



Madras Journal of Co-operation

EACH FOR ALL, AND ALL FOR EACH

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Editorial Notes.

The Movement :

Last month we reproduced almost in extenso the lecture of Sri. Rao Bahadur M. Giriappa delivered at Coimbatore. In this issue we have published Sri. T.A. Ramalingam Chettiar's lecture delivered at Bangalore. We would invite the attention of our readers to these two important contributions as they reveal to a large extent the problems facing the Movement in our Presidency approached from different angles leading to same conclusions. Both these distinguished co-operators emphasise the importance of the personnel for the successful working of co-operative institutions. They both strike a note of warning regarding the danger that unfortunately lurks of politics influencing and guiding co-operative activities. This aspect of the matter needs greater emphasis now and in future as it is just possible many a good co-operative institution serving the economic needs of the community may founder on the bed-rock of party or communal politics.

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Sri Chettiar also referred to the Russian experiment and likened it to State Socialism. He opined that in the case of co-operation it is voluntary and there is room for initiative. While regimentation may secure efficiency and perhaps produce quick results, it is sure to result in loss of freedom and stifling initiative. Naturally he expressed his preference to co-operation and felt as much efficiency and speedy results can be secured by the co-operatives without loss of personal freedom and initiative if persons actuated by service motive enter the Movement. Sri Chettiar also had some pertinent remarks to make regarding the Russian system of collective farming. Mere collective farming without other methods of improving "national economy" will not be of much avail. In fact piece-meal reform is sure to create more problems of a worse type, baffling solution.

Well Done :

The last Mail brought us from the International Co-operative Alliance, London, an appreciative note on the emergency service performed by the T. U. C. S., which we reproduce with sincere pleasure.

"We have been deeply gratified to read Mr. Ramakrishnan's article telling of the marvellous services which the Triplicane Co-operative Society has rendered to the people and the Government of Madras during the period of crisis. We are publishing the story in the September "Review," and hope that it will receive recognition in other countries also. It is yet another and an outstanding proof of the importance and value of Co-operation in economic life."

We have no doubt given opportunities and necessary moral and material support, the T. U. C. S. can be enabled to play a greater part in the days to come. Now that the emergency is almost at an end, we regret to note a tendency to forget the magnificent services performed by the T. U. C. S. Various other organisations and interests, which were perhaps the first to abandon the City in April last, are profuse in their sympathy for the consumers and are clamouring for recognition to serve the community. But we are afraid recognition and support to bodies or interests other than those of public or semi-public character are sure to lead to monopoly which is not in the interests at any rate of consumers. We wish the Government to take note of this fact and be wary in according recognition.

May we invite the attention of the authorities and the public to the remarks of Sri. Ramalingam Chettiar on the part which the

co-operatives can play in an emergency like the present. He has sketched out a scheme which we have reason to believe he has submitted to Government and as usual red-tapism is at work to decide its fate. It cannot be said the co-operators have been marking time and are not prepared to serve the community in times of stress. When the whole scheme of Sri Chettiar is made available, it will be seen he wants co-operative institutions to play a significant part and all the resources of the Movement are offered for the purpose. In ordinary times, we can afford to say 'wait and see.' But when catastrophic changes are happening in quick succession, there is no time to be lost in putting a practical scheme into operation, if we have to mitigate the suffering caused by scarcity, high prices and lack of adequate storage and secure what we may call 'edible' results.

Food Supply :

"So far as this Province is concerned, the only organisation which can tackle this question is the co-operative organisation. It has 14,000 societies; everyone of them can be activated to take part in any scheme. This organisation will have to undertake the whole food supply for the whole province," declared Sri. Ramalingam Chettiar speaking at the opening session of the Conference of the Deputy Registrars. As we have already stated a scheme is already before Government for this purpose and its sanction is awaited. Sri Chettiar also suggested the formation of a provincial organisation to study the situation and arrange for the purchase and movement of goods. We have more than once pleaded for one organisation instead of numerous Boards and Committees which are being constituted in the interests of efficiency. But our cry has been in vain.

Our readers may be interested to know the local organisation set up in Great Britain for purposes of food control. The last Mail brought us the following news item :

By an order of the Minister of Food, the 1,500 Food Control Committees set up three years ago will be dissolved on the 31st December, and new Committees, to be appointed by the local authorities, will function for one year as from the 1st January, 1943. The Committee will still consist of 15 members, 5 representing the food trades and 10 representing the consumers, but qualification for membership has been broadened. Caterers and shop assistants will be eligible as trade members, and any person—except those connected with

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food businesses or regularly employed by the Ministry—will be eligible to serve as consumers' representative, including, of course, housewives. Trade Unions are entitled to have a representative on every committee.

Storage Facilities :

Official figures reveal that nearly one per cent of the rice crop valued at over 300 lakhs of rupees is wasted every year through weevil infestation, damp and vermin attack. If official enquiries are set up in respect of other cereals, perhaps a worse state of affairs will be revealed. Cannot this colossal waste which is responsible to some extent for the deficit of cereals in the province, be avoided? It is not that the ryot knowingly or unknowingly allows such wastage and thereby deprives himself of the income which would accrue to him. He lacks adequate storage facilities and is in consequence forced to suffer. It is only recently loan and sale societies are being assisted in constructing godowns. From the Groundnut Fund, it is proposed to construct godowns for storing groundnut. What we have yet to know is a comprehensive scheme of godown facilities in respect of all cereals as they only can support the population and maintain the morale. Even after the colossal waste of rice is known, it is doubtful if the Government have taken preventive steps. We understand the Government of Bombay have offered to co-operative societies grants and loans on easy terms to enable them to construct godowns. As in our Province also, it will be a long time before the operations of the loan and sale societies will cover the whole area and even then for these societies to find their share of the cost of construction of godowns, the Government may be pleased to announce a scheme of assistance to co-operative societies and banks to provide adequate storage facilities for storing food grains and thereby augment the supplies by avoiding wastage. For Government too it will prove a good investment as these will secure not only tangible assets but they will also indirectly contribute to the increase in food supplies. We commend the scheme of the Bombay Government for adoption in this province. If, however, the Government are not prepared to offer attractive terms to induce co-operative organisations and others to take advantage of the scheme, they may themselves build the godowns in suitable centres and charge reasonable storage rent. Whatever may be the steps taken, they should result in avoiding further wastage of food grains. Will the Government at least now realise their responsibility in the matter and move

quickly? Time and tide do not wait while schemes are being hatched and their execution is delayed on financial and other grounds.

Importance of efficient storage of agricultural produce has been recognised in all countries. It is learnt that in England the subject engaged the attention of the authorities immediately after the outbreak of hostilities. An intensive survey revealed that the most effective means are the regulation of humidity and temperature of warehouses. As these means are costly and beyond the capacity of growers, palliative measures such as provision of good ventilation, clean premises and segregation of infested grain are some of the processes suggested. How far indigenous methods followed from time immemorial can be adapted with necessary adjustments instead of a complete change-over to new methods must receive immediate attention. The results of research, if any, must be widely made known. If the ryot is slow to adopt them, owing to mainly circumstances beyond his control, the Government should step in and act on his behalf.

Conservation of Live-Stock :

We are grateful to the Government of India for accepting the resolution of the Central Food Advisory Council which recommended that to prevent permanent damage to the cattle wealth of the country, the slaughter of working bullocks in good state of health below the age of ten years, cows in milk and pregnant cows should be prohibited. It is also gratifying to learn that instructions have been issued that in all future contracts for the supply of beef to the defence forces a clause should be inserted to the effect that working cattle used for transportation will not be accepted and should not be tendered for inspection. But what is surprising is the Ceylon Defence Department has invited tenders for the supply of cattle of the same category for the very same purpose and has notified that permission for their importation into Ceylon would be given. How permission can be accorded for a purpose prohibited in India, it is beyond our comprehension. When this fact was brought to the notice of the Government of Madras, it is understood that they do not propose to take any action as the number of cattle exported to Ceylon was trivial. It is true before the advertisement appeared it was trivial. Will it continue to be so even after attractive terms are offered to tenderers? Why should export of cattle coming under the category prohibited for military contracts in India be permitted to Ceylon?

We hope the Government of Madras will not hesitate to take immediate action under the Defence of India Rules and prohibit export of cattle for any purpose to Ceylon or to any other country.

A Welcome Departure :

The Registrar of Co-operative Societies is to be congratulated on the innovation he has introduced by inviting a few non-official co-operators to the 'open' session of the Conference of Deputy Registrars of Co-operative Societies. But we support the suggestion put forward by Sri. Ramalingam Chettiar that their further association at least when questions of policy are discussed and decided would be of benefit. It will be to mutual advantage and in the interests of the Movement. As Sri. Chettiar said at Bangalore and which he repeated in his address to the Conference the ideals which ought to influence the officials and non-officials should be the same and they should all consider themselves as working for a common cause rather than for personal benefit or for departmental prestige and power. They are complementary to each other and there cannot be either veiled or apparent antagonism. Given the right spirit, it should be always possible to work hand in hand and render active assistance in mitigating the hardships of the agriculturists. In their prosperity lies our joy; in their adversity lies our misfortune.

