies. Rehabilitation demands much more intensive work than mere supervision and administration especially when the societies got into the present plight even when an inspector had to look after 25 societies. We earnestly invite the attention of Government and the department to assist in the rehabilitation of the Movement among these classes and suggest that special and radical measures may be taken to promote co-operation among these classes. The non-official co-operators also should be prepared to afford all possible assistance, even at a sacrifice, to ensure the economic betterment of these classes through co-operation.

Provincial Bank.

Elsewhere we have given a summary of the good work done by the premier co-operative financing institution, the Madras Provincial Co-operative Bank. It is gratifying to learn that under receipts, loan transactions and net profits there has been steady improvement. Some noticeable features are the large increase in deposits from societies and individuals under receipts as also a phenomenal rise under produce loans under loan transactions. While we are glad to note the increasing grants made as subsidies and subventions for developing loan and sale societies, marketing and rectification, we shall not be misunderstood if we venture to suggest that subventions for rectification work should be on an increased scale and should be more widely distributed. Now that the Executive Committee consists of mostly of Presidents of central banks who are fully aware of the difficulties in the task of rectification with a veteran co-operator and the President of a central bank as the President, we have every hope rectification work will command greater support.

Handloom Industry in Madras.

BY R. SURYANARAYANA RAO.

Next to agriculture, handloom industry plays a great part in the economy of the province. In Madras it is really a premier industry, both as a whole time and part time occupation. Owing to various causes, general and local, the industry has been passing through a severe crisis. Attempts have been made in the past to assist the industry. As these efforts did not result in its rehabilitation owing to other causes, the Government of India have instituted an enquiry to find out how and to what extent further measures are necessary. Meanwhile certain circumstances have affected the yarn market and there has been an abnormal rise in the price of yarn. Impartial observers have recognised that the rise in price is not warranted both by the price of cotton and the cost of production, the two main factors which must naturally determine the price of yarn. This has rendered worse the plight of handloom industry. At one time yarn was not even available and the weavers were put to considerable hardship. A large number of looms had to remain idle and a larger number of weavers were thrown out of employment. The remedy for this abnormal situation, besides other measures of relief already in force, is considered to be the control of distribution and the price of yarn. Obtaining orders of the Supply Department in respect of goods of quality which the handlooms could easily weave and supply is also another measure of relief urged on the attention of Government. For some reason action was delayed by the Government of India even though prices began to rise quickly from December 1940 and the fact was repeatedly brought to their notice both by the public and the press. There was no response, while the mill owners continued to organise and resist every attempt at any form of control. The Madras Government was forced to afford relief to weavers in certain parts of the presidency under the provisions of the Famine Code. As the idea of relief of distress, without permanently solving the problem affecting the weavers, is prominent in the measures contemplated under the Famine Code, it will be conceded that such assistance as the Government are now generously offering cannot be continued long. Nor will it be possible to extend this form of relief to all the weavers in the presidency. It will be a herculean task to provide raw materials, supervise production, pay wages and find markets for finished products as in most cases the goods manufactured are of the usual quality without reference to the demand. One doubts the wisdom of extending the Salem scheme to other parts of the presidency as thereby Government are committing themselves to

a course of action involving large expenditure without contributing in any way to the prospective rehabilitation of the industry. It is true the scheme affords immediate relief. But as a permanent measure of relief it is of no consequence. Something more radical and lasting has to be devised.

The Government of India seem to have under consideration a scheme by which it is proposed to arrange for the sale of yarn by mills and licensed dealers. Licences for the sale are to be granted only to established dealers. Who are considered established dealers, it is not made clear. In the announcement which has appeared in the press it is stated the distribution of yarn is to take place under the supervision of the Provincial Government through normal trade channels in two stages; (1) primary wholesale dealers who will purchase yarn directly from the mills; (2) other dealers who will purchase yarn from the primary wholesale dealers and distribute it to consumers. Both these classes of dealers are to be licensed. The object appears to be to eliminate other dealers of yarn who may enter the market as in the opinion of the authorities these are primarily responsible for the abnormal rise in the price of yarn by holding up stocks. What is the guarantee that the licensed wholesale dealers and other dealers will not resort to similar devices? Nor is there any guarantee that the mills and the dealers who distribute yarn in their turn to consumers will be prevented from profiteering. Mere licensing without fixing the prices is of no avail. The Yarn Controller should be empowered to fix the wholesale and retail prices as also for cash and credit sales allowing a reasonable and fixed margin of profit over the cost price which should bear some relation to the cost of production including the price of cotton. Then there is the question of obtaining contracts from the Department of Supply. It would be the duty of the Yarn Controller to keep himself in close touch with the Supply Department not only for securing orders but also for the expeditious organisation of the handloom industry to satisfy these orders by exercising close supervision over production to ensure the articles made are to specifications of the Supply Department. He is to work in close co-operation with the Industries and Co-operative Departments. The task of the Yarn controller is by no means easy and his hands will be full. All organisations interested in the handloom industry should unstintingly place their services at the disposal of the Yarn Controller to enable him to discharge his functions in a manner helpful for the rehabilitation of the handloom industry. It is rumoured that large orders in textiles have been obtained by the

Government of Madras. So he has already work enough to engage his immediate attention. But the varieties of textiles required by the Supply Department are so numerous and varied the Controller needs the assistance of an expert with thorough knowledge of textile technique and possessing business experience. Such technical experts as the Industries Department possesses have already their hands full and cannot be expected to give the attention the orders of the Supply Department and from other consumers demand. Moreover, the expert should be of a status befitting the responsible functions discharged by him. He should also have business experience. If a person with these qualifications is not available, the Government should not hesitate to recruit one immediately on contract basis without going through the formalities of the Public Service Commission. It is too much to expect the Yarn Controller to exercise close supervision of production to ensure articles produced are of the required specification. In view of the fact the weavers in Madras are experts in weaving sarees, they should be guided properly in regard to designs to keep pace with the changing fashions. A lady may be associated with the Textile Expert in an advisory capacity either on a paid or honorary basis. The Madras Provincial Handloom Weavers' Society also suffers from these defects. Designers and Supervisors there are; but there are no qualified experts at the top to co-ordinate their activities. Lack of expert guidance is largely responsible, in the view of many, for the slow progress of the Society. Let not this mistake be repeated by Government if they are genuinely anxious, as they must be, to help the handloom industry.

Those who have even some knowledge of the handloom industry will recognise that co-operative method of organisation is best suited for the purpose. Whatever may be the drawbacks, it cannot be denied that the Provincial Handloom Weavers' Society has contributed a great deal to improve the lot of the handloom weavers. How best to bring all the weavers under the co-operative organisation is a matter for consideration. In the Salem scheme the Government distributed doles to weavers. It would have been better if these doles had taken the shape of share capital which, if necessary, can be recovered in instalments from the weavers as is being done in regard to advances for the purchase of improved implements. Doles have a demoralising influence and are to be resorted to only in cases of extreme need. When a large number of weavers are enlisted as members of societies, the working capital required to enable

these societies to afford relief must necessarily be abundant. In spite of the best efforts of the Registrar of Co-operative Societies, there is a great deal of hesitancy on the part of the Central Banks to finance the Weavers' Societies. The Provincial Society is not in a position to provide the working capital. The Government should advance a loan to the Provincial Society for this purpose or should come forward to give guarantee to the Central Banks on the recommendation of the Provincial Society. This is a method far more satisfactory and businesslike than the present form of relief under the provisions of the Famine Code. There is certainly some hope of return of the monies advanced. Moreover, this prevents demoralisation among weavers. Doles now given are also inadequate, not enough to maintain the families any length of time. So no purpose is served by the continuance of their distribution except as a gesture of sympathy. In order that the operations of these weavers may be carefully watched and guided both the Yarn Controller and the proposed Textile Experts should be Ex-Officio Members of both the Board of Management and the Executive Committee of the Provincial Society. It is true both the Registrar of Co-operative Societies and the Director of Industries are already on both the bodies. While their presence has been helpful, it will be conceded that in view of their other responsibilities they cannot be expected to give the attention the problem demands. As the appointment of the Yarn Controller and the Textile Expert is advisedly for the specific purpose of improving the handloom industry, their presence on the Board and the Executive Committee will be of incalculable benefit to the Provincial Society. This will promote co-ordination and co-operation between various agencies working for the rehabilitation of the handloom industry and thereby ensure quick and satisfactory results.

Another point for consideration is the necessity to enlist the Master weavers in any scheme of co-operative production. While outside the Movement they may prove bad enemies, inside it they may be less harmful though not wholly helpful. It has been suggested that the Master weavers may be enlisted as members of co-operative weavers' societies and they may be given work on contract by the societies stipulating the conditions of work, wages etc., to be paid to workers. There can be no objection to Master weavers becoming members of societies. But any attempt to perpetuate their role as middlemen, whatever may be the safeguards imposed, should not be permitted. Their good offices may be utilised and their

advice may be sought. Anyhow this is a matter on which the Yarn Controller will have to rivet his attention and find a workable solution. The position of Master weavers is a problem which demands solution as their presence outside the Movement is to some extent responsible for the slow progress of co-operative production.

It is also presumed that such assistance as the Provincial Society is receiving from the subvention of the Government of India will be continued and if necessary it will be increased to enable the Society to discharge its responsibilities satisfactorily. The scope of the Scheme of work now in operation, subsidies, guarantees, emporiums etc., should be widened and increased.

These suggestions have been made with a view to achieve the objective in view, viz. the rehabilitation of the handloom industry. When the scheme is put into working order, it may be necessary to alter it in some details from the experience gained. The scheme, I venture to submit, takes into account the conditions of things prevailing, the need for placing the industry on a permanent basis and the utmost benefit the weavers will derive without becoming an unnecessary burden on the State.

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Casein.

(Contributed.)

In this age, great many achievements can be expected in almost any field, due to the high standard of scientific research. One such achievement is the conversion of surplus milk, which would otherwise go as putrified waste, into a more useful and valuable product,—Casein. Casein, a by-product of milk, is now being extensively used in the preparation of paints, glues, as a fixing agent in the paper industry, for combs, cinema films, imitation ivory and many others including toys and aeroplane wings. Arthur Lynch, writing in 'Hoard's Dairymen' on the many use to which casein can be put, says: "We wear casein, We eat it, We use it for toys, trinkets and every day articles and we finish up by shining our shoes with a polish that is made from the Casein of Cow's milk." The technique in the preparation of casein is so very simple and can be taken up at all centres of co-operative milk production. The trouble taken to manufacture will not be so very great when compared to the high value, Casein fetches in the market. The details of manufacture are as follows :—

Kind of milk. To manufacture Casein it is quite immaterial whether the milk used is that of buffaloes or cows. The only point to be borne in mind is that the milk used should be skimmed milk and free from fat.

Varieties of Casein. Three kinds of Casein are generally made :—

(a) Ronnet Casein, made through the agency of rennet (enzyme) extract from calf's stomach.)

(b) Commercial casein obtained by precipitating the solid matter from milk by the addition of mineral acids like diluted sulphuric acid, acetic acid, hydrochloric acid, etc.

(c) Lactic casein obtained through the agency of lactic cultures which are introduced in the form of soured curd.

Nowadays casein is manufactured by the latter two methods.

Appliances required. Special machines and appliances are not necessary to manufacture casein. Ordinary appliances that are used every day work can be utilised for this purpose. They are as follows :—

- (1) Wooden tubs or casks or cement concrete tanks
- (2) Buckets or bamboo ladles
- (3) Strong gunny bags
- (4) Draining racks (made out of bamboos)
- (5) Wooden hand press
- (6) Wire sieve or milling machine (to be made out of small wire mesh sheets which can be had from any hardware dealer.)
- (7) Drying floor or racks.

Different stages of manufacture. Casein can be prepared directly from milk as well as from curd. The methods are described below :—

(a) Directly from milk by the Acid method :—

CASEIN



Casein making Pressing raw Casein.

First stage. The surplus milk in a raw condition is to be skimmed off for fat with a centrifugal cream separator. This is important, as any trace of fat will spoil the colour and the keeping quality of the casein and render it useless for many commercial processes.

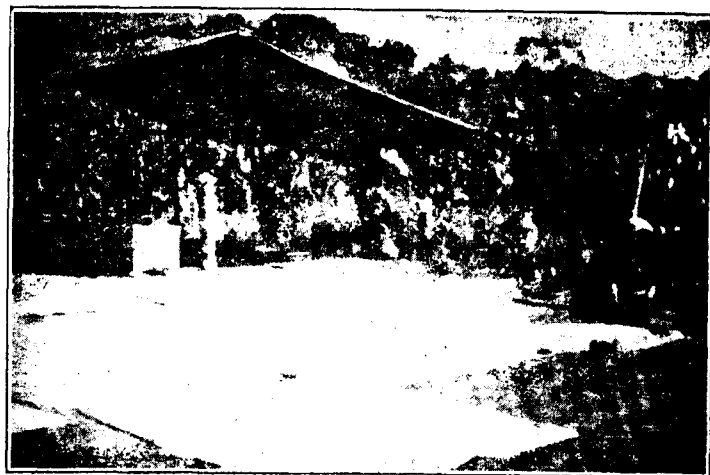
The separated milk so obtained is to be transferred to ordinary wooden tubs. To this any of the following diluted acids, viz., sulphuric acid, hydrochloric acid, acetic acid, etc., is to be added in small quantities. About 1 oz. of hydrochloric acid will be necessary to precipitate 10 lbs. of milk. While adding the acid, the milk should be constantly stirred with a wooden ladle (a long bamboo piece will serve this purpose). Quick action of the acid will precipitate the milk within 15 minutes. Stirring should be stopped after complete coagulation of the curd. The liquid portion should be drained off with a bucket and the coagulated mass separated.



Casein Sieving the Curd.

Second stage. Washing and draining of the curd.

The coagulated mass is to be well washed with fresh cold water, twice or thrice. After washing, it is to be placed in gunny bags for draining. To hasten the process, and to extract the moisture as far as possible, it should be placed in a press. As most of the co-operative institutions cannot afford to go in for this special kind of press, the following simple method is suggested. The gunny bags containing the curd are to be placed between two wooden planks and the pressure applied by placing weights and heavy stones on the top plank. The method of applying pressure is to be gradual and spread over a period of three to four hours.



Drying Casein.



Packing Casein.

Third stage. Milling or Sieving the curd and drying it.

When the curd is sufficiently hard, it is to be broken up and granulated by rubbing it on wire gauze sieves to facilitate the evaporation of moisture.

CASEIN

The granular substance thus obtained is casein in green form. It is then dried in the sun. The place where this is dried is to be clean and free from dust. The green casein is to be occasionally stirred while drying. It will take six to eight hours for it to dry in the sun. The drying should be complete, otherwise the moisture in the casein will aid decomposition and all the granules will again get into lumps. It is better to allow the dry casein to stand in heaps, to dry for two or three days (after complete drying) in bright sun. The idea is to destroy all microbes.

The dry casein is to be stored in gunny bags either in granular form or ground as powder. A ground product fetches a good price.

Keeping quality and the demand of the market. A well-made casein can be stored for three years. Previously casein was in demand only in foreign countries, but nowadays, there is also much demand locally for it. Casein is being used in the manufacture of ammunitions and air-craft also. The price is on the increase on account of war conditions. The price, though fluctuating, has now arisen from Rs. 75 to Rs. 255 per ton.

Method of manufacturing casein from curd. In the usual way, the milk is to be boiled and curdled. Next morning it should be churned for fat. As it is not possible to remove the entire fat from the curd by the country method, the curd should be saponified. The method is as follows :

Removal of fat from curd : 1 per cent. caustic soda (sodium hydrate) is to be added to the curd and well-stirred. During this process, the curd is to be slightly warmed. Fat will be saponified and the curd will be free from fat. After this, the process described as "the second stage" under method (a) is to be followed.

Conclusion.

The manufacture of casein should be taken up only in places where nothing can be realised either by selling separated milk or curd. The cost of labour is a negligible factor, in casein making. The existing employees of the society can be asked to attend to this work for a few hours. Unlike the other products of milk, casein does not require constant attention nor is skilled labour required. As the keeping quality of casein is greater than any other product, it can be stored for a long time and sold whenever the market is favourable.

Considering the demand and the favourable price, co-operative milk supply unions and societies can prepare casein and realise a profit when they cannot realise any amount for the surplus milk either by converting it into palkova or curd.

The District Society.

Plan for a complete Co-operative Consumer Service.

BY R. A. PALMER, J. P.

Co-operative Union General Secretary.

This important contribution to co-operative thought is based on an address delivered by Mr. Palmer to the National Co-operative Managers' Association, in Manchester, on September 17.

Co-operators must be always seeking the extension of their activities into every field of business so that a complete co-operative service for consumers is established for members in city and country alike. Co-operation must forge ahead or be eclipsed by other forms of enterprise. There is no such thing as standing still.

That existing co-operative distributive organisation is yet far from perfect appears to be a generally accepted conclusion at the present time and some adjustment in co-operative methods is required. Many co-operators are attracted by the effectiveness of centralised control such as exists in the multiple shop system. Some co-operators would apparently like such control and be content to be told what to do and compelled to do it. That would relieve them of the necessity of thinking out problems for themselves. To this type of mind totalitarianism seems to have advantages over freedom.

Agreed it is necessary, however, for co-operators to be alive to the changes in the economic and political system, they must turn their attention to adjusting methods as may be essential to continue to give members a service, at least, as efficient as can be provided by any other form of organisation. That can be done now. Nor will we fear to make changes necessary in the future. Experience shows that the Movement has not lacked courage in the past to adapt itself to changing circumstances.

Reference has been made to adjusting methods, but it is vitally important that the Movement never departs from its co-operative principles, the most important of which is democratic control. To reject at this stage that democratic principle would entail such a radical change in our structure as to leave it doubtful whether the Movement would claim any longer to be co-operative in character.

In searching for some form of improved organisation the field is, therefore, narrowed to some method which will leave our co-operative principles unviolated.

The Problem Stated. Now, clearly, the Movement is developed to a varying extent in different Districts. That great variety in the size of societies and the services they provide means that the Co-operative Movement has penetrated the economic and social life of the community in differing degrees in various parts of the country. Not all societies, by reason of disparities in

the size of their membership and other factors, are able to offer the same variety of service. A few only cater for grocery and provisions, and between these societies and those at the other end of the scale which provide nearly all the consumer services of which one can think, there are others providing, only incomplete services.

To know that there are many co-operators who are entirely dependent for many consumer services upon profit-making business, is entirely unsatisfactory. If this state of affairs is to be remedied some scheme has to be produced into which societies could freely enter which would enable the Movement to have at least a reasonable prospect of securing the extension of services to all co-operators and avoid the difficulties of overlapping and co-operative competition with all the waste this involves.

Smaller Societies. In achieving this I do not want to add to the machinery already existing in the Movement: already we have more than enough committees.

Before outlining a proposal which might meet the situation, let it be said that the scheme and the necessity for it are not a reflection on the smaller societies.

In a recent issue of *Co-operative News* a reference was made to the "backward small societies."

It does not by any means follow that small societies are backward or inefficient. Many of them are more efficient than larger ones and can often show staggering figures of trade per member compared with larger societies, and that on a smaller number of services.

Nevertheless, it should not be forgotten that in the past twenty years there has been a big change in our Movement. The 850 small societies with a membership of less than 1,500 have fallen to less than 350.

Existing District Machinery. At present Co-operative Union members are organised into some sixty or more Districts, the societies in each District elect a District Committee which is responsible for carrying on certain functions in the District.

I propose that the Societies in each District should form a District Co-operative Society to replace the present District Committee, and that the District Society's functions should, in the first place, be those which at the present time are carried on by the District Committee with, of course, many others. The ultimate aim might be the formation of District Societies; but that is far in the future.

As a step towards this end each District Association might be formed into a co-operative society with powers to carry on all or any businesses usually carried on by retail co-operative societies; to act as an investment society and as trustees; and to exercise also such functions as are now undertaken by District Associations.

Functions of District Society. Societies in the District would be the members and find the capital for the District Society. Definite powers should be given to the District Society and probably the best way would be to define such powers in the rules and also to state them, by way of contrast, in the application forms for membership to be signed by the constituent societies.

The first duties of the District Society would be those of the District Committee :—

- (1) *Organising conferences ;*
- (2) *Negotiating wages and conditions of labour ;*
- (3) *Arbitrating in overlapping disputes.*

More important work would, however, follow. The obvious duty of the District Society would be to secure a complete co-operative service throughout its District. This would involve the development by the District Society on behalf of, and not in competition with, its retail society's members where services were not provided by all. The District Society would run laundry, funeral furnishing, drug, tobacconists, coal, boot repairing, hairdressing, and other specialist business where specialisation seemed desirable.

One Society for District. By agreement with a society, the District Society would have power to take over a department as the nucleus of a District Society's operations, and to amalgamate with or accept a transfer of the engagements of any of the retail societies in the District. The District Society might also be responsible for securing agreement on questions of price and dividend policy.

In time, the position might be reached that instead of ten or twenty retail societies in each District, as well as a District Society, there would be only the District Society, the whole of the retail societies having eventually agreed to amalgamate with the District Society. When that situation had been reached in every District the Movement would comprise sixty ordinary societies, all big-scale co-operative organisations, covering a wide area and providing a co-operative service for all or most of the needs of the consumer.

Advantages of Scheme. Organisation merely for the sake of organisation is useless, nor must we lose the benefits which we at present obtain from our smaller co-operative units.

In the event of amalgamation of a retail society with the District Society, the local committee in being should be maintained as an advisory committee for the area to the District Committee.

Officials need not fear that such a development would jeopardise their positions as they might be jeopardised by some proposal for a Central Authority with the power to instruct societies as to the policy which they should follow. Indeed trade developments which would follow upon the District Society's expansion into new departments and trades would increase the opportunities of advancement for co-operative officials. Before the final phase of

the District Society, when its activities covered the whole area and every trade, there would probably be great advantages accruing from the possibilities which lie behind large buying power and the splitting of the functions of buying from those of sales organisation. If the buying were done on behalf of all the societies in the District the sales organisation would be left to the individual societies, whose chief officials, relieved of buying duties, would be better able to concentrate on what after all is the chief job in a distributive organisation, that of achieving an efficient and economic system of distribution.

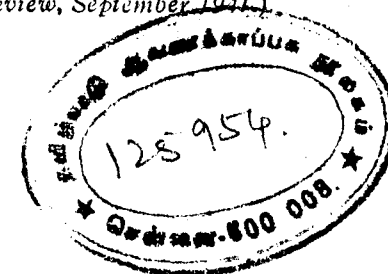
Link in Government Plans. There appears, too, to be a possibility that, as in the case of milk production we have a national organisation of meat supplies, may be maintained. Greater co-ordination of distribution would put the Co-operative Movement in a much stronger position in dealing with the producers.

Comparison with other forms of Trading. Again, one society in each District or, say, sixty societies for the whole country, would certainly eliminate any claim from those who sponsor ideas for municipal supplies of milk just as they would in regard to such commodities as bread, meat, and coal. Certainly the elimination of overlapping services such as exist at present would do much to strengthen the claim of the Co-operative Movement that no more economical method of meeting consumer needs could be provided. Probably such organisation would eliminate problems which arise consequent upon our distributive system differing from that of the outside trade. The present troubles over Group Manufacturing Licences in the butchery trade, for example, would not arise if there was, say, in each District a central abattoir run by the District Society with making-up departments.

Specialisation. This suggestion leads one to consider a division of functions in the District, that is, baking production, milk processing, slaughtering and meat processing, being undertaken by the District Society, and other forms of retailing by the local societies.

Such proposals are not, however, intended to be a cast-iron system of future organisation : indeed it would be foolish to formulate such a system. What I do want is some form of co-operative organisation emerging from discussions which will ensure that there is reasonable possibility of providing all the services which co-operators need throughout the country. That is not possible under a scheme such as that briefly out-lined and the organisation would not in any way cut across co-operative principles. It would maintain control and direction of policy by rank and file members, developing by their consent and not imposing upon members the will of some central authority.

(Co-operative Review, September 1941.)



Co-operation Aids the Chinese.

The extent to which the co-operative movement is assisting the Chinese to rebuild their country and to sustain the people is described in the following extracts from an article by Donald Cowie in the *Wheat Sheaf*, a British Co-operative Publication :

"As Japan slowly embroils herself with the democratic powers, and they retaliate by economic sanctions, a great wave of hope sweeps over struggling China. British co-operators will be interested to know that the principal Chinese weapon to benefit from the new situation is the great movement, allied to their own, for the re-establishment of industries by co-operative action.

"This is the most remarkable employment of the co-operative idea in modern history. Some time ago British Societies sold debentures through their branches to make a loan of £100,000 to the Chinese movement, but how many of our people realised the importance of the scheme they were helping? Here are the facts.

"The Japanese probably know that they cannot hope to defeat China by military means alone. Therefore, they have concentrated savagely upon obtaining economic control of the country. All China's chief industries have accordingly been smashed by the invader—yes, literally smashed. The little yellow men have actually destroyed some 70 per cent. of the former Chinese factories in the occupied areas, and have carted off the machinery, even the girders of buildings, as scrap iron to Japan.

"The Chinese Government at first hoped to re-establish their industries in the far west, but found that this was not entirely practicable when the Japanese started to bomb cities as far away as Changking, Yunnanfu, and Kueilin. Then certain patriots, notably Madame Chiang Kai-shek and Dr. H. H. K'ung, thought of developing the co-operative idea.

"It was particularly suited not only to the circumstances of the unhappy moment, but also to the structure of Chinese peasant life. And didn't it romp ahead! Just before the outbreak of our war, over 1,000 industrial co-operatives had been created in the unoccupied areas.

"Since then they have made outstanding progress. It is possible that nothing exactly like the movement has ever been seen before. When the Japanese arrived in their towns, thousands of Chinese operatives of all trades were thrown out of work. Henceforth most consumption goods would be sent from Japan. So the workers trekked as fast as possible through the lines into the unoccupied territory.

"There they were mobilised at once by the new Chinese Industrial Co-operatives organisation. Some were sent to this village, some to that. There was no concentration of workers in any one area. In the villages the men

CO-OPERATION AIDS THE CHINESE

and women were sorted out, according to trades, provided with handicrafts tools and small machinery, shown how to get raw materials from the locality. (Daring souls got 'unobtainable' machines by creeping through the lines again and salvaging them from farming Chinese factories right under the Japanese nose.)