Some time ago we had occasion to refer to the role of the co-operative officials and expressed our hope that they would continue to be the real units and leaders of the co-operative army. This consummation devoutly wished for will be possible if both non-officials and officials shed their complex and intransigence in an effort to ensure proper development of the Movement. 'Each for all, and all for Each' can be better demonstrated in this joint undertaking, obtaining satisfactory results.

Inordinate Delay :

We had occasion to refer to the abnormal rise in the prices of textiles causing untold suffering to the poorer classes of the population. The following figures culled from official publications will indicate the nature of the increase :—

		December 1941.			December 1942.		
		Rs.	A.	P.	Rs.	A.	P.
Long cloth	...	1	4	7	2	2	3
Drills	...	1	3	6	2	2	0
Domestics	...	1	3	5	2	0	2
Yarn 10½s	...	0	12	0	1	2	0

What the exact bazaar rates will be can be guessed. It looks as though the much advertised standard cloth, which is computed to be 40 per cent cheaper, will not be available in the market till March next. We are doubtful if even by then the arrangements will be completed, as such decisions as have been arrived at in respect of it seem to be tentative. There is many a slip between the cup and the lip. It is also not known if in view of the seriousness of the situation in the country, the Government propose to prohibit exports of cloth and yarn. What has happened to the proposal to establish control over yarn and thus assist the rehabilitation of the handloom industry? It is needless to say, given the necessary fillip the handloom industry can be enabled to increase its output and satisfy much of the cloth requirements of the country.

Handspinning has also a bright future if serious efforts are made to encourage it. While the Commerce Member is willing to consider any workable scheme for its development, we are surprised to learn the Government of Madras have threatened to stop the continuance of the small help they are grudgingly giving to the A. I. S. A., from 1943-44. There seems to be neither uniformity nor continuity in the policies adopted by the Provincial Governments and the Government of India seem to be powerless to stop the vagaries of even their subordinate Governments.

Excerpts :

We give the following excerpts from an article on "Planning or Shamming: which is it to be?" and request our readers to ponder over them.

Actually, it would be a real change to stop talking about changes; and before we start talking about reconstruction it is worth while asking: Is reconstruction necessary?

* * *

In other words, the Co-operative Movement will have to compete with a more efficient distributive machine.

* * *

That waste in distribution must be eradicated.

* * *

Rationalisation of distribution is advocated in many quarters.

* * *

The Co-operative Movement has a contribution to make the new order.

One of the major troubles of the Co-operative Movement today, is that it is becoming somewhat aimless, and the primary task of those designated with the task of reconstruction is to draw a line between the day-to-day job of keeping societies growing and the far removed dream of a co-operative commonwealth.

* * *

The crying need of the Movement and of the moment is for greater specialisation, both wholesale and retail.

Questionnaire :

Elsewhere we have printed a questionnaire issued by the Provincial Co-operative Union the object of which will be apparent from its perusal. In order to suggest a scheme for proper distribution of all the available stocks of food grains, facts and figures are absolutely necessary. It is hoped all the co-operative organisations will kindly take the trouble of furnishing the particulars called for in respect of all cereals though the questions relate mainly to paddy and rice.

Act and Rules :

We apologise to co-operators in the presidency for the delay in bringing out the revised edition of the Act and the Rules framed under it. It is due mainly to the difficulty of securing paper. We hope we shall succeed in our efforts and bring out the edition by the end of January. It may be the price of the copy will have to be raised. But in view of the new features such as the case law and the increased cost of printing and paper, the price will be comparatively high. What it will be, it is not possible to say definitely in view of the fluctuations in the paper market. Orders for the copies may be booked in advance to ensure prompt despatch.

A politician was interrupted by a man in the crowd, who repeatedly shouted ' Liar !'

After about the twentieth repetition, the speaker paused and eyed his tormentor.

" If the man who persists in interrupting, " he said, " will be good enough to tell his name instead of merely shouting out his profession, I am sure we shall all be pleased to make his acquaintance."

Foodstuffs and Price Control.

BY V. R. K. RAO, M. A., M. LITT. (ECON.)

In a total war the civil front plays a very important role in the successful prosecution of war. One of the principal forces that has disastrous effect on this is the very high level of prices engendered by profiteering by merchants, scarcity of the commodities, transport difficulties and inflationary financing of war. The prices of the foodstuffs in this presidency reacted to all these forces and reached an abnormal level which is demonstrated in this article.

For purposes of this study I have selected (1) Rice (2) Cholam (3) Cumbu and (4) Ragi. The weekly whole-sale prices of the above from August 1939 to September 1942 were examined. The prices in the month of August 1939 are taken as 100 for purpose of comparison with those in the months of September 1939, 1940, 1941 and 1942. The table below indicates the progress of the prices of Rice during three years of this war at the important centres noted therein.

TABLE I—RICE—(August 1939—100.)

Place.	Aug. 1939.	Sept. 1939.	Sept. 1940.	Sept. 1941.	Sept. 1942.
Rajahmundry	100	102	130	154	187
Bezwada	100	108	129	150	180
Ellore	100	104	128	149	180
Nellore	100	101	123	139	170
Trichinopoly	100	104	113	130	226
Kumbakonam	100	104	123	160	241

The general rise in the level of the prices must be ascribed to inflationary forces at work. We find from the above that during September 1942 the rise in the price of rice was 70 per cent. to 241 per cent. above the price ruling in the month of August 1939. We also observe that the disparity in the levels of prices in the months of September 1941 and September 1942 is far greater than the difference between any two previous years. In fact the prices began to jump up at a greater rate from the month of June 1942. Upto June 1942, the increases in the prices were more or less in accordance with the annual trend as depicted during 1939-40 and 1940-41. This is clear from the following :—

TABLE II—RICE—(August 1939—100.)

Place.	June 1942.	Sept. 1942.
Rajahmundry	149	187
Bezwada	166	180
Ellore	157	180
Nellore	137	170
Trichinopoly	172	226
Kumbakonam	209	241

The increased tempo in the rise of prices from June 1942, must be largely due to political tension in the country created by the Congress policy of 'Quit India' and the subsequent sabotage activities of the goondas.

The second inference to be drawn from the above analysis is that the increase in the price of rice is much more in the South than in the Northern districts. This is again due to the fact that with the occupation of Indo-China, Siam, and Burma by the Japanese, the annual import of 1.3 Million tons of rice which was mainly consumed in the South was cut off.

That a great portion of the increase in the price goes to the middleman and not to the producer is evident from the following consideration. The differences in the prices of paddy and rice of the same quality at the same centres and during the same months are shown below :

TABLE III—RICE.

(Price in rupees per imperial maund.)

Place.	Sept. 1939.	Sept. 1942.
Rajahmundry ...	1.02	2.09
Bezwada ...	1.39	2.18
Ellore ...	1.28	2.18
Nellore ...	1.60	2.64
Trichinopoly ...	1.18	2.61
Kumbakonam ...	0.72	2.70

This great disparity in the relative prices of both, which has risen by nearly 100 per cent. is without doubt due to profiteering by the merchants.

During the same period the prices of Cholan, Cumbu and Ragi advanced to a similar extent. But upto 1941, the prices of these commodities in the South did not record appreciable increase. In the Northern districts, when the price of rice went up, there was some substitution of the above cereals for rice, as a result of which the prices of these tended to rise. Even during September 1942, the prices of these cereals were much higher in the North than in the Southern districts. This same reason—substitution of the above cereals for rice—explains to some extent the disparity in the level of prices of rice in the Southern and Northern districts of the Presidency. The table below illustrates the above reasoning :

TABLE IV.
(August 1939—100.)

CHOLAM.					
Place.	Sept. 1939.	Sept. 1940.	Sept. 1941.	Sept. 1942.	
Nandiyal ...	106	112	109	150	
Bellary ...	104	99	122	170	
Coimbatore ...	98	89	92	161	
Erode ...	103	91	101	120	
RAGI.					
Vizagapatam ...	103	125	140	201	
Nellore ...	108	119	145	179	
Tiruppur ...	100	104	80	116	
Erode ...	99	93	99	131	
CUMBU.					
Cuddapah ...	102	115	126	151	
Chittoor ...	108	102	110	147	
Salem ...	109	125	125	182	
Coimbatore ...	100	93	97	161	