"The first village co-operative was a foundry, then 30 stocking knitters from Honan set up machines that they had carried with them through the lines. Next came a soap-and-candle co-operative of 12 members, and fourth a printing co-operative. They were, from the first, self-managing and democratic. A chairman and committee were, and are, elected by the members, and no one can buy more than 20 per cent. of the total shares. Wages are decided by a vote of the members, and depend on the state of the finances. Such is the enthusiasm of the workers that they have often been willing to labour for wages of a bowl of rice a day. Already the co-operatives have clubs, where they discuss current problems, and improve their education.

"One small co-operative is working a formerly deserted coal mine, from which it supplies several villages with unheard of fuel and warmth.

"The goods are often distributed on a barter basis, but already the finances of the movement are exceptionally sound. Contributions have arrived from all parts of the world, and Madame Chiang Kai-shek has herself given a lot of money, probably the earnings from her fine books.

"The simple object of the scheme is to make unoccupied China economically self-sufficient, so that the enemy may not sap its strength with his continual economic offensive. You can say what you like about patriotism, but man lives by bread alone, and if the Chinese peasants cannot get goods elsewhere, they will have to get them from Japan—and that is the end of China.

"Yet the scheme has a secondary motive, namely, to strengthen the new China by awakening indigenous industries, the products of which can be enjoyed by all.

"Until Britain and America started economic sanctions against Japan, however, it was always doubtful whether the infant movement would survive. The weight of the Japanese economic offensive was so strong. It was becoming increasingly difficult for the co-operatives to obtain the necessary capital for the extension of their work to meet the threat.

"But now, with the new alignment of the ABC Front, the co-operatives have an advantage at last. Japan is hit badly by our economic sanctions, and soon will not have sufficient raw materials to maintain her flow of goods across the Chinese border. We are increasing our efforts to send raw materials to China by way of the Burma Road. It is rumoured that the Chinese co-operatives will not lack monetary capital from now on.

"The store should appeal particularly to people in this country who have been aroused by the spur of war to a deep consideration of the underlying facts in our economic life, and it should be a stimulus to co-operators everywhere."

Educational Institute Planned by the Chinese Industrial Co-operative Movement.

An ambitious plan has been drawn up for a Co-operative Educational Institute which is to form the centre for all educational and research activities of the Chinese Industrial Co-operative Movement, and a Planning Committee to organise this Institute has already started work at Chengtu, the war-time university city of Szechuan Province. Friends and fosterers of the Chinese Co-operative Movement, like Professor J. B. Tayler, are working together in this Committee with Chinese Co-operative administrators of the Chinese Industrial Co-operative and technical experts on industry, agriculture and finance for the realisation of the plan with the minimum of delay. An appeal has been sent by the Committee to friends of the Chinese Industrial Co-operative Movement in America to help in financing the plan, which will require about one million Chinese dollars, equivalent to about U. S. A. dollars 80,000.

The importance of the scheme for the Chinese Industrial Co-operative Movement can hardly be exaggerated. Industrial Co-operation in China has expanded rapidly within the span of a few years and has now reached a stage where the intensification of its work and the consolidation of its structure becomes the most urgent task of the Movement, and a pre-condition of further expansion. This consolidation, however, is not possible without systematic training and education of the leaders and active members of the Organisations. The Educational Institute, it is hoped, will become the main instrument for the consolidation of the Movement on a really co-operative foundation, and it is expected that it will give the Movement leaders who are expert administrators, technicians, engineers, &c., as well as convinced Co-operators. The educational activity of the Institute will be supplemented by intensive research work in order to find out the most rational and effective methods of Co-operative production, marketing and distribution, which will enable the Societies to withstand the pressure of capitalist competition not only during the present emergency but also in more normal times after the war.

The Institute will have three main departments, each with a number of sub-divisions :—

- I. The Industrial Department, with 4 divisions, Textile, Chemical, Mechanical and Metallurgical.
- II. The Business and Economic Department with 2 divisions, Marketing and Statistical, and Accounting.
- III. The Co-operative and Training Department, with 2 divisions, Co-operative Organisation and Training.

EDUCATIONAL INSTITUTE PLANNED BY THE C. I. C. MOVEMENT

Each department will organise its own research and its own training, while the general management for editorial affairs and publications will carry out the publication programme of the Institute, which provides for the regular issue of bulletins on technical problems and the publication of text-books, including a manual for the guidance of China Industrial Co-operative staff and a monthly educational journal for the staff and leading co-operators.

At the head of the Institute will be a Director who will be directly responsible to the Board or Council which will determine the policy of the Institute and advise the China Industrial Co-operative Movement as a whole. Apart from the heads of the departments there will be an editor for the publications and a director of field work, whose main task will be to co-ordinate educational activities of the Movement in the provinces.

The training classes will be graded according to the educational standard of the students. A very high standard of education and ability will be required for the higher class, to which only university graduates and experienced field workers who have shown unusual ability will be admitted. It is hoped that about 100 students will attend the first course. The Junior Grade Class will be open to middle school graduates and the staffs of Co-operative Societies and Organisations. Correspondence courses will also be organised on the basis of Co-operative Seminars in the various regions covered by the Chinese Industrial Co-operative Movement.

The new Institute will probably be in West Szechuan and several branches of the Chinese Industrial Co-operative organisation in that district will be put at its disposal to serve as demonstration and practice centres.

(*Review of International Co-operation, February, 1941.*)

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Conference.

The Eleventh Coorg Provincial Co-operative Conference.

PRESIDENTIAL ADDRESS

By P. S. LOKANATHAN,

Professor of Economics, University of Madras.

I am deeply conscious of the honour you have done me by inviting me to preside over the 11th Coorg Provincial Co-operative Conference. I only wish that your choice of President for the year had fallen on a more worthy person, for although I may claim some acquaintance with consumers' co-operation in India, being a Director and Vice-President of the T.U.C.S., the premier store in India, my knowledge of and interest in the co-operative movement is primarily that of the academic student deeply interested in rural welfare and in the alleviation of the poverty of the masses of the population. I imagine therefore that you are interested in my remarks only in so far as I can present some features and problems of our movement as an economist sees them and will not expect me to deal with questions on which only the practical co-operator can throw useful light.

Before I do so, may I offer my hearty congratulations to the co-operators of Coorg on the remarkable success of the movement in your Province. In many ways co-operation in Coorg affords a pleasing contrast to its growth and working in most other parts of India. Your movement is a more balanced one; for although, as is but natural, the credit societies still predominate, there is a fair proportion of non-credit activities which supply the necessary corrective to the otherwise one-sided development of co-operation. The variety of your movement is illustrated by the successful working of societies like the loan and sales societies, grain banks, fruit marketing society, the honey and wax producers' society, milk supply society, the lantana eradication society, the anti-malarial society and better-living societies. It is gratifying to note that nearly every village is now served by a co-operative society, and that over 65 per cent. of the population have come under co-operative influence. I note with satisfaction that the percentage of collection of loans to demand is nearly 68, and that overdues are far less than in other parts of India. Equally gratifying is the increase in credit societies of the A and B classes and of an appreciable decline in the number of unsound societies. For a Province like yours with 1,30,000 acres and a population of 1,60,000, 325 societies of all kinds that you have are no insignificant number. Your co-operative structure is broad-based and well-built. A strong Central Bank, supervising unions, urban

and village societies form a well-knit and coherent whole. You are also fortunate in that for running successfully these large and varied institutions, you are able to attract a sufficient number of able men who have tact, knowledge and business ability. I am most impressed by the number of loans granted for sums of Rs. 50 and below. Seventy per cent. of the total number of loans disbursed by primary societies are for Rs. 50 and below, and this is a welcome feature of your movement.

Of more than ordinary interest to co-operators outside Coorg are your famous grain banks which have been conferring great benefit on the poorer ryots. The number of such grain banks has increased during the year to 77, membership to 4,820 and working capital to nearly Rs. 60,000 calculated at the rate of Rs. 3 per batti. Rs. 43,200 worth of grain was granted as loans as against Rs. 34,949 last year. The rate of interest charged varies, I understand, from 12½ per cent to 20 per cent, and in view of the fact that the loans are properly secured, a further reduction in interest may perhaps be aimed at. Co-operators in other provinces may have a great deal to learn from the experience of the successful working of these grain banks, which are a special feature of co-operation in Coorg.

Perhaps the most important event of the co-operative year that is just passing is the amendment of your Co-operative Act, which provides for a whole-time Registrar. The Registrar in this country is considered the guardian angel of the movement and on his personality, sympathy and guidance depends largely the success of co-operation in Coorg as elsewhere. I am personally very glad that your Registrar is an old student of mine and I am confident that under his able and wise counsel your movement will grow from strength to strength.

Gentlemen, co-operation in our country has not had a smooth career. It has been tossed by periodical waves of optimism and pessimism, characteristic of all human activities. During the last ten years co-operation has been under a cloud, and critics were not wanting who condemned it wholesale and who despaired of its rehabilitation and restoration. Certain ugly features had undoubtedly crept into the movement; inertia, indifference, apathy and dishonesty. Loans were granted without any reference to the purposes for which they were needed and to the repaying capacity of the borrowers. The moral basis of co-operation was entirely ignored, and co-operative societies came to be regarded as institutions which disbursed facile credit. But there is no gainsaying the fact that even if the movement had been sounder and free from its obvious defects, it could not have escaped the crisis which overtook it. For the severity of the economic depression and its blighting effects on agriculture were so serious that no organisation intended to finance agriculture could have come out unscathed. When the value of the assets held and the incomes of the

borrowers are reduced suddenly by over 50 per cent, it is impossible to expect any financing institution not to suffer serious damage. It speaks of the inherent soundness of the movement that in Madras, the Punjab, Bombay and in Coorg it stood the shock so well and that by a gradual, though painful, process of rehabilitation, the movement has once again been placed on a stable footing.

Another cause of undue pessimism about the future of co-operation in India is that far more is expected of it than is really possible. In the first place, co-operative credit societies were expected to solve the problem of rural indebtedness and for several years after their establishment they granted loans for the discharge of debt, little realising that the problem of rural debt was an exceedingly complex one and that rural debt could not be solved by the ordinary type of village societies. These latter were condemned for failure to do the function for which they were hardly fitted. It has taken more than three decades for co-operators to realise that while the problem of indebtedness should be solved urgently, and if possible on co-operative lines, the agency for solving it should be quite different from the ordinary co-operative credit structure. Sir Frederic Nicholson undoubtedly set before the village banks a very high ideal, and the whole gamut of rural development was sought to be placed within the framework of the co-operative structure. But when the Co-operative Societies Act of 1904 was passed providing for the establishment of village societies on the Raiffeisen model, there was no intention that these societies should undertake the liquidation of indebtedness. Indeed it was the intention of the Act that the village societies should serve the short-term needs of the ryot and that his long-term needs should be met by other agencies. The urgency of liquidating his debt was recognised, but unfortunately no special agency was established for the purpose and the gap is being successfully filled only in Madras and Bombay in recent years.

I note that you have a scheme for enabling your Central Bank to advance long-term loans to the agriculturists. If you are able to attract long-term deposits for ten years and above and if the paid-up capital and reserve of your Central Bank constitute a high percentage of your total working funds, there can be no objection on principle to the Bank's undertaking this function. On the Continent of Europe the big commercial banks had been financing the long-term needs of industry with considerable success, and became investors in industries. But even there, it was felt that mixed banking carried with it certain dangers and that it would be better for ordinary banks to confine themselves to the financing of trade and to the working capital needs of industry. Similarly while as a temporary measure the Central Bank may be entrusted with this function, ultimately it may be desirable to leave long-term

financing to a specialist institution like the land mortgage bank which should be separately organised.

Agriculture in India has often been described as a case of deficit economy, and until it becomes a more remunerative occupation co-operation will remain shaky and its progress limited. But the merit of co-operation lies precisely in the fact that, more than any other single agency, it contains within itself the germs of development, which can reorganise and revitalise agriculture. The primary co-operative society should not remain content with the mere disbursing of credit. It should assume responsibility for the supply of other needs of the ryot. Almost everything that a member needs, from the supply of agricultural requisites to domestic necessities, should be obtained for him by the society. The society should become a multi-purpose society, able to fulfil the wider objectives contemplated by Frederic Nicholson. I am glad to note that you have in Coorg a few societies organised for multi-purposes, and I hope that you will watch their progress carefully. For while the desirability of increasing the range of activities of village societies is unquestioned, the danger of undertaking wider and more complex functions without the necessary equipment in the shape of trained staff and sound leadership cannot be minimised. While I am, therefore, generally for multi-purpose societies, I cannot recommend any wholesale conversion of the present societies into multi-purpose societies, except where conditions are favourable for such conversion. For the losses in one or two lines of activity may ruin the entire structure. Further, there are circumstances where special agencies should be established for certain purposes. Marketing societies may have to be separately established for the financing and sale of special products. Your orange marketing society, your cardamom marketing society and coffee marketing societies have benefited, and will continue to benefit, by functioning separately. For the marketing of such products requires special knowledge and trained staff, who will be able to study the markets closely, grade the produce and teach the growers in catering to the market. Large gains to the ryots will accrue by the efficient handling of special products for the market. In the initial stages marketing societies deserve Government assistance, and you are fortunate in having secured from the Government of India Rs. 33,000 for the marketing of your famous oranges. Experience all the world over indicates that preparation for an external market has always resulted in an appreciable improvement in agricultural practice and in raising the whole level of agricultural activity. I must also congratulate you upon securing for your Honey and Wax Producers' Society an expert salesman, with the help of the Government of India. Coorg honey has earned very justly a great reputation in the Indian markets.

The Co-operative movement is now passing through one of its most significant phases. Thanks to the depression and the breakdown of the movement in certain provinces in India, a thorough examination of the movement is being undertaken in many parts of India. The Report of the Committee on Co-operation in Madras presided over by Sir T. Vijiaraghavacharya is undoubtedly one of the most outstanding amongst them all, and it records the collective wisdom and experience of eminent co-operators. Co-operators may turn to it for guidance in the solution of the many problems with which they are faced. There is, therefore, no need for me to refer to them all, but I would like to take this opportunity of stressing two or three aspects of the co-operative movement. That credit should be controlled and should be educative, that the purposes for which loans are granted should not merely be carefully scrutinised but that a continuous watch should be kept on the use of the loans, that societies should serve all the financial needs of the ryot and that contact with the members should be close and continuous are all principles which have been re-enunciated by co-operators in India to-day. Universal assent to the above principles marks in itself a real advance, and if societies would adhere to them we could expect steady progress on sound lines. Secondly, the view that the success of primary societies does not depend upon the old Raiffeson principle of unlimited liability, which may be replaced without undue risk by the principle of limited liability, though it may seem revolutionary to some co-operators, is based upon a correct appreciation of the realities and the needs of the present situation. The theoretical case for unlimited liability remains perhaps as valid to-day, as it did when it was first introduced. But throughout its long history in its practical application it was not of much utility. It would have been given the go-by long ago but for the fact that it was never enforced rigidly and harshly. The claim that members would be compelled to take more interest in the activities of one another and ensure proper utilization of the loans granted to them could not be seriously sustained. If that had been so, the defects and weaknesses that are noticed in the movement would never have crept into it. The number and amount of loans granted in the Madras Presidency and Coorg on personal credit rather than on landed security are negligible. Further, if the goal of the village society, *viz.*, that it should serve as the centre of the economic activities of the ryot and therefore take up a multiplication of functions, is to be kept in view, then a limited liability society embracing a compact group of villages is surely the most proper and safe line of organisation.

The third point on which I should like to say a word is with reference to the need for the promotion of marketing societies. Too often our loan and sale societies are loan rather than sales societies. The marketing of the produce of the ryots should be undoubtedly one of the

most important aims of the co-operative society. For apart from the forced sale of produce which leads to low prices, only through a network of marketing societies can the evil practices, so wide-spread to-day, of adulteration, damping, false weights and measures be put an end to. Or doing the work efficiently, marketing societies should have godowns where they can store the produce, and I must congratulate you on your wisdom in utilising the Government of India grant for the construction of godowns. These warehouses are not merely useful for storage, but will serve as the best basis for marketing credit, for the warehouse receipts or warrants issued by them can be pledged with banks and funds could be raised. India needs a network of warehouses and the offer of the Government of India to finance their construction from out of the funds secured by the margin of difference between the market price of rice and the guaranteed price of groundnuts should be most welcome to co-operators.

We are in the midst of one of the greatest of world cataclysms, and the war will undoubtedly affect our movement in various ways. But without venturing too far into the future, one can say that some of the effects are already perceptible. The first four months of the war witnessed a rapid rise in the prices of all articles including agricultural commodities, and co-operators were advised against excessive borrowings by the ryots on the strength of a rise in price, and emphasis was laid on thrift and avoidance of extravagance. But the fears of a steep rise in prices soon faded away, as it became apparent that the war did not generate a boom in South India or elsewhere. The prices of food and other agricultural commodities have not been increasing as rapidly as those of manufactured articles, and such increases in prices as have yet occurred cannot be said to be unjustified considering the costs to the cultivator and the minimum needed for his subsistence. But the tendency on the part of retail shopkeepers to profiteer and exploit the consuming public by forcing up the prices of commodities led to action both by Government and by the Co-operative Department. It was felt that an effective way of checking prices would be to organise consumers' stores, and hence the opportunity was availed of to start a large number of stores in the Madras Presidency. But even if separate store societies are not organised, it is desirable that co-operative credit societies should take advantage of the present situation to undertake the supply on indent of all the domestic as well as agricultural requirements of their members. The advantages of mutual service in times like the present hardly need to be stressed; and village societies should revive the indent system of purchase. In Madura and Ramnad Districts in Madras Presidency the store movement has received great impetus, and Central Banks are disbursing credit to the members partly in cash and partly in rupee cheques,

which may be used only against purchases in local stores. In the City of Madras, Government has entrusted the whole task of storing essential food supplies required in times of emergency to the Triplicane Urban Co-operative Store and the latter has agreed to undertake retail distribution through its 34 branches and 25 depots specially opened for the purpose. In this way can the consumers be protected against exploitation, and prices effectively controlled. No amount of legislation or executive orders against exploitation can safeguard the consumer as a co-operative organisation can. I do not know enough of the conditions of your province to tender any advice, but in the light of the above, similar action may be taken here if the conditions warrant it.

That leads me on to the important question of the linking of producers' and consumers' organizations. The interests between the two seem to be apparently in conflict; the producer wants the best possible price and the consumer the cheapest possible price. But what both require is a fair deal, and it should not be difficult to arrive at an agreement satisfactory to both sides. The more serious difficulties arise from the difficulty of getting from producers' societies the sort of goods in quantity and quality needed by the consumer stores. There is such a lack of standardisation in production and there are far too many varieties that it is difficult to get adequate supplies of the particular kind to which the consumer has accustomed himself. Producer societies should therefore concentrate on the selection of a few standard varieties and increase their supplies.

I do not propose to detain you longer. I am a firm believer in co-operation and its future. Not that it has no shortcomings or weaknesses. But they can and should be overcome. The lines of consolidation and improvement have been more or less clearly laid down by the leaders of the movement and despite some small differences in detail, have received widespread approval. I see no other way to economic improvement than through co-operation. If co-operation fails, everything will fail. I can see no alternative to it. It is the most pacific way of achieving economic transformation.

But if co-operation is to subserve the highest ends, it requires a band of enthusiastic, earnest and trained men who will be inspired by lofty idealism and are at the same time practical and realistic. The education of the citizen for co-operation is as important as educating him for democracy. I see you are quite alive to that responsibility and are sending out men for co-operative training. In the fulness of time it should be possible for you to provide for the necessary educational facilities within the Province itself.

Finally, the success of our movement depends entirely upon the character, nobility of purpose and integrity of the men who run the movement. Cases of dishonesty do occur now and then and your distinguished Chief Commissioner has entered a caveat against dishonesty and disloyalty. There can be no place in our movement for self-seekers and ignoble men. The success of co-operation will be tested not so much by the absence of dishonesty and misappropriation as by its ability to produce in each generation fine type of men and women who will act upon the motto "Each for All and All for Each." I thank you.

Working of Societies.

The Madras Provincial Co-operative Bank, Limited.

Brief Report on the working of the Madras Provincial Co-operative Bank, Limited during the year 1940-41.

The Bank completed another period of progress all round as evidenced by the following comparative figures for the last three years:—

Particulars.	1938-39. 1939-40. 1940-41.		
	Rs.	Rs.	Rs.
	Lakhs.	Lakhs.	Lakhs.
Paid-up Share Capital ...	6.56	6.66	6.67
Reserve Fund ...	17.50	18.25	19.00
Deposits and other borrowings ...	202.16	228.56	241.46
Working Capital ...	239.13	267.10	282.34
Loans ...	103.48	132.54	135.84
Investments in Government Securities ...	125.92	125.63	113.82
Net Profit ...	2.36	2.38	2.53

The deposits held by individuals rose from Rs. 78.29 lakhs to Rs. 96.47 lakhs, as also the deposits held by Central Banks and Societies from Rs. 65.35 lakhs to Rs. 83.03 lakhs. Though there was a small fall in the deposits held by local bodies and institutions from Rs. 63.53 lakhs to Rs. 61.96 lakhs, the total deposits rose from Rs. 228.56 lakhs to Rs. 241.46 lakhs.

The Bank issued fresh loans to the extent of Rs. 119.77 lakhs as against Rs. 99.82 lakhs last year, the increase being accounted for by the advances against produce which rose from Rs. 62.35 lakhs to Rs. 92.13 lakhs, as shown by the sub-joined figures relating to the loans outstanding at the end of the last two years against Central Banks, classified as under:—

	30th June	
	1940.	1941
	Rs.	Rs.
	Lakhs.	Lakhs.
Long term loan ...	16.83	12.54
Short term loan ...	19.18	9.32
Produce Loan ...	47.98	77.70
	83.99	99.56

The Vuyyuru Co-operative Agricultural and Industrial Credit Society, Ltd., Vuyyuru has completed its sixth crushing-season. The working showed a maximum of 1,14,062 tons of sugar cane crushed. Price of sugar stood at a fairly high level thus enabling the society to realise good prices by quick sales. The dues to the bank stood at Rs. 11,08,982 on the 30th June, 1941.

The Bank continued to finance the Madras Officials Automobile Co-operative Society, Ltd., Madras. The Madras Handloom Weavers' Provincial Co-operative Society, Ltd., also approached the Provincial Bank for financial assistance for the purpose of helping the primary weavers' societies by yarn advances and enabling the several depots opened by the Provincial Society to market the production of the affiliated primaries. The total advances outstanding against all types of societies at the end of the year amounted to Rs. 11.9 lakhs.

THE MADRAS JOURNAL OF CO-OPERATION

The Bank earned a net profit of Rs. 2'53 lakhs as against Rs. 2'38 lakhs in the previous year, and though the increased turnover should account for some improvement, profits realised by sale and conversion of securities during the year also contributed towards the increase.

The Central Banks of the province have kept up their commitments to the Provincial Bank and there are no overdues.

This is the first year in which the relief granted by the Central Government to Co-operative Banks by fixing a flat rate of super-tax, as applicable to companies, comes into operation and the concession is extended for the current year also.

The scheme of subsidy for the development of loan and sale societies and their marketing operations was continued during the year. Till 1940-41, the grant depended upon the number of societies operating in the area of operations of the central banks, but it was found that many societies in certain districts did neither loan business, to help the agriculturist to hold up his produce, nor did marketing operations. So the amount of grant is now disbursed on the amount of loan business or marketing done by the societies on a sliding scale.

Subvention to the following Central Banks was granted during the year based on the rules framed for the purpose.*

		Rs.
1. South Arcot ...	...	1,200
2. Conjeevaram ...	...	1,200
3. Madras ...	...	600
4. Chidambaram ...	...	373
5. Hospet ...	...	350
		<u>3,725</u>

The total allotment by the Provincial Bank for the scheme of subsidy and subvention for rectification work was Rs. 40,000, and the amount distributed is given below:—

	Rs.
Subsidy for development of Loan and Sale Societies ...	25,500
Subsidy for marketing ...	4,485
Subvention for rectification work...	3,725
	<u>33,725</u>

*Terms of grant of subvention to Central Banks for rectification work.

1. The grant will be made only when a Central Bank puts into operation a special scheme of re-construction approved by the Provincial Bank and the Registrar.
2. A Central Bank will be eligible for a grant only if it employs a special staff in addition to the normal field staff engaged in supervision, inspection and collection.
3. The grant will ordinarily be limited to 50 per cent. of the amount spent by the Banks concerned on the special staff, subject to a maximum of Rs. 1,000 per year.

Resolutions.

Resolutions Passed at the XXVIII Mysore Provincial Co-operative Conference.

1. That at least Urban Co-operative Societies be permitted to appoint and fix the remuneration of their auditors from among the panel of auditors to be maintained by the Registrar, the audit fees being paid to them with the approval of the Registrar.

2. That at least two-thirds of the members of the Co-operative Advisory Committee be elected by the Mysore Provincial Co-operative Conference after the term of the present Committee expires.

3. That as it is necessary to carry on intensive co-operative propaganda in rural areas, this Conference requests the Government to revive the system of Honorary Supervisors and Honorary Organisers.

4. That in order to improve the economic condition of the rural population through Co-operation still further, this Conference recommends to the Government

(i) That an economic survey be carried out forthwith throughout the country-side under the auspices of the Village Panchayats;

(ii) That the functions and activities of Village Panchayats and Co-operative Societies be co-ordinated; and

(iii) That as a means to the above end the system of Village Banks or Multiple Purposes Co-operative Societies advocated by the Reserve Bank, be introduced into as many villages as possible.

5. That the Government be requested to combine the Training Classes for Inspectors which are directed to be conducted by the Registrar with the Training Classes which are being conducted by the Mysore Co-operative Institute as a regular feature of its activities for the past seven years.

6. That the Government be requested to arrange for the compilation of all the circulars issued from time to time by the Registrar in book form and for the supply of copies of the same to all co-operative societies free of cost.