Summarising what we stated before, the general level of the foodstuffs—Rice, Ragi, Cholan etc.—is more than 80 per cent. above that of August 1939. This brings us to the second theme of our article—price control. I stated in the beginning that the high price level is due in main to (1) scarcity (2) transport difficulty and (3) profiteering. The scarcity of commodities is caused by (1) cessation of imports of rice from Burma, Siam etc. (2) reduction in the yield and (3) increased Government commitments to feed India's out-posts—Ceylon, Persia etc. Side by side with this scarcity there is another fact not noticed above. The purchases of the Government of India of the military requirements of the Allied Governments has placed an enormous amount of purchasing power in the hands of the consumers. The 'grow more food' campaign according to official sources may not yield more than 13 per cent. above the production in the pre-war year. This would at best merely offset the decline in the yield and cropping of foodstuffs noticed before the beginning of the war. The shortage in the commodities is further aggravated by transport difficulty and profiteering resorted to by the unprincipled merchants. The merchants who indulge in profiteering and want to grow fat at the expense of the poor are as dangerous to civil morale as the notorious fifth columnists. They are the product of thoroughly ill-conceived and ill-founded policy of price

control and of laxity in its administration. No price control, it must be stated frankly, will succeed unless it is done by controlling production, distribution, and by reducing consumption and by judicious adjustment of taxation. Reduction in civilian consumption is vital to the success of price control. If the reduction in consumption is left to the effects of prices, it will lead to dangerous consequences—undermining of civil morale. It means those who have long purses will get most. The poorest section will suffer most. This will result in civil unrest in the form of looting and dacoity to the suppression of which the Government will have to divert their attention and effort which could be more profitably devoted to a vigorous prosecution of war. For another reason, namely, when our soldiers have risked their lives it is right that we should play our part by reducing consumption so that labour and capital can be devoted to the war effort. Further one of the sound principles of war finance is to meet expenditure on War by means of saving effected by reduction in consumption of goods. Viewed from this background it is evident that the Government have given a wrong lead when they sanctioned doles in the form of dearness allowances. They ignored their obligations to the soldiers. They have reduced the chances of complete mobilisation of our resources for the vigorous prosecution of war. They have let loose inflationary forces, the terrible consequences of which are familiar to every student of economic history of Germany immediately after World War No. I. Whether it is England, the United States of America or China, the Government of the country from the beginning of the war rightly laid emphasis on the reduction in consumption by a system of rationing. Price conferences may come and go, the problem of price control will go on for ever as long as the Government shirk their responsibility. They can draw on the experience of the U.S.A. in this matter. Rationing of essential commodities is as essential in a total war as equipment to the soldier. Let us hope that the Central Government will act ere long and save the country from the miseries that it is experiencing due to lack of bold policy of price control.

Any man may build himself a throne of bayonets, but he cannot sit on it—Dean Inge.

“Co-operation in India and the Present Day Possibilities.”*

By T. A. RAMALINGAM CHETTIAR, B.A., B.L., M.L.C.

I thank the Mysore University very much for the opportunity they have given me to speak to the enlightened audience of Bangalore about a subject which is dear to my heart and in the service of which I have spent much time and laboured these many years.

Co-operation is a social quality developed out of a sense of the advantages gained by working together instead of working individually. By practice the mental attitude is engendered of taking common action wherever possible and securing the interests of each and all. Hence the saying “Each for all and all for each”. Even though co-operation may be applied to all walks of life in ordinary parlance, its use is confined to the voluntary combination of persons for securing economic advantages, for securing by association what cannot be obtained individually. The purposes for which co-operation may be used depends on the circumstances of each country. Each country has developed its own institutions and has arranged the affairs as circumstances required. In England, which depended largely on imports for food supply and other necessities of life, it was the consumers’ co-operation that developed largely. On the other hand in Denmark, on the other side of the Channel, it was the agriculture and marketing sides that were developed, because Denmark was an agricultural country exporting food supplies to Great Britain and other countries. Labourers’ organisations for building and other purposes developed in Italy, while in some parts of France and Germany rural societies on the Raiffeisen model grew up. In all these countries the societies were formed voluntarily by members who understood the benefits of working together. Institutions were constituted and financial and other arrangements were made according to circumstances and to suit their needs. There was no central financing agency for any type of these societies. They obtained their funds from the share capital subscribed by the members, reserve fund, local deposits and any accommodation they may get from the ordinary banks. Some of the organisations like the British wholesale Stores and some American Stores are huge organisations whose transactions extend to several crores of pounds a year.

In India the history of the co-operative movement was very much different. The British Government when they took over the administration found that the ryots were very poor and that they were heavily indebted. As the administration advanced, the condition of the ryots became worse and their indebtedness greater. Their standard of living was low. They could not find money to purchase the foreign imported goods which were coming in large quantities, nor could they even easily pay the taxes. There were large sales of lands. It was under these circumstances that the Government

* Delivered on the 26th November in the Central College, Bangalore. University of Mysore, Appu Rao Extension Lecture 1942.

thought of a remedy to help the ryots. At that time the ryots were paying very heavy interest charges anything between 12 and 75 per cent. The remedy suggested by Sir Frederick Nicholson and some others was the constitution of rural banks to supply cheap money to the ryots to pay off their accumulated debts and to help them in cultivating their lands more efficiently. The finance necessary had to be raised by local deposits or with Government help. The rate of interest charged by the rural societies was 10 or 12 per cent. This high rate of interest still continues in some of the provinces in India. For some time, the progress was very slow, even though the first Registrars were chosen with care and they were doing their work sympathetically with the sole view of helping the ryot. It was thus a movement imposed from above and organised by outside agency and managed with outside influence. Education of the people and wide propaganda were undertaken and they helped. As societies grew in number, arrangements for financing the societies became necessary and Central Banks were evolved. The Government of India Act of 1904 which started these societies made provision only for primary credit institutions. By the year 1912, the need was felt for amending the Act to provide for the constitution of limited liability societies, both as primaries and as federated societies, the latter being mainly for financing and supervision. Even though the ryots got money cheaper than before and consequently the interest charges they had to meet were less, they were not able to make both ends meet, as agriculture, as was carried on, was not remunerative. The holdings were small. Each holding had to support a family of 4 or 5 people depending on land which could hardly support one individual. The people were so poor that they could not manure the lands properly or go in even for improved seed and improved ploughs. The people were ignorant. With the advent of foreign imported articles of attractive appearance and cheap prices, even the few local industries went out of existence and the bigger industries like weaving suffered in various other ways also. It is with this background that the origin and development of the co-operative movement in India has to be visualised and the progress made evaluated.

While the agriculturist produced his goods, on account of his financial position he had to sell them for very low prices either by taking advances from the traders and money lenders even when the crop was on land or by selling as soon as the produce is harvested. So when the prices showed a tendency to rise from about the year 1910, it was the trader who reaped the benefits and not the ryot. It was soon seen that unless the income of the ryot increased either by cutting off the middlemen's profits or by increasing the quantity and of improving the quality of the produce, there was no possibility of improving the position of the ryot.

Loan and sale societies were started for the purpose of enabling the ryot to hold his crops for a better market and for getting the benefit of higher prices which were always obtained some time after the harvest. As the

loan and sale societies were located in mercantile centres, the ryot had also the advantage of access to a wider market. Insistence was made to help cultivation and make it more efficient by advancing crop loans and even supplying good seed and manure where wanted from the loan sanctioned. If the ryot had no other obligations, these would have helped him to a large extent. Unfortunately as his debts continued and he had to borrow fresh debts from money lenders for the purpose of maintaining himself and his family and meeting charges like marriages, etc., in the family, for education of his children, etc., the result was the co-operative society which advanced money to the ryot was only one of the creditors instead of being the sole financing agency of the ryot. In any scheme, it was not possible for the ryot to pay off his own debts and any fresh debts he borrowed for extraordinary purposes within the 3 or 5 years for which the ordinary co-operative societies lent him money, the ryot cannot be expected to keep the produce in compartments for the purpose of meeting the several demands on his purse. The result was that he borrowed wherever he could and this made him to a certain extent irresponsible and extravagant. After making various attempts, it was decided to separate the short term and what is called intermediate finance from long term finance and provide land mortgage banks for the purpose of meeting long term needs especially to pay off the old accumulated debts. Several provinces and States have got agencies for serving the long term needs of the ryot started and I am glad your State has made excellent progress in this field.

The Reserve Bank of India was started as a Central Institution for banking purposes and it was to serve as an expert body to advise in all financial matters. Unfortunately it took the view in the beginning that the ordinary rural co-operative societies should confine their attention to productive cultivation finance and lend ordinarily for one year. The Governments in India accepted the advice and instructed the Registrars to give effect to the views of the Reserve Bank as far as possible. In many of the provinces and in many of the districts in the Andhra Desa in the province of Madras, loans from rural societies were confined to short term finance of one year for cultivation expenses. As I said above it is not possible to divide the income of the agriculturist into compartments. All his financial needs and commitments have to be met from one source, viz., the produce he gets from his lands. The result was overdues and increasing overdues. As the trader or money lender was more insistent and he was on the spot at the time of the harvest and the rates of his interest were high, he was first accommodated and it was the rural credit societies that suffered. When the boom period came to an end and the depression started, the ryot broke and could not meet his demands. As the Reserve Bank advised the following of the usual commercial practice of writing off the bad debts, the Governments and the Registrars started various ways of dealing with the situation. This led to the liquidation of a large number of societies and the breakdown of

the Movement in most of the provinces. For a time the co-operative movement went under the cloud and with great effort the Movement was resuscitated with Government help by taking extraordinary action in various ways. Just before the war there was an examination of the Movement in the various provinces and steps were in contemplation to avoid a similar breakdown in future. It was at this stage that the war broke out and it created fresh situations and fresh problems, many of them of a temporary character.

So far as urban areas are concerned, they fared very much better than the rural areas. Along with rural credit societies some urban credit societies were also started. These have been successful, as the area of operations was confined to the limits of a town and the members had more or less a steady income. So far as the Madras province and the Mysore State are concerned, they can legitimately take pride that their urban banks are comparatively well managed and are in a strong position. It is easy to find competent men in urban areas to manage such institutions unlike in rural areas. This was one of the main reasons for success. The other activity that has been started in urban areas is the establishment of consumers' societies or stores. The stores have been until recently a middle class movement. Persons with salaries who could not personally attend to the purchase of their needs were ordinarily members of these stores. I ought to congratulate your State on being probably the most successful in this field of co-operative activities. The principles followed in the West of marked prices and cash sales have given room for much debate here in India. For instance, your stores allow credit and they have not suffered.

In the West and in many countries, the consumers' societies are the most important, and they cater to the needs of the labourers with limited income whereas, as I said above, in India it has been the middle class movement until lately. To serve the needs of the labourers, goods of various kinds will have to be stocked and sold by the stores which they were not prepared to do. Most of the stores wanted to have only one quality and one price. Within recent times, stores have been started for the purpose of supplying food and other needs of the labourers in factories and plantations and even for the rural population where they depended for their supply on goods imported. This led to the starting of Central Wholesale Co-operative Stores for the purpose of purchasing in bulk at cheaper rates for the benefit of the stores affiliated. The war broke out and it has thrown more responsibility on the stores.

Central Banks were started in certain provinces for the purpose of getting money from urban areas for the use of the rural societies which could not get their needs supplied locally. So far as Madras is concerned, the Central Banks have undertaken to finance all the co-operative activities in the province and they are in a position to do so. The Provincial Bank

remains only as a sort of balancing centre, taking deposits from central banks which have surpluses and making the same available where they may be needed. Even so the Provincial Bank is at present serving as a dumping ground for the surplus funds of Central Banks. The Urban Banks generally find their own funds by deposits. Many of them have got even surpluses. Where they want money they are helped by the Central Banks. In the Mysore State I learn that Central Banks are not equally strong and that the Provincial Bank lends directly to many of the societies. So long as the number of societies to be financed is not large there is no harm. If the number of societies becomes very large and it is not possible for the financing agency to know something about them and arrange for their supervision and sometimes inspection difficulty will arise. Even in Madras there are districts in which there are 600 or 700 societies financed by one central bank. In other parts of India the Central Banks have not been very strong and the finance required is supplied in some cases by local deposits, in some by branches of the Provincial Bank and in some by the Government.

The question of supervision of the societies and the respective spheres for official and non-official activity have been matters of controversy in most provinces. Probably, you, in an Indian State, have had nothing to do with such controversies. At present, supervision is undertaken by Central Banks in the Madras Province, while the department looks after registration, inspection, audit and liquidation of societies. I have personally found no occasion for any serious difference in actual working as the ideals which ought to influence the officials and non-officials should be the same and they should both consider themselves as persons working for the benefit of others and interests of the country at large rather than for their own personal benefit or for the departmental prestige and power. It is always possible, given the right spirit, to arrange everything satisfactorily.

There is provision in the bye-laws of rural societies in addition to those for getting finance on the basis of joint liability for joint purchase of seed, manure, food supply, etc., and for joint sale of the produce. To the extent these provisions are used by members, the loan and sale societies and the central stores can be strengthened and made to serve the people. Instead of encouraging the use of these functions, there is an attempt to bring into existence separate multi-purpose limited liability rural societies for the purpose of providing practically the same needs. As liability is limited, it will be difficult for these societies to find adequate finance and they will have themselves to lend only on visible security. It will further weaken the financing agencies which supply credit to them. We have not heard the last of this move to start these societies in large numbers, nor have we heard that they have been exceptionally successful in any area.

Even though, in theory, character should be the basis of credit, in ordinary practice status and property have been the real basis, and it is difficult

for the poor man to get help even from co-operative societies. It should be mentioned that experience with regard to the so-called labour societies in the Madras Province has been very unhappy and in many cases the money lent was never returned. The problem of financing artisans and labourers is still to be provided for. Some commitments were made here and there for the purpose of helping women in their occupations by financing them and finding a market for their produce like envelopes, knitted goods, lace and embroidered clothes.

So far, the co-operative movement has reached only a very small percentage of the population and the activities they have undertaken in the fields of production and distribution cannot be said to be very considerable. Only the fringe of the problem both with reference to the vast population to be served and the scope of the activity to be undertaken has been touched. The ignorance and the extreme poverty of the people stand in the way of rapid progress. This is in short the history of the co-operative movement in our country. Even though the progress has not been widespread, the Movement has shown possibilities it has in some cases. In the province of Madras for instance, the Vuyyuru Sugar Factory is a co-operative effort of a conspicuous character. A sugar factory of the capacity of over 1000 tons has been built up by the cane growers themselves for their own benefit with the help of the Provincial Co-operative Bank. The block capital is valued at about Rs. 20 lakhs. The debts borrowed have been partially paid up. In a few years the cane growers will be the full owners of the factory without any debts.

In another sphere, the ryots of the whole district of South Canara have clubbed together in a Wholesale Agricultural Produce Marketing Central Society with as many as 56 branches for collection of produce. They have been able to sell paddy, arecanut and pepper and a few other items of produce to the huge sum of Rs. 22 lakhs. They have four selling centres in the South Canara district itself and they have a branch to sell the surplus produce in Bombay. In addition to selling the produce they also provide the needs of the ryots by way of provisions that have to be imported. These are taken back to the villages in the carts or boats which brought the produce to the central depots. The purchase of goods by the members amounted to Rs. 4 lakhs. The Bombay branch also serves to purchase goods wholesale and despatch to Mangalore for the members of the society. This is a huge complicated business combining in one the purchasers' and consumers' co-operation. It shows what an organisation can do even in a small district like South Canara.

In Kodur in the Rajampet Taluk of the Cuddapah District the growing of citrus fruits was taken up. But the ryots did not derive much benefit as there was no organised market. The Provincial Co-op. Marketing Society took up the sale of the oranges and helped to find other markets for the fruits, with the result that in that area alone sales of oranges to the extent of

between 5 and 6 lakhs were effected last year. There is a wide scope for such development throughout the country.

Apart from this, the war has created new situations and new problems. The scarcity of food supply in all deficit areas, the want of transport facilities, the loss of market for goods usually exported and the control introduced by various Governments have all tended to create new problems. The merchants have been naturally trying to make the best of the situation by profiteering. Prices have no relation to cost of production or to replacement cost. The controlled prices fixed by various governments remain only on paper while in the bazaar high prices far in excess of the controlled prices go on ruling. The fixing of prices will be of no use whatever unless supply at that price is also secured. The various Governments have been considering how to meet the difficulty. The best and the cheapest way of providing the needs is by utilising the co-operative movement and the co-operative institutions for the purpose of purchasing and stocking the goods at the time of harvest and distributing them as and when required through the various co-operative institutions. For this, necessary finance and proper supervision of the business will be necessary. While in a province like Madras, the finance can be obtained in the Movement itself, such a huge business cannot be undertaken without at least the Government guaranteeing the loss, if any, sustained by the stores which have to purchase and stock the goods. The Government will have also to make adequate arrangements for transporting the goods from places where they are grown to places where they are required for consumption. Adequate supervision of the institutions through which the business is done will also be necessary. These are the only responsibilities the Government will have to bear with reference to this. This cannot be said to be very much, considering the importance of the work to be done and the responsibility Government has got both to safeguard orderly life and secure the social and economic peace and security of the country. It is only the co-operative movement that can bear the strain of this huge and necessary business. It is not intended that the co-operative societies should themselves provide the whole bulk of the supply that is required, nor is it intended that the traders should be wiped out altogether. What is intended is that profiteering by the traders should be stopped and supply of adequate quantities of food supply be secured. This can be done by the co-operative institutions stocking about a third of the supply needed. For the mere fact that goods are available will have its effect on the market; and co-operative institutions which distribute the goods will check the price going up and control the market. As one-third of the goods required is stocked by co-operative stores in case of cornering by merchants, it will be available until fresh supplies are obtained from the place of production within reasonable time. This is a great service that the Movement can undertake and perform satisfactorily during this time of great strain.

Producers Societies like cotton growers, sugarcane growers and potatoe growers societies have been formed in various parts of the country. These get the needs of the ryots by way of good seed, manure and food-supply for men and cattle and supply to the members. They also arrange for the disposal of the produce either directly or through other agencies like the loan and sale societies. It is time this idea of making things cheaper by undertaking production of manure by the establishment of suitable factories, etc., is taken up. They can also undertake the processing of agricultural produce like groundnut, cotton and paddy by having factories of their own for crushing, ginning and hulling. While this will widen the activities of the societies, they will add substantially to the profits of the members. The great difficulty in co-operative institutions undertaking big business is to find the men who will undertake to start and manage them. I have to confess my feeling of depression at the very few young men who enter into the Movement at the present day who have to replace the men who are running the institutions at present. The strain of the present day is no doubt a factor to be reckoned with. It cannot be expected that voluntary work will be always forthcoming. Given steady work and pains-taking labour, it will be always possible to earn sufficient profits to pay persons who work. While I am of opinion that the days of voluntary work are coming to an end, I plead for the proper training and adequate experience of those who come into the field of co-operation and payment of adequate wages. It may not be possible to pay as good wages for these young men, as they deserve. It is there that the spirit of self-sacrifice and better work have to come. They will have to be prepared to work on wages which will be just sufficient to maintain them and their dependants.