7. That the following be added at the end of the first paragraph of Rule 6 (b) under the Mysore Co-operative Societies Act:

- “And that no person shall serve on any Committee of Management either as President or Director for more than three years consecutively.”

8. That the Government be requested to expedite the starting of Debt Conciliation Boards in all the places to which the Land Mortgage Scheme has been extended.

9. That the Government be requested to finance the Central Financing Banks at such low rates of interest as would permit the latter to lend the Primary Societies, for marketing agricultural produce, at such rate of interest as would enable them to advance to the producers at rates not exceeding the rate charged by the capitalistic banking agencies on similar transactions, having also in view the margin which the two classes of societies will have to keep between their borrowing and lending rates to meet their working expenses.

10. That the Government be requested to make provision for refund of half the institution fees in all co-operative disputes disposed of by the Departmental Officers or the Arbitrators without contest.

11. That the Government be requested to exempt all Co-operative Societies from the operation of Section 60 of the Civil Procedure Code as amended by the Act XIII of 1938 and Act XXI of 1941 and provide as before for the attachment of salaries above Rs. 20 per mensem.

12. That the Government be requested to make provision for the attachment of salaries or wages of the employees of the Mysore State Railways, the Bank of Mysore and other Joint Stock Banks.

13. That the Government be requested to direct the Revenue Authorities to give to the respective Co-operative Societies full details of the decrees returned unexecuted, immediately on such return, so that the Societies might be enabled to take suitable further action without undue delay.

14. That the Government be requested to increase the fee payable per dispute to the Arbitrators as incidental expenses from annas four to at least annas eight.

(*The Mysore Co-operative Journal*).

Reviews.

*Some South Indian Villages.—A Resurvey.**

As the title indicates this book is the result of a resurvey of a number of villages selected from those surveyed in 1916-17 by Dr. Gilbert Slater and his students. In the former survey twelve villages were included, but in this resurvey only eight of the twelve villages are selected. These villages are found, one in the Cochin State, one in Malabar, one in a Telugu district, and one each in North Arcot, South Arcot, Tanjore, Ramnad and Tinnevely.

The Surveys are, as might be expected, very carefully done in a thoroughly scientific fashion. They include the economic position of the village as a whole and of individuals, the health and sanitation of the village, its education and administration. So it is fairly comprehensive. All those who conducted the surveys were trained students who knew the kind of questions they had to ask and were able to check the accuracy of the information given. They were also familiar with the previous surveys.

The first thing one notices is the growing density of population in relation to cultivated area. The average holding per head has been reduced from 1.1 acres to .9 acres. In some villages population has shrunk but the number of families has increased. This is put down partly to the break up of the joint family system through various causes. The number of small holdings of less than one acre in extent has largely increased, showing an increase in fragmentation. The number of plots in each holding has also increased. Thus in one village 170 ryots have 1027 separate plots scattered in different places. In none of these villages has there been any attempt at consolidation of holdings through Co-operative Societies, but the evil is allowed to go on unchecked. As regards tenancy the investigators tell us that varam, which implies a continuous interest on the part of the owner, is on the decline, while Kuttagai or fixed money lease is on the increase. In the latter case the tenant takes all the risk and the owner is at liberty to enjoy himself elsewhere.

Almost every village reports unemployment or under-employment among the increasing number of landless agricultural labourers. Evidently the conditions in some of these villages are very serious indeed.

Efforts were made to obtain data regarding the costs and profits of cultivation. It is the considered opinion of this Survey that the nett income per acre has decreased. In paddy lands the decrease is estimated at nearly 50 per cent. The fall on dry lands is even greater. Much of this was of course due to the sharp fall in prices which was perhaps almost at its lowest in the years when the resurvey was made.

**Edited by P. J. Thomas and K. C. Ramakrishnan, Published by Madras University.*

In the original Survey no careful investigations were made into indebtedness but much attention was given to this subject in this resurvey. The total debt of these villages ranges from Rs. 78,000 in Guruwayur to 3 lakhs in Palakurichi. The increase in debt is said to be due to purchase of land at high prices after the war and to the rising standard of living among all classes. It is very remarkable that interest rates have gone down by over 50 per cent. This may be due to the easier condition of the money market or to the influence of co-operative credit societies.

The record of co-operative credit societies in these villages is a sorry one. Five Societies altogether were organised. The largest one which for a few years shone out with meteoric brilliance, had finally to be liquidated with heavy loss to members and financing banks. Two other Societies after a brief inglorious career had to be wound up. Another Society is said to be exploited by the money lenders themselves and so continues to flourish after a fashion. The fifth Society just carries on and hardly touches the economic needs of its members. It is a tragic story and though one hopes it is not typical of the Co-operative Movement as a whole there is no doubt that there are many similar societies.

There was a tendency for rural artisans, such as carpenters and blacksmiths, to migrate to the towns where they got more work and better wages. The result was that those who stayed on in the village were also able to increase their prices. The authors complain that nothing has been done by any Department or organisation to improve the village artisan or to increase his efficiency. The tale of the weaver is also largely a tale of woe. While his output has doubled as a result of the introduction of the fly shuttle his income remains very much the same on account of low prices and the difficulty of marketing.

The per capita income of the villages varies from Rs. 39 to Rs. 73, it being higher in the dry than in the wet villages. The economic condition of the labourer is shown by the fact that he spends about 80 per cent of his income upon food only. The middle classes have increased their expenditure upon food by the new habits of morning coffee and afternoon tiffin. It is remarked that coffee hotels are found in all the bigger villages to-day.

There are many other things in this resurvey that merit careful study but which cannot be mentioned here. The picture presented is a very depressing one and if it represents the condition of most villages in the Presidency then the rural economy of Madras seems to be at a very low ebb. More of such careful studies are very urgently needed. It is only by the careful collation of facts by trained observers that it is possible to get an accurate picture of rural economic conditions. It would be a good thing if the Co-operative Movement assisted by the Universities and their organisations would finance a thorough survey of rural conditions in many different areas so as to have a fairly representative collection of data from which to

draw conclusions. It may be that now when students have been scattered all through the villages of the Presidency it is possible to organise them to undertake such an enterprise even in the midst of war, so that we may be ready with facts for the work of building a new and better world in the villages of South India.

H. A. P.

Farming in South Africa.

"Farming in South Africa" is an official monthly issued by the Department of Agriculture and Industry in the Union of South Africa. It has been issued now for a continuous period of 15 years. The issue of that monthly for December 1941 contains the Annual Report of the Department for the year ending 31-8-1941. The report is a document of considerable interest and is highly readable. It is the model of how a technical Department should place information regarding its achievements before the lay readers.

The Agricultural Department of the Union of South Africa has now been at work for nearly thirty years and in this small span of its life, has been able to set up an efficient and widespread organization covering almost all activities directly beneficial to the producer of primary products—both food and industrial, not alone for internal supply but also for export markets. The general organisation of the Department has been so conceived as to cover not only the "preliminary and fundamental work" with which we in the Indian Provinces are familiar, viz., research, demonstration, and education but also those problems without which the farmer cannot realize the full fruits of its endeavours in the field of fundamental work. These problems relate to the economic aspect of agriculture and industry which is directly concerned with the actual financial position and living of the farmer an aspect which is really the culminating point of the Department's activities and which ensures a reasonable livelihood for the farming community.

In regard to the fundamental work, Research, Extension and Education have the most permanent character. Despite war, the year witnessed a great activity in the field of research. The Research Advisory Council gives a lead as to the problems that the Technical Officers should apply themselves.

Notwithstanding the great advance made by the farmer, the complaint is still preferred that they do not as yet avail themselves sufficiently of the facilities offered at the Experimental Stations. The report draws attention to the need for the farmer visiting the farms and keeping himself in touch with their work so that he may apply the results of the work to his own farming enterprise. The research work includes such items as standardization of meal and bread used by the public, preservation of

various kinds of fruits and vegetable and problems affecting the transportation of stored products.

The Extension work corresponds to the work of our field staff—demonstration and publicity. It is the special function of the officers of this section to visit the farmers and to furnish them with help and advice. They hold demonstration plots. The work done to the farmer includes work in which the wife of the farmer is interested. A separate section, the Home Economic Section, has been established for the benefit of the rural housewife. It concerns itself with matters affecting the welfare of the rural family.

An essential requirement for successful farming is training, practical and theoretical. Prospective farmers have to be taught methods of work which lie ahead of them. The scientific practice and the advantages of modern farming easily appeal to men who have been rightly trained to appreciate them. The report adverts to a feature we are familiar with here *viz.*, that the agricultural colleges do not attract a sufficient number of students in spite of low fees and other facilities afforded. Agricultural training is also encouraged through the medium of 'Agricultural Clubs' established in co-operation with the Education Department. There are 19,376 members in these clubs engaged upon 6,669 subjects. The Agricultural Department in the South African Union embraces other Departments, some of which lie outside its sphere in Madras. They are Veterinary, Dairy, Marketing, Agriculture, Co-operation, Forestry etc. Disease affecting the stock and plants are controlled by it. Protection, conservation, improvement and fertilization of soil engages its attention. Weeds are a menace on lands and water-courses. The weeds Act of 1937 is used to control the spread and nuisance of the weeds. When infestations are often beyond the control of land-owners concerned, they are tackled with the assistance of the State. Similar action will be useful to keep water Hyacinth under control in our province. Among measures adopted for maintenance of the fertility of the soil, may be mentioned compost making which has proved extremely successful, determination of fertilizer requirements of the various crop producing areas of the country, the registration of fertilizers and the keeping of stock and application of rotational cropping. The second and third methods are so necessary and useful that our Agricultural department should attempt to adopt them at an early date.

In connection with stock improvement, the Department bestows attention on improving natural grazing, preparation of fodder to supplement natural grazing and improved breeding. In all experimental stations, pasture research and fodder production occupy an important position in the departmental research programme. The Department takes care to emphasize what fodder products are best suited to the various parts of the country. Since 1934, a stimulus has been given to cattle improvement with a view to raising the general standard of local herds by means of improved breeding.

The scheme consists specially in the castration of scrub bulls in notified areas and in the grant of subsidy by the Government, to assist farmers with purchase of bulls and 50,000 bulls have been purchased under the scheme in the course of the last six years and a sum of 4,86,000 has been given out in subsidies. Sheep farming is encouraged and the revival of horse industry, promotion of pig industry and poultry industry are other branches of animal husbandry work done by the Department.

The Department has been carrying out agro-economic surveys designed to divide the Union into agricultural areas, homogeneous so far as geographical, physical and biological characteristics are concerned. This is important to determine the farming systems at present practised, the income derived from them, their correctness and the need for their modifications. It is intended to eliminate wrong farming systems. The importance of these surveys is very obvious.

Turning to the economic aspects of the work of the Department, we notice a large number of marketing schemes in operation and the existence of a perfect organization working for the elimination of economic defects in the agricultural economy of the Union. The Department has realized that without proper attention to economic problems the agricultural industry cannot as a whole be developed to confer maximum advantage on the farmer. The report under review gives a very clear and detailed account of the economic position of the principal agricultural products of the Union—wool, Mohair, meat, hides, and skins, dairy products, eggs, maize, wheat, tobacco, cotton, groundnut, chicory, citrus fruit, deciduous fruits, dried fruits viticultural products, wattle bark and timber. Marketing schemes exist in respect of maize, wheat, dairy products, tobacco, dried fruits, deciduous fruit, citrus fruit and chicory. The marketing council devoted a good part of its time to the practical application of these schemes. The council reports on price fixations, enquires into production costs. Great attention is paid to the preservation and improvement of the quality of Export products grading and inspection of such products. There is a National Mark Scheme inaugurated in 1936 working on a voluntary basis. Any farmer can get registered and thereafter get necessary guidance in disposing of "National Mark" products. The Board set up in respect of each important product specializes in the study of all economic problems connected with the production and distribution and price of the products. Difficulties experienced in transport and marketing are studied and necessary remedies are provided. Arrangements are made to secure shipping facilities or to enlarge local markets for products for which export markets are not available. When necessary, regulations are enforced for sale through recognized agencies alone. Prices are fixed and the Treasury makes good deficits. In short, the Department takes care to see that agriculture is maintained "in a basically and physically sound condition" and strives to adjust agriculture to the changing national economy.

Reference may be made to the railage rebate scheme which is intended to assist thousands of farmers in the matter of high transportation costs both on freight payable on the products they produce but also in respect of materials they require to maintain the fertility of their soil. The scheme benefits both the producer and the consumer, the latter by lessening the price payable by him proportionate to the amount of the rebate. An amount of nearly £1,100,000 was spent by the State under this scheme.

One feature of war time price policy of the Union Government may be mentioned. The influence of war on agriculture has been beneficial. The economic work of the Department has been directed to secure stability and protection against dislocation. It is realized that due allowance should be made for increased cost of production, the higher living costs of the farmer and for the losses from predepression periods. While therefore the farmer is regarded as entitled to a reasonable increase in price, the Department has considered it best not to encourage tendencies leading to inflation as against stabilization. The aim is to keep the industry sound and to enable it to withstand the shock of the post-war period.