While in a poor country like ours, it is not possible for the co-operative movement to take in everybody, it is possible by organisation and careful planning to extend it very widely in the field of production, marketing and distribution. In the West, huge organisations have come into existence to provide for very large number of people and provide for all sorts of goods required. They have even undertaken to purchase tea and other estates in the Nilgiris and Anamalais for growing coffee and tea, for the use of their members. It will be a long time before we are able to do things on that large scale. But we ought to try and widen the basis of our activities as much as possible. When a serious attempt is made, it will be found we can do very much more than we originally expected. The whole field of cottage industries still remains un-explored. The little that has been done by the organisation of weavers' societies is inadequate. The number of looms brought in is very small and the help rendered cannot be said to be adequate. The requirements of the war have given a fillip to these weavers' societies in some parts of the country. As contracts are given to these weavers' societies for goods required for war and the fact that a large number of looms are engaged in war production has tended to

give more and steady work to the other looms in the area. It is a question whether after the war the weavers' societies will be able to maintain their position in the face of the increasing competition of mills. Introduction of machinery for cottage industries like power looms is a matter that requires immediate attention. Those engaged in cottage industries should be enabled to use machinery for their business so as to enable them to compete on equal terms with foreign imported goods and factories. A large field for work remains here to be undertaken.

Russia has been the source of inspiration for wide-spread economic organisation ever since it became communistic. State socialism and communism which were but dreams have been considered as possibilities and practical propositions even though they may be hedged round with limitations. The war has only served to increase the admiration of the people, for the Russians who are putting up a splendid fight have practically saved the modern civilisation by their heroic defence of their country. Naturally the Russian institutions are attracting more attention and the possibilities of taking up collective farming is being referred to everywhere. While collective farming will increase the produce and make the cultivation of lands more efficient and more remunerative, it will involve naturally the use of machinery and organisation. As I said before, a large number of families are dependent on the lands and they squat on the lands whether their labour is required or not. If collective farming is undertaken only those that are required for work on the land can be retained and the others will be thrown out of work. How to find work for all these people will be the problem. In Russia, these men thrown out of employment flock to the cities and are given employment by the State. The State guarantees work to every individual and also a fairly comfortable life. It will not be possible to expect any such arrangement in India at the present day.

Recently, the great Chinese effort in co-operative industrial activity for the supply of war materials and war needs has come to be known. The courage, efficiency and patriotism shown by those who are organising these efforts and work them has been a matter of the greatest admiration. China is more or less in the same position as India with the difference that they have got a Nationalist Government devoted solely for securing the benefit of the people. The Government and the people co-operate and work the schemes. The way in which lands are cultivated, raw materials are obtained, workshops are organised and products are made available to the army and the civilian population are matters which require close study. We have not got very full information about these matters. I am sure that when information is available, co-operators in this country will study them and try to adopt the methods in this country which have been found so successful in China.

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From what we see in other countries, there is no limit to the work that can be undertaken by the co-operative societies, nor to the quantum of responsibility which each institution can bear provided proper organisation is brought into existence and the personnel capable of undertaking the responsibility is forthcoming. As I said in the beginning, co-operation is only a method and it is up to persons and Governments to utilise it for any field in which it can be used for common benefit. Before the war the evils of capitalism were prominently coming to view, the inequality in the distribution of profits and the unequal treatment of persons and the great advantage possessed by a certain class of people were all very seriously criticised. The success of the Russian experiment also drew the attention of the people to consider State Socialism as a possible alternative. After the war, things are bound to change. The old inequality and injustice cannot be allowed to continue. Some method of fair distribution of goods and profits will have to be devised. The alternative will then lie between co-operation and State Socialism. In the case of co-operation, it is voluntary and there is room for initiative. On the other hand in State Socialism, there will be only regimentation and to a certain extent loss of freedom and personal initiative. It is no doubt true that under State Socialism efficiency can be secured, while in co-operation it will be problematic, for the reason that efficiency will depend on the persons who run the institutions. If only the co-operative movement can secure the addition of patriotic workers and missionaries, there won't be any room for hesitation as to which alternative should be preferred. One reason for the inefficiency of co-operative institutions is the want of effective public opinion in the country. In other countries, there is strong public opinion both among the members and the outside public with the result that those who run the institutions are kept steady. On the other hand here unfortunately the efficiency and interest of the institution are not so much cared for. While the co-operative institutions are increasing in usefulness and influence, politicians and others come in to secure power and influence and use methods which are ordinarily prevalent in political elections and in politics generally with the result that actual workers in the Movement and those who have ideas and knowledge of things do not get a chance. It is these dangers that have to be guarded against if co-operation is to be really beneficial to the people and get as strong as we want it.

Almost all our faults are more pardonable than the methods we think up to hide them—La Rochefoucauld.

Recent Trends in the Development of the Co-operative Movement in China.

The ever increasing importance of the co-operative movement in China is stressed in a pamphlet by Mr. Miachen S. Shaw: "Towards Planned Co-operative Economy," recently published by the China Information Committee in Chungking.

The role played by the industrial co-operative societies in China's struggle against aggression has been recently described in an article published in No. 9 of "Co-operative Information." Some extracts of the above mentioned pamphlet will give a more general picture of the co-operative movement in China:

"In 1937, there were in China only 46,983 co-operatives with 2,139,634 members. But in 1938 their numbers rose to 64,565 and 3,112,629 respectively. A year later, the number of societies went up to 91,426 with a membership of 4,366,758. At the end of 1940, a further growth was seen with 116,199 societies having 5,998,476 members. The figures include the approximate number of societies and members in the Japanese-occupied areas and the registered industrial co-operatives organized in the last few years.

In Free China alone, the number of societies on June 30, 1941, was 107,904 with a membership of 5,979,212. Their share capital at the end of 1940 amounted to \$20,979,951 Chinese currency. According to the most recent reports, this has been brought up to \$25,267,627. (The amount does not include the share capital of the societies in occupied areas, nor that of co-operative federations and miscellaneous societies.)

With regard to the trend of the Movement so far as the nature of the co-operatives business is concerned, production, consumption and marketing societies have registered an increase in the last few years, as shown in the Table below:

Distribution of Co-operative by Types.

Year.	Credit.	Supply.	Production.	Marketing.	Consumption.	Miscellaneous.
	per cent.	per cent.	per cent.	per cent.	per cent.	per cent.
1939 (Dec.) ...	88.36	0.36	8.51	1.76	0.55	0.46
1940 (Dec.) ...	87.00	0.46	8.78	1.96	1.41	0.39
1941 (June) ...	86.21	0.51	9.30	1.97	1.63	0.38

It has been the supreme principle of the Government's wartime policy that reconstruction and war must be carried on hand in hand. Without reconstruction, no resistance would be possible, and without resistance reconstruction would be impossible. This explains the growth of the co-operative movement in spite of the hostilities."

For the purpose of training co-operative workers from all over the country, the Central Co-operative Institute was established by the Central Co-operative Administration in August 1939.¹

"Up to the present, about a thousand co-operative workers have been trained. Furthermore a National Co-operative Wholesale Agency of China was set up by the Administration for the purpose of concentrating the buying and selling of the co-operatives. It is to have branches or allied co-operative wholesale organisations in all provinces. For the time being its chief business is to serve the consumers and industrial co-operatives in and near the wartime capital at Chungking."

The Co-operative League of China was created in February 1940, with the aim of co-ordinating all co-operative enterprises under a single body. The League has established branches in ten provinces, and is forming new ones in every province, and sub-branches in every district. In its central office the League is to set up eight commissions: for agricultural co-operation, industrial co-operation, co-operative marketing, consumers' co-operation, co-operative insurance and utility, co-operative banking and co-operative education. United into a single body through this set up, all co-operators and co-operative organisations can be mobilised for defensive as well as for constructive purposes.

The Act for the Planned Development of the Local Co-operatives, which came into effect at the end of 1940, provided a new legal status for the co-operative movement. According to this Act, there should be one general purpose co-operative society for every *pao* (a political unit of about 100 to 150 families), one multiple-function co-operative for every *haiing* or *chen* (a political unit from six to fifteen *pao*) and one local multiple-function co-operative union for every *hsien* (consisting of about forty *hsiang* and *chen*). The ordinary single-function co-operative can still be organised to suit special cases. All these *pao*, *hsiang-chen* and *hsien* co-operatives are expected to be completed, if conditions permit, within three years. As guide for the organisers, the Central Co-operative Administration has issued several pamphlets with information as to how they should be organised and made use of for promoting economic and social welfare.

In 1941 the membership of the co-operative societies represented nearly 2.48 per cent. of China's population. The new plan aims at a very important increase in the number of co-operatives and their members.

"A significant event in the Chinese co-operative movement was the National Congress held from April 3 to 9, 1941, under the auspices of the Ministry of Social Welfare with the Central Co-operative Administration serving as secretariat. There were about 150 delegates and experts present

¹After the creation of the Ministry of Social Welfare in the Spring of 1941, the Central Co-operative Administration has been attached to this new Ministry. The Agricultural Credit Administration was attached to the Ministry of Agriculture and Forestry, upon the latter's establishment in July 1940.

from all over the country. The two chief objectives of the Congress were to formulate a policy for furthering the co-operative movement and to make a complete readjustment of the whole system. Out of the many resolutions, the following three will help to clarify our view about the nature and future of the Chinese co-operative movement.

First, it was resolved that the Movement should be guided by these principles:

(a) Our Movement must be closely adapted to Dr. Sun Yat-Sen's Principles of Nationalism, Democracy and People's Livelihood (the *San Min Chu I*) both in thought and action.

(b) All co-operatives must develop to the fullest extent the spirit of mutual aid, democratic control and peaceful revolution.

(c) The co-operatives are no longer to be *laissez-faire* organisations for the good of the few who know how to make use of the co-operative method, but must play a fundamental role in the national socio-economic reconstruction. Through planned co-operative organisation the capacities of the whole people are to be expanded, all soil is to be economically cultivated, and utility of all goods is to be developed to its utmost and the purchasing and marketing of commodities is to be facilitated.

(d) The foundation of the Movement should definitely rest upon the unification of all co-operators and co-operatives and upon the universal education of the co-operative members.

Second, a three-year plan for the national co-operative development was outlined.

A more detailed one is to be formulated upon the basis of this outline when all data from the provinces are complete. The main provisions of the outline, which is a very comprehensive one, are:

(a) Universal promotion of co-operative societies, first of all the *hsiang* and *chen* societies, then the *pao* societies, and lastly the *hsien* unions.

(b) Universal training of society members and officers.

(c) Increasing the share-holding of the society members and reserve funds of the societies.

(d) Systematisation of the accounting system of all societies.

(e) Developing the business of the societies so as to increase the percentage of co-operative purchasing, co-operative marketing and co-operative cultivation of land to over 50 per cent. of the total in three years.

(f) Universal adoption of scientific methods in agricultural and industrial co-operative production.

(g) Co-ordination between different phases of co-operative enterprises, such as co-operative consumption, marketing, production, insurance and banking, into one co-operative economic system.

(h) Co-ordination between co-operative enterprises and Government economic control, such as food control, salt distribution and production planning.

Third, it was resolved that there should be set up a banking system especially suited to the requirements of the co-operative economy. According to the proposals adopted, there should be a central co-operative bank at the top of the system with provincial and local co-operative banks to complete the network. The share capital of the central co-operative bank, \$100,009,000 in amount, is to be subscribed by the co-operative societies; but before they can afford to do so, the government is to take up the greater part of it while the rest is to be subscribed by ordinary banks as well as the co-operatives. This was considered to be an indispensable step in the planned development of the co-operative movement.

Besides and above everything which has been proposed to be done by the Central Co-operative Administration, nothing can be more important than education of the members and prospective members of co-operative societies. The societies would simply be nominal and not real if the members did not well understand how to act co-operatively or how to make use of co-operative organisation for the economic welfare of society. In order to enable the Societies to perform the role in China's economic system for which they are destined, the importance of this education must not be overlooked."

—The International Labour Office.

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Rehabilitation of Indian Handloom Industry.

Handloom weaving is one of the most ancient national industries of India, second in size and importance to agriculture. There are many millions of artisan cotton weavers in the Indian Provinces and States, using as their raw material mainly cotton; in some districts, though to a much lesser extent, they employ wool and silk. In addition, handloom weaving is carried on, as a cottage industry, by many millions of peasants whose agricultural holdings are too small to provide adequate maintenance for their families.

As a result of the strong competition of the textile mill industry the plight of the handloom weaver has steadily deteriorated, and since the great depression in the early thirties had become so alarming that the Government of India intervened to help the impoverished and under-nourished weavers, most of whom were in the hands of merchants, money-lenders and master-weavers, receiving credit and raw materials from them and selling their products to them at very low prices.

Some of the weavers had made an effort before to free themselves from the domination and exploitation by middlemen, and soon after the passing of the Co-operative Societies Act in 1904 had founded Co-operative Societies in Madras Presidency and other Provinces. But most of these early attempts failed owing to lack of capital and co-ordination, the low standard of co-operative loyalty among the members, inexperience in purchasing and marketing, and the absence of effective credit control. Some of them, however, like those in Bombay in the twenties, were able to hold their own and develop for a number of years.

The Turning Point : 1935.

In 1935, as a first practical step towards the rehabilitation of the industry, the Government of India introduced a Subvention Scheme providing for a subsidy averaging Rs. 500,000 per Province to be spread over five years and to be distributed according to the importance of the industries. The subsidies were granted through the Provincial Governments and, to a great extent, were utilised to build up and finance Co-operative Associations of Weavers. The system created as a result of Government subsidies and intervention in different Provinces is, of course, not purely co-operative, but it gives these Co-operative Associations a great chance of playing a decisive part in the re-organisation of the industry. As that re-organisation itself is looked upon by the Government as a public task of first importance, it reserves to itself the right of guidance, direction and supervision, but at the same time endeavours to enlarge the sphere of co-operative initiative and responsibility.

THE MADRAS JOURNAL OF CO-OPERATION

In December 1941, the Government convened an Industrial Conference which set up a "Fact Finding Committee" under the Chairmanship of Professor P. J. Thomas of Madras University, to survey the present position of the industry. This committee contacted the Co-operative Organisations of the weavers and sent out a questionnaire to ascertain the position and problems of the industry and also the opinion of the addresses about "the place of co-operation in the re-organisation of the handloom weaving industries."

The place of co-operation will largely depend upon its achievements and the success of the different Government schemes in operation. Although data of recent co-operative developments are not available, progress has been made in some Provinces—in Bengal a Provincial Co-operative Society and a number of Co-operative Weavers' Unions have been formed, mainly for the purchase of yarn and the marketing of finished goods; on 30th June 1940, they had about 6,000 members, and in 1939-40 consumed double the amount of raw materials they had bought in 1935-36 and sold considerably more than double the quantity of finished goods; in Bombay, a number of District Co-operative Weavers' Associations were formed under the Government's cotton and wool schemes.

Progress in Madras.

The most advanced stage seems to have been reached in the Presidency of Madras. When the re-organization scheme started there were not more than 40 Weavers' Societies in the Province, which includes among its total population of 47 million approximately 1,200,000 handloom weavers with more than 3 million looms. With two exceptions these Societies were Credit Societies and their influence was, therefore, very limited. In 1935 the Provincial Handloom Weavers' Society was formed which receives the entire Government subsidy of about Rs. 70,000 a year. This society acts as a central organisation for the local Weavers' Societies, and is mainly responsible for their rapid development. It also acts as a Purchasing and Sales Agency, and gives financial support, especially to newly founded Societies, while the older Societies which are working satisfactorily are allowed to raise loans to the extent of five to eight times the amount of their own funds (share capital and reserves) from the District Central Banks. The Provincial Society recently opened a dyeing factory at Madura and proposes to open three more; it is running two sales emporium in Madras City and six in other towns. (Now the number of emporiums is sixteen.) It has engaged a number of marketing officers to popularise the Societies' products in different centres of the Province and sends its designers to the Societies to advise them and to keep them informed about the requirements of the market. Thus the activities of the Weavers' Societies are being co-ordinated and placed on a secure basis, with the result that the standard of living of the co-operatively organised weavers has

REHABILITATION OF INDIAN HANDLOOM INDUSTRY

appreciably improved since 1935—the prices they receive are higher and their employment has been stabilised. On 30th June, 1941, there were 181 Weavers' Societies. Membership rose from 2,540 to 12,840 in four years, paid-up share capital increased from about Rs. 40,000 to Rs. 148,000, and the sale of finished goods from Rs. 100,000 in 1935-36 to Rs. 1,000,000 in 1939-40 and Rs. 1,280,000 in 1940-41. Although a few Societies still work at a loss, in some cases due to special circumstances, the surplus of others shows a big increase. Mr. K. C. Ramakrishnan of Madras University, in an article on Weavers' Societies in Madras, published in the *Indian Co-operative Review*, July-September, 1941, commenting on the administration reports of the Provincial Society, tells of the "agreeable surprise" which the pace of progress has been "to co-operators who have been accustomed to hear only of slow progress.....and of disasters, in spite of doles and other forms of aid given by the State." But in conclusion he points to the immense leeway which the Movement has still to make up, and warns it to be prepared to change its methods if economic developments—such as a large measure of standardisation of consumer goods on the market—should call for such a change. The modifications which Mr. Ramakrishnan suggests as possibilities are the use of the small power loom with cheap electric power either in cottages or in workshops—as in Japan—or the system of "Karkhana," a big workshop where a number of handlooms are fitted up and weavers work under one roof but each on one loom, as at home—a system already applied in the Province of Bombay, especially on the Malabar Coast. "If either of these system or both," he says, "should spread because of their economic superiority, notwithstanding the lament of men of good will on the loss of independence and craftsmanship.....Will not the Weavers' Societies have to change with the times and re-organize the whole basis of their work and reconstitute themselves on the lines of the famous self-governing workshops of the West?" By the adoption of the new system advocated by Mr. Ramakrishnan the Weavers' Society would change from a Credit, Purchasing and Marketing Society of independent artisans to a Productive Society of industrial workers, and the emphasis of the whole movement would be shifted from the defence of the economic interdependence of the handloom weaver to the raising of the standard of living of the worker in the weaving industry.