An idea can be had of the importance attached to, and special interest displayed in, the prosperity of agricultural population by the Union Government by a reference to the high expenditure incurred and the large staff employed by them on their agricultural and allied services. During 1940-41, the Department employed 3170 officers of all grades and spent £3,853,111. It is of special interest to note that of this expenditure, nearly 58 per cent. or an amount approximating to 2,200,000 was spent on direct aid to farmers by way of subsidy and other schemes of assistance. The Provincial Government here may well ponder over what they owe to strengthen the agricultural industry of the Province.

R. R.

*Union of South Africa, Department of Agriculture and Forestry
Bulletin 224 on Calf-Rearing.*

Calf-rearing, is a necessity to build economically a herd of cattle and the stepping stone to successful dairy farming. Though calf-rearing seems to be a simple practice, yet a dairy farmer is confronted with very many problems, in bringing up economically a healthy calf from the time of its birth to maturity. The manifold problems comprise, the careful attention that is to be bestowed on the expectant calves at the time of parturition and the maternity care; perfect management in feeding the animals on well-balanced diet, according to a time-table; housing of the calves in a sanitary place and lastly taking precautions to guard the young ones from disease and when once it has happened, to isolate the healthy ones and to cure the affected with veterinary aid. Negligence or lack of observance of the above principles seriously affects the health of good calves, often resulting in their death. In order to educate the cattle-owners in the fundamental principles

of calf-rearing and their practice, the Department of Agriculture and Forestry of the Union of South Africa, has published a bulletin numbered 224. The suggestions made therein contain tips about prenatal and post-parturition care; malnutrition and the necessity to feed the calves on minerals, in order to guard them against rickets; the manner of feeding hand-reared calves with whole-milk, skim-milk, and with substitutes for milk, such as linseed meal, lodd-meal, etc., at places where only a limited quantity of whole milk is available. This portion will be found more educative and suggestive as the chief problem before every cow-keeper in our country is how to feed the calves with the necessary quantity of milk (8 lbs. or 2 Madras Measures per day per animal) and to maintain the healthy condition of the calves when their mothers are very poor performers at the pails. Every one is aware of the fact that "no substitute can, however, take the place of milk with entire satisfaction. The calf-meals or gruels are not as easily digested as milk, with the result that digestive disturbances are more common." Table No. 3 (page 4 of the bulletin) which is a feed prescription for the calves from their date of birth upto 20th week, shows in a sliding-scale the quantity of milk, gruel, grain, and hay that can be fed to the calves. This feed prescription is meant for feeding the calves of the European breeds of cattle and the readers may get disappointed and find it problematical, as how to proceed further in the matter of rearing the calves of the Indian breeds. Keeping this bulletin No. 224 on "Calf-rearing", as a guide, reference may be made to the leaflets Nos. 20, 30 and 36 published by the Madras Civil Veterinary Department and a programme to rear economically healthy calves may be chalked out.

R. G.

"Stylish Homes, (Vol. I), Published by Mani Construction Co., Madras."

During the last 25 years and more there has been evinced in this Province a good deal of activity in "Town-extension" and almost every District Headquarters has got a suburban area as an important annexe. The famous Theagaroyanagar of the Madras City is the most outstanding example. It is a very interesting problem for investigation as to how the new houses in the extension come to be built: most of them are built on no definite plans except a rough sketch to satisfy the municipal authorities and even these outlines are often deviated from at the suggestion of neighbours or of workmen. The services of a professional architect or Engineering expert is seldom sought. The whole thing is, in short, amateurish.

According to the inexorable law of supply and demand, the new situation has called forth a new solution and the volume under review, published by the Mani Construction Co., a well-known firm of contractors, attempts successfully to place within the reach of the would-be housebuilding the rich experience of the firm in this line. The book contains 80 plans all differing from one another, but all having the common characteristic of aiming at

comfort and beauty at the same time. The plinth area varies from 950 square feet to 1,500 square feet to suit the pockets, requirements and tastes of various persons.

This book is not planned on such an ambitious scale as 'Modern Ideals Homes for India' by R. S. Deshpande of Bombay; but is better in one respect than that book so far as our province is concerned. It is based on the requirements and the peculiar tastes of the Madrasee and is admirably suited for the purpose.

Rao Bahadur L. Venkatakrishna Aiyer, Chief Engineer of the Madras Government, who has contributed a brief introduction to the volume has said:—"The designs are carefully drawn and the book is neatly got up. An examination indicates the provision of such amenities as build in cupboards, bath-rooms in each floor, conveniently placed kitchens and apartment store rooms etc." This review of the highest technical authority of the Province would be endorsed by any one who goes through the work.

We strongly commend the book to all would-be house-builders in general and to all House-building Co-operative Societies in particular.

S.K.Y.

THE INDIAN CO-OPERATIVE REVIEW

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

Published Quarterly

January, April, July and October

Edited by SRI V. RAMADAS PANTULU.

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Orders and Circulars.

G.O. No. 264, 7th February 1942.

Administration report—Co-operative department—1940-41—Recorded with remarks.

Recorded.

2. It is gratifying to note that despite the uncertain conditions created by the war, the level of deposits remained high and the general position of the financing institutions, from the Central and Urban banks down to the village societies, continued to be satisfactory.

3. There was a notable increase in the business transacted by the loan and sale societies, but the improvement related rather to the issue of loans than to the sale of the produce pledged with them. The Government trust that more attention will be paid by these societies to the building up of an efficient and adequate marketing organization.

4. The year was marked by a rapid increase in the number of consumers' stores but it is disquieting to note that many of them did little business. In places where they worked successfully they helped to steady prices.

5. The Government observe that the loans advanced by the Central Land Mortgage Bank have tended to be concentrated in two or three areas. The Government will consider after the Registrar and Central Land Mortgage Bank have again been consulted whether any special measures are necessary to ensure a more even distribution of loans.

6. Rectification work has not made much progress. The number of 'D' class societies (bad societies which may have to be liquidated) continues to be high. This is a branch of work to which the Registrar should devote his close attention.

7. The Government are glad to note that the system of territorial Inspectors which is in force in nine districts is working well.

8. The affairs of 439 liquidated societies were finally closed during the year as against an average of 209 in the three previous years. The Government hope that the progress will be maintained.

9. The working of the department during the year under review was on the whole satisfactory.

R. C. No. 3315/41-A.

January, 9, 1942.

CIRCULAR.

Sub: Loans—Loans on the pledge of produce by village credit societies—limits.

Under the provisions of their by-laws, Village Credit Societies can lend to their members on the pledge of produce, and the loans so issued by them shall not be subject to the individual maximum credit limit fixed in their by-laws, or the credit limits based on the number of shares taken by the members concerned. The question was raised whether it was safe or desir-

able that these societies should lend on produce to an unlimited extent and the following points were suggested for consideration.

(1) Sale societies had come into existence for the specific purpose of lending against produce and for marketing, and village credit societies should not unduly compete with them.

(2) Village Credit Societies have facilities neither for the storage of the produce pledged nor for its marketing.

(3) They generally lent against produce stores in 'Puries' or 'Purulus' or such other improvised godowns and the technique involved in getting them insured etc. could not be followed and adhered to by them with the same facility as sale societies.

(4) It was not possible for Central Banks to exercise the same degree of control over the business of Village Credit Societies as in the case of sale societies.

2. The question was discussed at the last conference of Deputy Registrars held on the 8th and 9th August 1941. The conference was of the opinion that primary agricultural credit societies should be encouraged to lend on the pledge of produce so that the smaller growers also might be enabled to hold over their produce for a better market, but considered that there should be an upper limit for the loans issued by them to individual members. The conference suggested that the limit should not generally exceed Rs. 1,000 and that it should be laid down in the by-laws of the societies. It was, however, of the view that the limit might be relaxed in individual cases in consultation with the Central Banks concerned and in accordance with the instructions that the Registrar might issue in this behalf. Central Banks and Deputy Registrars are requested to advise societies to make the necessary amendments to their by-laws. Where the limit exceeds Rs. 1,000 Deputy Registrars should obtain the previous permission of the Registrar for registering the amendments.

D. 527/42-B.

CIRCULAR.

January 27, 1942.

Sub: Urban banks—Financing of artisans and craftsmen—recommendation No. 144 of the Committee on Co-operation.

In its recommendation No. 144 the committee on Co-operation has recommended that "Urban Banks should be entrusted with the duties of organizing and cautiously financing artisans and craftsmen, in order to save them from exploitation by middle-men and money-lenders and to promote their economic interests and standard of living."

The Government have passed the following orders on the above recommendation. "If there are separate societies for artisans, such societies will be assisted and financed by Central Banks. In other cases Urban banks in towns and ordinary societies in villages should grant loans to artisans and craftsman within the limits of safe finance."

R. C. 9991/41-L.

February 7, 1942.

CIRCULAR.

Sub: Arbitration—Construction of the words—"business of the society" occurring in Section 51 of the Act—Decision of High Court.

A copy of the judgment of the Honourable Mr. Justice Kuppuswami Ayyar in C. R. P. 1134/40 on the file of the High Court of Judicature at Madras is communicated to Deputy Registrars and Assistant Registrars. (Please see page 528).

2. The words 'business of the society' occurring in Section 51 should no longer be interpreted narrowly to mean only those items of business for the transaction of which the society was organised. The words have to be interpreted liberally. They denote also any kind of transaction which a society may have either with its members or with its employees.

D. N. 1486/42-B.

February, 16, 1942.

CIRCULAR.

Sub: Urban Banks—Suggestions for improved working recommendation No. 223 of the Committee on Co-operation.

Two of the suggestions made by the Committee on Co-operation for the improved working of urban banks are:—

(1) Careful admission of the members with due regard to the character, worth and repaying capacity or productive skill of applicants;

(2) Suitable arrangements for propaganda through bulletins, pamphlets and lectures in order to draw into the urban credit movement a larger number of people.

These may seem a trifle obvious; but they are often lost sight of in the actual working of the societies and are of paramount importance. The Registrar therefore requests Deputy Registrars and Assistant Registrars to take these suggestions to the notice of all urban banks and to emphasise the need to give due prominence to these two aspects.

R. O. 9286/41-B.

February 18, 1942.

CIRCULAR.

Sub: By-laws—Primary Co-operative Societies conflict between the by-laws of central institutions and primary societies which should prevail—Enactment of a by-law in primary societies—Instructions.

Primary Co-operative Societies are generally affiliated to a Central Bank for purposes of finance or to the supervising Union or District Federation for purposes of supervision etc. As the primaries and Central institutions have their own bylaws, it happens sometimes that there is a conflict between the bylaws of the primaries and those of the Central institutions to which they are affiliated in regard to certain matters.

In such cases of conflict, the question arises as to the bylaws of what institution should prevail. To avoid any possible dispute between the bylaws of primary societies and central institutions, the Registrar has been advised that a saving clause like the one given below should be added in the bylaws of primary societies and not in the bylaws of the Central Societies as is done generally.

"Should there be a conflict between the bylaws of the Central institutions to which the society is affiliated and the bylaws of this society, the former shall prevail."

In the High Court of Judicature at Madras, Friday, the fourteenth day of November, one thousand nine hundred and forty one.

PRESENT:—

The Honourable Mr. Justice Kuppaswami Ayyar.

Civil Revision Petition No. 1134 of 1940. V. S. Rangasami Aiyangar, Petitioner (Plaintiff). The Conjeevaram Co-operative Central Bank, Limited, by its Secretary, Shanmughavelu, Respondents (Defendant).

Petition under Section 25 of Act IX of 1887 praying the High Court to revise the decree of the Court of the District Munsif of Conjeevaram, dated 20—9—1939 and passed in S. C. S. No. 134 of 1938.

The petition coming on for hearing, the Court delivered the following judgment:—

The only point for consideration is whether the claim was cognizable in the lower court. The suit was for the recovery of money. The petitioner was employed as supervisor under the Conjeevaram Co-operative Central Bank, Limited, the respondent. He was dismissed from service and he sued to recover Rs. 130 made up of Rs. 60 being difference in interest alleged to be due to him in respect of his provident fund which was not given to him as also Rs. 28 being interest from 5-7-1937 the date of dismissal to 9-11-1937 the date on which the amount was paid to him, Rs. 33 being additional amount due to him as travelling allowance, Rs. 5 the value of stationery and postage expended by him and Rs. 4 due to him under the head of salary.

It was pleaded by the respondent that the suit was not cognizable in the civil court as under Section 51 of the Madras Co-operative Societies Act the claim should be made only before the Registrar or an arbitrator. The learned district Munsif agreeing with the contention of the respondent returned the plaint for presentation to the proper tribunal. It is urged in this Court that this can only be in respect of disputes connected with 'business' used in the stricter sense of the term, namely monetary transactions between the society and its members or customers and not in the wider sense, namely, any kind of transaction, which the society may have either with its members or with its employees. I do not think this narrower interpretation of the term 'business' can be accepted especially when we find in Section 51 Cl. (c) that the dispute may be touching a business, "between the society or its committee and any past committee, any officer, agent or servant, or any past officer, past agent or past servant etc." Further the use of the expression "other than a dispute regarding disciplinary action taken by the society or its committee against as paid servant of the

society" clearly shows that the expression 'business' was used in the wider sense and not in the narrower sense. If that be so, then the entire dispute is a dispute touching the business of a registered society, between the society and its past servant.