—*Review of International Co-operation—June, 1942 issue.*

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Taluk Prices Advisory Committees and Co-operative Stores Societies.

It is unfortunate that the Government should have turned down the proposal of the Registrar of Co-operative Societies that a representative of every Co-operative Stores may be appointed as a member of its respective Taluk Prices Advisory Committee. There does not seem any plausible reason for this decision of the Government. Much more is the surprise when these stores societies are being organised in these hard days under Government patronage and support. Viewed from any aspect no harm can be caused to anyone by inviting a stores representative to the meetings of the Taluk Prices Advisory Committee. On the other hand the full purpose and significance of not only the institution of these committees is lost by the elimination of the voice of a stores society in the matter of fixing and controlling the prices of essential commodities, but also the main purpose with which these stores societies have come into existence, namely that of checking excess profiteering by private businessmen and to cater to the needs of the poor at reasonable rates is lost by this decision of the Government.

Cases are not wanting wherein the Taluk Prices Advisory Committees fixed the selling prices of certain essential commodities at a far lower rate than even the cost price prevailing at the time. This is evidently due to the advantage taken by the private merchants serving in the Taluk Prices Advisory Committees to create a shock to the stores societies and to black market that commodity. This attitude of the private businessman can best be counteracted by the stores representative serving on the committee.

As an alternative the Government are pleased to suggest that cases of such unreasonable fixing of prices by the committees might be brought to the notice of the committee for its reconsideration and revision. This procedure, though second best, involves a stores society in a certain amount of temporary hardship as it cannot expose for sale that commodity until such time as its sale price is got revised by the committee. If, instead of this procedure, a stores representative is allowed to serve on the committee there is every likelihood of the price of any commodity being fixed on the spot then and there only, and thus causes for complaints can be avoided.

One thing more. A stores society is bound to issue sale chits to all its customers. It is not compulsory on the private merchant and he can sell his commodity regardless of the prices Committees fix whereas the stores society cannot do like that. Hence the prices fixed by the Taluk Prices Advisory Committee, though they are intended to apply to and affect equally all business concerns, are materially affecting the stores concerns and the purpose of these committees is not fully justified by the elimination of stores representatives.

Hence it is requested that the Government may be pleased to reconsider the suggestion of the Registrar to allow a representative of the stores societies to serve on the Taluk Prices Advisory Committees.

N. SATYANARAYANA,
President, Co-operative Stores, Yellamanchili.

Reviews.

Community Land-use Planning Committee—(Organisation, Leadership, and Attitudes, Garrard County, Kentucky, 1939, University of Kentucky Publication, Bulletin 417).

The publication sets forth the results of an enquiry conducted in Garrard County, Kentucky, among agricultural units classified as communities and neighbourhoods in the area. The Co-operative Land-use Planning programme in America as conceived in July 1938 was developed with the purpose of fitting agricultural programmes closely to local needs, the better correlation of agricultural programmes in each area, and the clarification of federal state relations in public agricultural activities. The rural community is defined as an area within which the people have a common centre of interest usually in a village, and within which they have a sense of common obligations and responsibilities. It is a social unit comprising neighbourhoods with a consciousness of local unity. The Land-use Planning Committee was formed from selected individuals from these communities and the information presented in the publication is based on replies to questionnaire as well as personal talks, with the individual farmers.

In reviewing the work of the Planning Committee, it was found that active participation in Land-use Planning work was associated more with men than women, and among men more with younger members. Among families, operations of large farms, with previous urban residence or college training or experience of office or other agricultural associations were found more active. Some factors relating to psychology and experience of farmers are also recorded. The attendance at committees was often motivated by a desire for knowledge. Farmers generally thought that land-use had improved and that they had made increased attempts to improve the land by specific practices as growing grass and legumes, spreading lime, phosphates and manures, constructing fences and ditches, using long rotations etc. Majority of farmers found soil conservation practices profitable on farms, and that productivity had increased. It is found that farmers have an unusually high degree of contact with official agency administering the state programme of the Agricultural Adjustment Act and that they are helped appreciably by visits of the county agent (the counterpart of Agricultural Demonstrators in our presidency), who gives them the knowledge acquired from experimental stations, land grant colleges and the agricultural extension service. They generally favoured crop control, the advantages mentioned being price protection and improvement in land. In regard to standards of living, the predominant view among farmers was that the level has been considerably improved since 1910, due to more conveniences as electricity, power, automobiles, better schools, and larger cash incomes. On the other hand, the general opinion seems to be that rural satisfaction has not increased with rising levels of consumption. People are not satisfied because 'the more they get, the more they want'.

THE MADRAS JOURNAL OF CO-OPERATION

The importance of the publication really lies in its practical application to problems associated with agricultural planning and general uplift of the farmer.

In our presidency, we have co-operative societies for farmers and departmental agencies for spreading agricultural knowledge and improvement. The extent to which success on a large scale can be achieved, depends on the agencies through which agricultural work is organised from among farmers. The indications in this survey are that rural agricultural communities are more useful as working units than individuals or administrative units, and that personal contact is necessary. Over and above demonstrations and group meetings, the organisation of such specific committees as land-use Planning committees, would create greater expansion of agricultural activities and greater spread of agricultural knowledge. To some extent the lower standard of education in farming life will hamper rapid progress in our country. But in such times as the present, when the state is more actively involved in agricultural planning such as the drive for more food crops, the organisation of farmer's committees for such work would appear to have great possibilities. The attitudes and tendencies of the farmer towards such organisational work are well brought out in this publication in their relation to agricultural expansion. (Contributed.)

"Make the Farm feed the family" by Thomas P. Cooper, Dean and Director, College of Agriculture, University of Kentucky—Extension Division.—Circular No. 354.

The circular suggests to farm families the need for producing most of their own food supply and provides a guide for doing so. Farm families can produce their own eggs, milk, butter, poultry, green vegetables, fruits and some fresh meat—the protective foods that mean the difference between good diets and poor ones. An abundant supply of such home grown foods, makes it unnecessary to use much of the cash income to furnish them. The great incentive for the farm way of life is not only fresh air and sun-shine, but the independence that comes with the use of farm grown foods. Another reason for making the farm help to feed the family is that children get interested in growing vegetables and livestock at an early age and instinctively learn that fundamental wealth comes from the soil.

The circular gives an analysis of survey of farm income and expenditure and concludes that it is necessary to produce most of the food supply on the farm as farm practice. The smaller and less productive the farm, the greater the proportion of its produce that should be consumed by the farm family. Most farmers have all the equipment needed for such production and very little extra will be necessary.

For a family of five members (2 adults and 3 children) a vegetable garden of half an acre, an orchard consisting of 10 grape vines and 200 straw berries, two cows to supply milk and milk products, 25 hens to supply eggs

REVIEWS

and 2 hogs, a baby beef or veal calf, and a sheep to supply meat, are suggested in the circular to meet their annual requirements.

A tabular statement containing approximate amounts of food needed yearly for individuals of various ages is given and from it a family can work out its requirements. (Contributed.)

University of Kentucky—Kentucky Agricultural Experiment Station, Regulatory series, Bulletin No. 26 (June 1941).—Commercial fertilisers in Kentucky in 1940.

The results of inspection and analyses of official samples of commercial fertiliser sold in Kentucky in 1940 are presented in this bulletin. About 117,000 tons of fertiliser were sold, 55 per cent. of this being mixed fertiliser and the rest super phosphate and other fertilisers.

The analyses, in general, showed that the samples of fertilisers were up to the guarantee given by the manufacturers. The Bulletin recommends the use of high grade commercial fertilisers to crops, as this was found to be very economical fertilisers whose plant food contents (sum of nitrogen, phosphoric acid and potash) are 20 per cent. and above are classed as high grade, 16-19 per cent. as medium grade and below 16 per cent. as low grade. Functions performed by the nutrients (Nitrogen, phosphoric acid and potash) are given, as also the general principles and precautions to be observed before applying the fertilisers to the crops, like the condition of the soil on which a crop is to be grown, knowledge of the requirements of the crop for nutrients etc.

For our Indian conditions, it is not safe to apply artificial fertilisers indiscriminately to all the crops. In some cases, the residual effects have been very bad. There are some crops, of course, like paddy and sugarcane which respond well to artificials mixed with some form of organic manure like well rotten farm yard manure, green leaf, oil cakes etc. (Contributed.)

Grass Silage—University of Kentucky—Circular 361.