The provident fund represents the amount payable to the servant in respect of the deductions from his monthly salary made by the society under the rules on the understanding that the same with some additional sum by way of interest would be repaid to him at the end of his service or dismissal. Such a claim would come under the narrower sense of the term 'business' as well, for it relates to the banking business. I, therefore, consider the claims in this suit are really disputes coming within the purview of section 51 of the Madras Co-operative Societies Act.

It is next urged that even if the disputes come under that section, the jurisdiction of the civil court is not ousted as the tribunal mentioned therein is a special tribunal constituted only for recovery of dues to societies only. The petitioner's case is that the whole scheme of the Act indicates that a speedier remedy is provided to enable the co-operative societies to realise the money due to them and therefore it is only in cases where the claimant is the co-operative society that resort could be had to the special tribunal and not in the case of persons who have a claim as against the society. I do not find anything in the Act to indicate it. If the object of such legislation is to enable the societies to have a speedier remedy in regard to its claim, it will be equally in their interest to have such a remedy even in the case of claims as against the societies.

It is significant that the expression used in Section 51 of the Madras Act is 'such disputes shall be referred to the Registrar.' The provision in the rules made under Section 43 of the prior Act, namely, Imperial Act II of 1912 ran thus:—

"In the case of a dispute touching the business of the society between members or past members of the society or persons claiming through a member or past member or between a member or past member or persons so claiming and the committee or any officers, a reference in writing may be made by any party to the Registrar. Similarly in the case of a dispute relating to a debt due to a society by a member or a past member or persons claiming through a member or past member, a reference in writing may be made by either party to the Registrar."

The expression used there, was "may". The substitution of the expression "shall" for "may" in Section 51 of the Madras Co-operative Societies Act indicates that the object of the Legislature was to constitute a single special tribunal and not to provide one in addition to the civil court for the purpose of deciding such disputes.

I therefore find that the learned District Munsif was right in finding that he had no jurisdiction to decide the dispute and that the proper tribunal was the one under Section 51 of the Madras Co-operative Societies Act. The revision petition is accordingly dismissed with costs.

(Sd.) K. C. NAMBIAR, 25—11—41.

Asst. Registrar, App. Side.

Action taken by the Registrar of Co-operative Societies on some of the Resolutions passed at the XXIV Provincial Co-operative Conference in 1941.

(The replies of the Registrar are given in italics below each resolution.)

Resolution VI.

In view of the special circumstances of the scheduled classes and the imperative need to promote their social and economic uplift, this conference supports strongly the recommendations of the Committee on Co-operation that Government must undertake the financing of the societies for these classes as otherwise the Central Banks may not be able to meet their necessities.

"The Committee on Co-operation recommended that Government should undertake the financing of the societies for the Scheduled Castes. It was, however, considered that the objection should be to merge the scheduled castes with the rest of the community and make them members of the ordinary societies for all purposes, except for special needs like housing, colonisation and that till then the Central Banks should be persuaded to finance the existing societies. Government agreed with this and declined to take any action on the recommendation of the Committee. In these circumstances, I do not propose to take any action on the resolution."

Resolution VIII.

This conference supports strongly the recommendations of the Committee regarding audit specially those dealing with scale of audit fees, exemptions from audit fees, etc.

"The Committee on Co-operation made the following recommendations regarding audit and audit fees.

- (1) The entire audit staff should be constituted into a district branch and separated from the administrative branch.*
- (2) The present scales of audit fees of Rs. 5-8-0 and Rs. 3-12-0 a day should be reduced to Rs. 3-12-0 and Rs. 3-0-0 per day.*
- (3) Sale (Marketing) and Handloom weavers societies should be exempted from the levy of audit fees for the first 3 years.*
- (4) The maximum audit fee levied should not exceed 1/4th of the net profits.*
- (5) The Registrar should be empowered to give rebate to any society up to a prescribed limit in cases of hardship.*

Government have not accepted recommendations (1), (2) and (4) referred to above. They have accepted recommendation No. 3. In regard to recommendation No. 5 Government have empowered the Registrar to grant remission of fees upto 2½ per cent. of the total revenues.

Resolution X.

This Conference resolves to request the Registrar of Co-operative Societies to encourage the policy of organising house mortgage banks on the lines of the land mortgage banks at all convenient centres all over the Province.

"Apart from the difficulty in financing House Mortgage Banks, there has not been so far any agitation for such societies in any quarters. The application, if any, for the formation of such societies will be considered on their merits."

Resolution XI.

This conference expresses its deep sympathy for the famine-stricken handloom weavers of Yemmiganur and other places of South India and requests the Government to start relief works in centres like Yemmiganur, Chirala etc., where majority of handloom weavers are thrown out of employment and are in starving state on account of the present soaring prices of yarn, dyes and chemicals, to provide employment to the weavers by engaging them to produce fabric such as bandage cloth, duster cloth etc., (clothes mainly of plain weave with coarse and medium counts of yarn) required by the Government in large quantities on account of the War.

"Government are already taking the necessary action to start relief centres wherever necessary and a centre has already been opened at Salem. This is a matter in which Government have to take the necessary action and I am communicating to them a copy of the resolution for such action as they deem necessary."

The question of securing orders for the supply of handloom cloths to the consuming departments of Government is already engaging my attention and that of the Madras Handloom Weavers' Provincial Society."

Resolution XII.

In view of the abnormal prices of the yarn due to War and middlemen's profiteering and consequent unemployment of thousands of weavers all over the country, this conference urges the Government to immediately control the prices of yarn and effectively check the middlemen's profiteering and save the starving handloom weavers from utter destruction.

"The controlling of the prices of yarn is a matter in which Government have to take the necessary action. I am, therefore, communicating to them a copy of the resolution."

Resolution XIII.

This conference also resolves to request the Government to start a Spinning Mill on co-operative basis to supply yarn to the handloom weavers at reasonable rates. This conference is of opinion that for this purpose, the Government can easily find funds if they allocate portion of the income derived through import duties on yarn or cloth or through the issue of licenses to merchants dealing in mill cloth or through the levy of excise duty on mill cloth.

"I consider that the present conditions are not propitious to launch the scheme of starting spinning mills on co-operative lines as suggested in the resolution to Government."

Resolution XVII.

This conference resolves that primary societies be made the medium of lending produce loans wherever this is not done.

"The question of village credit societies being made the medium of lending loans on the pledge of produce was under my consideration for long time past and it was discussed at length in the last conference of the Deputy Registrars held in August 1941. I enclose for your information a copy of my circular No. R.C. 3315/41/A dated 9-1-42 issued in the light of the suggestions made at the conference. (Vide Section Orders and Circulars.) In the circumstances I am not taking action on the resolution of the Provincial conference on the subject."

Resolution XVIII.

This conference resolves that on account of the great difficulties which the societies have to encounter in connection with the preparation of property statement a very important record in unlimited liability societies the Board of Revenue be requested to direct karnams to furnish certified copies of Account No. 10-1 of the members of societies to the societies then and there on requisition from the Secretaries of concerned societies.

"Under the existing orders village officers are requested to supply the secretaries of co-operative societies with information concerning the survey numbers and other details of the property of the members of these societies. The Government consider that these orders are sufficient for the purpose indicated in the resolution."

Resolution XIX.

While reiterating the recommendation made by the Co-operative Enquiry Committee regarding the reduction of interest on old loans issued to Building Societies by Government prior to 1935 and that the interest should be 4½ per cent., this Conference requests the Government to amend the provisions of the Act in conformity with the said recommendations made by the Committee.

"On more than one occasion Government have declined to reconsider their orders refusing to reduce the rate of interest on old loans to Co-operative Building Societies. I do not consider that any useful purpose will be served by addressing Government again in the matter."

Resolution XXIII.

This conference resolves to request the Central Government to continue the present subvention scheme for the protection of the handloom weavers which will cease by March 1942 for five years more to come granting an annual grant of Rs. 10 lakhs per year.

The Scheme has been extended for the present up to 31-3-43. The future of the hand-loom industry is under the consideration of the Fact-finding Committee appointed by the Government of India. The Government of India will take the necessary action on the recommendations of the Committee.

News and Notes.

Relief to Handloom Weavers.

A conference of handloom weavers in Tamil Nadu was held under the auspices of the South Indian Sengunthar Mahajana Sangam and Tamil Nadu Handloom Weavers' Association, and it was presided over by Mr. V. S. Sankara Subramanya Mudaliar, Chairman of the Tinnevely Municipality and opened by Mr. W. R. S. Sathianathan, Registrar of Co-operative Societies, Madras.

Mr. Sathianathan in opening the Conference referred to the importance of handloom industry in this country, and the state of the industry as it is at present and the various relief measures that were being taken and were contemplated by the Government, as well as public bodies. At Salem, he said, Government had taken measures for giving relief to about 7,000 looms by purchasing and distributing yarn among the weavers and taking back the finished goods, paying them reasonable wages. He added that proposals for other places are under consideration. A special officer has been deputed to study the scheme which is being worked out in Bombay for helping handloom weavers, and for securing the orders of the Supply Department of the Government of India. The Registrar assured the weavers of his sympathy and active help and pointed out the need for closer organisation, a liberal and progressive outlook and the display of adaptability on their part. He explained also the Government of India's subvention scheme for the encouragement of the handloom industry.

Mr. Sankara Subramanya Mudaliar in his address described the importance of the industry in the economic life of the country and its past glory and dwelt on the adverse effect which present day conditions, particularly the closing of the Burma market, had affected the weavers. He pleaded for a fair price for the goods and stressed that weaving mills should not produce goods of less than 60 counts so that they might not come in competition with handloom industry.

Grow More Food Crops.

It is understood that the Government of India have made a suggestion to the Provincial Government of Sind that on account of Japan's entry into the war the market for Indian cotton has been lost and so the cultivators of that province might be advised to reduce cotton cultivation by at least 33 per cent. and grow more food crops.

The Registrar at Conjeevaram.

The scheme drawn up by the Local Handloom Weavers' Relief Committee at Conjeevaram to start a co-operative society to purchase yarn and supply it to the weavers and to take back from them the finished goods, was approved. A deputation, on behalf of the Committee waited on the Registrar of Co-operative Societies, Mr. W. R. S. Sathianathan, with the draft scheme. It is understood that the Registrar has promised to do his best to get the approval of the Government for the scheme which would provide work for about 900 looms.

Co-operative Movement in Mysore.

In unveiling the portrait of His Highness the Maharajah at the Mysore Co-operative Bank, Mysore, Mr. Adinarayana Setty, President of the Mysore Co-operative Bank, paid a glowing tribute to His Highness for his abiding interest in and patronage of the Co-operative movement in the State. He referred to the origin and growth of the Bank and its activities and observed that the Movement in general owed much to the encouragement given by the late Yuvaraja of revered

memory, and in the present Maharajah, he said, the Movement had a benevolent and sympathetic patron and that they could hope that the institution would grow from strength to strength day by day and prove more useful to the citizens.

Reducing Rural Indebtedness.

A scheme to reduce the rural indebtedness in the district of North Arcot was considered at a conference of the Joint Registrar of Co-operative Societies, the Deputy Director of Agriculture, Madras, and the Executive Committee of the Vellore Central Co-operative Bank, Mr. V. M. Ramaswami Mudaliar President of the Bank presiding.

Explaining the scheme, Mr. Rangaswamy Naidu, Joint Registrar of Co-operative Societies, observed that the ideal of making ryot repay the loan he had taken from Co-operative institution from out of the margin of his produce, had been lost sight of in actual practice and it was necessary to mention in the loan application that a ryot required money for agricultural requirements, payment of kist, household requirements, the repayment of prior debts, etc. Arrangement could be made to pay the kist direct into the Treasury without giving the money to the ryot. For meeting his agricultural requirements and household necessities, rupee cheques could be issued, and the same exchanged for goods at the co-operative stores to be started for the purpose. The co-operative supervisor would be required to see to it that the money taken for repaying old debts was really utilised for the purpose.

Pointing out that the Agricultural Department could co-operate with the Co-operative Department in executing this scheme with success, Mr. Rangaswami Naidu observed that the Agricultural Department would supply seeds, which would give at least 10 per cent. more yield. To make this scheme a success, there must be an effective control over the produce. Unless the ryot marketed the produce, at least to the extent he had borrowed, through the sales society, he must be refused a loan the next year.

With regard to groundnut, an important money crop, the speaker continued the ryot should be required to cart his entire produce to the sales society. The Central Marketing Federation, which was being organised in Madras, would arrange for the marketing of groundnut, by entering into forward contracts with buyers. By agitation, they could also secure their quota from the Government.

The Committee resolved to start two co-operative unions in Cheyyar, Wallajah, and in Tirupathur taluks, and one in each of the other taluks.

The Registrar at Calicut.

Mr. W.R.S. Sathianathan, Registrar of Co-operative Societies, attended a meeting of the Executive Committee of the Malabar District Co-operative Central Bank and discussed with the members the condition of the Movement in Malabar. He urged the Committee to draw up a plan of work to revive as many co-operative societies as possible, and to encourage weavers' societies.

Cottage Industries in Mysore.

At a meeting of the Mysore Cottage Industries Committee it was resolved to request the Government to create a separate department for cottage industries with a separate Director.

The Committee also resolved that help of University students be taken during their holidays for conducting survey of cottage industries in specified areas. To start with, the Committee resolved that a stipend of Rs. 20 might be given to six students of the University for the purpose.

The Committee also decided to give all necessary facilities to the paper expert who had been on deputation to Bengal and to the Pottery Expert to expand the work in rural areas.

Yarn Commissioner for Madras.

Two schemes are now under the consideration of the Government, one for the supply of yarn to handloom weavers, in general, and the other for the manufacture of materials required for war supplies, against contracts placed by the Department of Supply. The first scheme, it is stated, involves distribution of yarn under the supervision of the Provincial Government through normal trade channels in two stages: (1) primary, wholesale dealers who will purchase yarn directly from the mills; and (2) other dealers who will purchase from the primary wholesale dealers and distribute to the consumers. In both these stages, dealers will be licensed by the Provincial Government. The second scheme, will require close consultation with the Supply Department for clearing war orders, expeditious organisation of the handloom industry for the production of textile materials required by the Supply Department and close supervision of the operations to ensure that the articles made are of specification.

The Government consider that a special officer is necessary for the proper administration of these schemes. They have accordingly sanctioned the creation of a temporary post of Yarn Commissioner, who will work in close co-operation with the Industries and Co-operative Departments.

Relief to Weavers.

The Government have accepted the proposal of the Madras Corporation, contained in a resolution which the City Council adopted a few days ago, to contribute Rs. 2,000 from its funds to the Mayor's Weavers Relief Committee, Julivada, Triplicane, to afford relief to weavers who have lost their trade due to war in the Far East. The Government point out that the contribution may be made subject to the condition that relief was granted to all affected weavers in the locality, irrespective of the community to which they belonged.

Co-operative Society for Weavers.

With Rs. 5000 donated by the City Council, for the Mayor's Weavers Relief Fund, the Worshipful Mayor has arranged to organise a Co-operative Society in consultation with the officers of the Co-operative Department, to give work and relief to unemployed handloom weavers in the City. It is proposed to divide Madras City into five groups, and open branches of the Society in each part of the City utilising the amount of Rs. 5,000 as share capital. The society will get yarn and other requirements from the Government, while the officers of the Co-operative Department will give technical advice.

The Mayor, the Deputy Registrar and Mr. K. Bhashyam Ayyangar visited three centres in South Madras and explained the scheme to weavers in those areas.

Extract.

*Report on the working of Co-operative Societies.***Section V—Overhaul and improvement.**

27. (i) *Rectification work*:—The scheme for the overhaul and improvement of co-operative societies was continued. Special emphasis was laid during the year on repeated visits to 'deficit' societies, i.e., societies in which the assets were insufficient to meet their liabilities. The usual 'collection drive' was initiated much earlier during the year than in previous years and this had the desired effect; there was a further reduction in the percentage of overdues in a majority of the central banks. I have no faith in belated spurts of activity at the fag end of the year and am strongly of the opinion that there should be a sustained effort throughout the year. In fact, I am considering why co-operative loans also should not be collected in three or four instalments like the kist during and after the harvest season, as recommended by the recent conference of Deputy Registrars held in August 1941. Though departmental assistance was given for collection work as in the last few years, I made it clear to the District Officers that 'collection' should not take precedence over audit, an important statutory function, and that the auditors should not be disturbed for collection, if audit work was likely to suffer. The question whether it was desirable or proper for the department to exert itself for the recovery of overdues in societies, as has been the practice during the last few years, was also discussed by me with the Deputy Registrars, and it was decided that the central banks should be told that the departmental staff would in future confine itself to purely statutory work and general advice and guidance and that the banks should themselves arrange for collection work. It was also decided that any bank which preferred to have the work done through the department should place its supervisory staff directly under the control of the Deputy Registrar from January to June or at least during the 'collection season'.

The following figures indicate the progress made by the central banks in the examination of loans in societies up to the end of the year:—

(1) Number of societies in which examination was conducted	...	6,431
(2) Total amount of loans, including interest involved (Rs. in lakhs.) in them	...	188.73
(3) Of the above sum the amount which stands on adequate security	...	149.42
(4) The amount which stands on inadequate security	...	39.31
(5) Of the sum in (4)—		
(a) the amount for which additional securities were taken during the year	...	1.91
(b) the amount collected during the year	...	2.62
(6) Balance ill-secured	...	34.78
(7) Estimated bad debts in societies	...	26.22
(8) Of this, the amount that will affect the central banks	...	7.92
(9) Amount of loans collected during rectification work	...	21.47

Of the total loans amounting to Rs. 39.31 lakhs, which were considered doubtful of recovery, the central banks recovered during the year loans amounting to Rs. 2.62 lakhs and obtained additional securities for loans amounting to Rs. 1.91 lakhs. The loans recovered and secured amounted to 11.5 per cent. of the total ill-secured loans, as against 11.7 per cent. in the previous year. Central banks should take steps to accelerate progress in this direction. The total bad and doubtful debts of central banks inclusive of loans due from societies under liquidation were estimated at Rs. 38.63 lakhs. The bad debt reserves of the banks amounted to Rs. 19.47 lakhs while their reserve fund amounted to Rs. 35.51 lakhs.

Mention should be made here of the special steps taken in the Chingleput District. In the last year's report, I had stated that a special scheme of rectification including the disposal of lands in the possession of societies had been launched in the area of the Conjeevaram Central Bank and that the bank had taken the loan of the services of five junior inspectors to work it. The scheme contemplated a thorough overhaul of all the societies indebted to the central bank, involving the examination of the condition of each society in detail, the collection of loans where possible, the disposal of landed properties, the writing off of irrecoverable loans where necessary, and in the case of loans which could not be immediately repaid by the members, the obtaining of additional security and the extension of the period of repayment. In order that action could be taken at once in all the indebted societies, they were distributed among the supervisors at about 20 each. The services of the junior inspectors lent to the bank were utilized to co-ordinate and control the work of the supervisors. The Co-operative Sub-Registrar of the district was placed in charge of the rectification work and he controlled the inspectors. This official 'drive' initiated in the district has brought about a general improvement in the condition of the central bank. The collections rose from Rs. 3.91 lakhs in the previous year to Rs. 5.38 lakhs during the year, with the result that the percentage of overdues fell by as much as 10 per cent. The loan transactions also improved and a good beginning was made in the disposal of bought-in-real property, the properties sold during the year being 223.29 acres of wet and 85.99 acres of dry lands and 44 houses worth Rs. 51,150. Having regard to the fact that only the preliminary work could be done in most of the societies, the results achieved must be said to be substantial. The scheme is being continued during the present year. The junior inspectors lent to the bank have been withdrawn as the preliminary work has been completed in practically all the indebted societies, and the bank has taken instead the loan of the services of a Co-operative Sub-Registrar to guide the supervisors in the further action to be pursued by them in the societies.

THE MADRAS JOURNAL OF CO-OPERATION

A similar scheme will be introduced in the Anantapur district shortly. To ensure its successful working, the bank has constituted, with effect from 1st March 1941, a special committee of 5 persons approved by the Registrar, in the place of the Board of Management, by enacting a transitory by-law for the purpose. The Cuddapah District Bank has also constituted a special committee to carry out an intensive scheme of rectification work in its area. These banks will be given subsidies by the Madras Provincial Co-operative Bank to employ the necessary staff of inspectors and supervisors to work the scheme. It is hoped that the special committees constituted by the central banks will be in a position to take a more active interest in the scheme of overhaul which is necessary to pull up the movement in their areas. Similar proposals are also under the consideration of the central banks at Kurnool and Calicut.

The special schemes of rectification work started last year in the areas of the central banks at Cuddalore, Srivilliputtur and Chicacole were continued except for a slight alteration in the system of supervision through group clerks in the case of the Srivilliputtur Co-operative Banking Union. The change-over has not, however, done much good and the question of the future management of the bank is engaging my attention.

(ii) *Classification of Societies*:—The classification of credit societies according to their general working during 1937-38, 1938-39 and 1939-40 is given below:—

	1937-38.	1938-39.	1939-40.
A. Thoroughly good societies ...	298	307	351
B. Societies with some defaulters and some mistakes in accounts	1,564	1,717	1,774
C. All other societies that do not come under class D ...	8,044	8,388	8,601
D. Bad societies which probably may have to be liquidated should they fail to come under class C within two years ...	1,726	1,600	1,651
	<u>11,632</u>	<u>12,012</u>	<u>12,377</u>

It is satisfactory that during 1939-40 there was a tangible increase (14 per cent.) in the number of "A" class societies. There was an increase in the other classes of societies also, but the percentage of increase was almost the same as that in respect of the total number of credit societies in the province. The noticeable increase in the number of "A" class societies may, to some extent, be the result of the intensive schemes that have been in operation for some time for the training of the panchayatdars and members of societies in the principles of co-operation, and especially

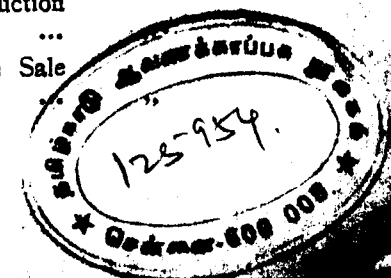
EXTRACT

of the training given by the Educational Inspectors of the Department. It is, however, regrettable that a large number of societies are continuing, from year to year, in class "D", in spite of the fact that every year many societies are liquidated. At the last conference of Deputy Registrars it was suggested that for reviving moribund or dormant societies attempts should be made to admit more members, that a rule should be framed to empower the Registrar to place bad societies under the charge of managers appointed under by-law 62, where the general body would not agree to that course, and that the services of inspectors posted on a territorial basis where the scheme was in force should be utilized in intensive action for remedying the defects found in the working of the societies. I am taking steps in the directions suggested and I hope that as a result of this and the intensive schemes of overhaul of societies and co-operative education that are in progress, there will be a considerable fall in the number of dormant societies, in the near future.

List of Societies Registered.

List of Societies Registered in February 1942.

S. No.	Name of Society.	District.
1	The Williams Gordroffe Staff Co-operative Society, Ltd.	Madras.
2	The Royapettah Co-operative Urban Bank, Ltd. ...	"
3	The Kaveripauk Co-operative Stores, Ltd. ...	North Arcot.
4	The Pallikonda Co-operative Stores, Ltd. ...	"
5	The Chengam Taluk Co-operative Bee-keeping Honey Production and Sale Society ...	"
6	The Katpadi Co-operative Stores, Ltd. ...	"
7	The Peraiyur Co-operative Society ...	Madura.
8	The Eluvanampatti Devenga Handloom Weavers' Co-operative Production and Sale Society, Ltd. ...	"
9	The Sellore Co-operative Society ...	"
10	The Kottampatti Co-operative Society ...	"
11	The Sri Kallalagar Devasthanam Employees' Co-operative Credit Society, Ltd. ...	"
12	The Devipatnam Fishermen Co-operative Society ...	Ramnad.
13	The Srivilliputtur Weavers' Co-operative Production and Sale Society, Ltd. ...	"
14	The Mandalamanickam Weavers' Co-operative Sale Society, Ltd.	"



S. No.	Name of Society.	District.
15	The Keelkalpattadai Co-operative Credit Society	Chittoor.
16	The Bitragunta Railway Colony Co-operative Stores Ltd.	Chellore.
17	The Somampatti Co-operative Credit Society	Salem.
18	The Athanoor Weavers' Co-operative Sale Society, Ltd.	"
19	The Gudum Board School Teachers' Co-operative Credit Society, Ltd.	Kistna.
20	The Ibrahimpatnam Agnikulakshatriya Field Labourers' Co-operative Society	"
21	The Sri Gowri Sankara Weavers' Co-operative Production and Sale Society, Ltd., Nelaturu	E. Godavary.
22	The Borrapeta Co-operative Society	Vizagapatam.
23	The Urjam Co-operative Society	"
24	The Yerakannapeta Co-operative Society	"
25	The Ravulavalasa Co-operative Society	"
26	The Ipurlanka Army Co-operative Tenants' Society	Guntur.
27	The Venkataraman Co-operative Stores, Ltd., Patchalatadipavru	"
28	The Gandarvakottai Co-operative Sale Society, Ltd.	Tanjore.
29	The Rayachoty Government Training School Students' Co-operative Stores, Ltd.	Cuddapah.
30	The Galivedu Co-operative Credit Society	"
31	The Bhoomireddipalle Co-operative Forest Coupe Society	"
32	The Obulampet Co-operative Society	"
33	The Sree Rama Vallur Co-operative Society	"
34	The Sikkamulapuram Co-operative Credit Society	Coimbatore.
35	The Vadambachary Sri Ramalinga Soudambika Handloom Weavers' Co-operative Society	"
36	The Peelamedu Handloom Weavers' Co-operative Production and Sale Society, Ltd.	"
37	The Themmur Co-operative Society	S. Arcot.
38	The Poikunam Co-operative Society	"
39	The Meenakshipettai Co-operative Society	"
40	The Periyasovalai Co-operative Society	"
41	The Kalumaram Co-operative Society	"
42	The Pennadam Co-operative Stores, Ltd.	"
43	The Natham Co-operative Credit Society	"
44	The Vedukapalli Co-operative Credit Society	E. Godavari.
45	The Gudiyatham Co-operative Stores, Ltd.	N. Arcot.