Advantages and disadvantages of ensilaging green grass and cereal and legume crops over hay are discussed in this circular. The advantages are, superior feeding value, less wastage in feeding, less space in storage, less risk due to fine and weather and low cost of production. Cost of production of grass silage is 15-25 per cent. less than that of corn silage. Disadvantages are the danger from asphyxiation due to the evolution of carbon dioxide during the process of ensilaging, risk of spoilage when too much or too little moisture is present in the material. For the production of good silage, the dry matter content of the forage should be from 30-35 per cent. (moisture 65-70 per cent). Three preservatives are recommended for the production of good silage viz. molasses, mineral acids especially phosphoric acid, and ground corn or corn and cob meal of which molasses is the cheapest and most popular. About 75 per cent. of the feeding value of molasses, and 50 per cent. phosphate content of phosphoric acid are usually retained by the silage. Silage feeding is recommended for all livestock—dairy cattle, beef cows and heifers, steers, ewes and lambs, hogs, horses and mules.

Silage is not so very popular in India as in foreign countries. Efforts should be made by propaganda to convince the ryots of the benefits of feeding the animals with silage especially in dry seasons when green grass or fodder is scarce. Silage is a good substitute for green fodder. (Contributed.)

THE MADRAS JOURNAL OF CO-OPERATION

Lunches for school children—University of Kentucky—Circular 365.

A number of menus are suggested for the lunch of school children e.g. milk cocoa or milk soup, one hot soup, sandwiches made of whole wheat bread, at least one raw fruit or vegetable and a dessert like custard, gelatin, fruit sauce, cookies. Most of these items may not suit for our Indian conditions. For Indian children (especially from South India) a good lunch may include the following menus:—

- (1) Hand pounded rice.
- (2) Whole-wheat bread.
- (3) Vegetables and greens.
- (4) Whole milk.
- (5) Fresh fruits especially tomatoes and oranges.
- (6) Curds, butter milk, ghee.

For children who cannot afford to use milk, 3-4 gms. of Calcium lactate may be taken mixed with small quantity of milk or butter milk, as calcium is essential for growing children. Cholan malt or ragi malt also may be included. (Contributed.)

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Working of Societies.

Madura-Ramnad Co-operative Wholesale Stores, Ltd., Madura.
(Contributed.)

The Madura-Ramnad Co-operative Wholesale Stores was started on 17—2—40. The circumstances which necessitated its starting have been described in detail in July issue of the Journal in 1941. Its jurisdiction extends to two districts namely Madura and Ramnad. Membership is open to individuals as well as societies. The following particulars are indicative of the progress of this institution during the last two years.

Particulars.	As on 30—6—40	As on 30—6—41	As on 30—6—42
1. No. of Members ...	107	148	166
2. Paid-up share capital...	Rs. 15,200	Rs. 29,600	Rs. 55,250
3. Purchases ...	2,28,454	5,58,280	8,96,060*
4. Sales ...	1,71,806	5,95,626	8,84,452*

2. During these three years of its existence the activities of the Co-operative Wholesale Stores have centred round the following main points:—

- (1) Collection of share capital.
- (2) Bulk purchases.
- (3) Popularising the sales.
- (4) Supervision over the affiliated stores.

Each of these points will now be dealt with in detail.

(1) Collection of share capital.

It will be noted from the figures given in para. I that the paid-up share capital of this stores was only Rs. 15,200 on 30—6—40. This was an extremely meagre share capital for an institution of this magnitude. Its borrowing limit is eight times the paid-up share capital plus Reserve Fund and with a share capital of Rs. 15,000 it could hardly raise a loan of a lakh and a quarter Rupees. This was inadequate to supply goods to nearly 70 stores while purchasing and stocking in bulk was entirely out of the question. It has been the main object of the stores for the past two years therefore to raise its share capital, and on 15—10—42 it is Rs. 62,000. Even this is not enough, and it will be the earnest endeavour of the Co-operative Wholesale Stores to make it one lakh of rupees by 30—6—1943. The enhanced strength of the Co-operative Wholesale Stores now is due to this drive for share capital and must serve as a pointer to other wholesale stores.

(2) Bulk Purchases.

Apart from a poor share capital, there were other reasons why the Co-operative Wholesale Stores could not make bulk purchases in the beginning. It has been more or less a layman's wholesale. Manned by

* During the Co-operative year.

staff with inadequate experience it had to feel its way step by step. A decidedly forward step was taken in February 1942 after the harvest, and the wholesale stocked 40,000 bags of paddy. It is repeating the process now after the first crop and has already purchased 15,000 bags. But the present purchases are mostly from the neighbourhood of Madura, whereas on the former occasion the purchases were made from the comparatively cheaper centres of production like Tanjore and Nellore. Difficulties in transport facilities have compelled the Co-operative Wholesale Stores to make local purchases now, and one hopes that this will indirectly give a fillip to the 'Grow more food campaign' in this district.

Coffee is another commodity which the Co-operative Wholesale Stores has bought in large quantities. Up to 30-6-42 it bought coffee for Rs. 28,000 at the periodical auction sales conducted by the Assistant controller of coffee at Pattiveeranpatti and Coimbatore.

Sugar is yet another commodity in respect of which the Co-operative Wholesale Stores is able to successfully negotiate in the matter of purchases. It gets monthly a supply of nearly 500 bags from Messrs. Parry & Co., and many stores which were recalcitrant in the beginning have now begun to cultivate cordial business relations with the Co-operative Wholesale Stores on account of the sales of sugar bags.

Only a few weeks ago the Co-operative Wholesale Stores has ordered four waggon loads of salt from Tuticorin and this again will bring it in closer touch with its consuming members.

Last but not least, it is trying to get bulk supplies of kerosene oil and if it succeeds in this, it will earn the lasting gratitude of all the primary stores.

(3) Popularising the Sales.

It might be argued that a business institution, if it works upon purely business principles, needs no particular efforts to make itself popular. This is true of first-rate business institutions dealing with an advanced type of clientele. It must be admitted, however, that there are several snags in the Co-operative framework. The directors of the local stores are honorary gentlemen who have to depend upon salesmen and managers for the preparation of indents and purchases. The local merchant still commands in the village or the semi-urban area a name to be conjured with. The Co-operative Wholesale Stores itself is only training up its employees in business methods. Further, the stores are based on limited liability and many of them have not succeeded in collecting a decent share capital. At the same time their credit needs are incessant, and as they are permitted—rightly so—to purchase only up to five times their paid-up share capital, the sales have necessarily to be on a limited scale.

WORKING OF SOCIETIES

The Co-operative Wholesale Stores has, therefore, been compelled to take concrete measures to develop its sales. It was till recently publishing a fortnightly price bulletin; it takes back goods that are returned as useless; it enables the stores to purchase within their credit limit such of the articles as are not available in the Co-operative Wholesale Stores. The Co-operative Wholesale Stores has also given up the wrong policy of stocking all kinds of goods—as they used to say funnily "from an elephant to a pin". It specialises in important articles and is able to devote particular attention to quality. This again is a valuable lesson it has learnt from experience.

The Wholesale Stores have been permitted by the Registrar to open retail branches and the Co-operative Wholesale Stores here has recently opened a branch for retail sale at Madura. This is extremely popular and it is the object of the Co-operative Wholesale Stores to open such branches in the mofussil where there are no stores or where the existing stores are dormant.

Yet another step which will develop the business more and more till the end of the war is the supply of provisions to evacuee camps. The Collector of Madura has entrusted the Co-operative Wholesale Stores with the task of supplying to five evacuee camps in the neighbourhood of the city and already provisions worth Rs. 35,000 have been stocked for the purpose.

In addition to these the Co-operative Wholesale Stores has supplied up to 30-6-42 goods worth Rs. 17,700 to the South Indian Railway Stores, Rs. 61,042 to the Provincial Marketing Society and Rs. 3,264 to the Triplicane Urban Co-operative Society.

(4) Relations with the primary stores and supervision over them.

The constitution of the Co-operative Wholesale Stores has recently undergone a material change. To begin with the Board of Management consisted of 15 members of whom no less than 9 should be representatives of societies and the rest of individuals. The stores has now raised the total strength to 17. Of these only 3 shall represent individuals. Of the remaining 14, one shall be a representative of the Central Bank and nine shall be representatives from among stores which have purchased not less Rs. 5,000 in the previous calendar year. These representatives are to represent particular regional units. Thus the Co-operative Wholesale Stores will hereafter have a board which will reflect the opinions of the Primary stores to a greater extent.

The Co-operative Wholesale Stores has in its employ two supervisors to check the stock in primary stores and to train up the employees. This staff is far too insufficient to cope with the work. But the importance of close supervision over the stock and accounts of the affiliated primaries needs no emphasis.

(5) Out of the wood.

The Co-operative Wholesale Stores worked at a loss of Rs. 8,094 in 1940. This was reduced to Rs. 5,644 in 1941. A rough estimate of profits up to 30-6-42 shows that the Co-operative Wholesale Stores has worked at a net profit of Rs. 8,280. The continued losses for two years had a very depressing effect on all workers. Fortunately, due to internal circumstances and factors wholly extraneous and perhaps temporary, the Co-operative Wholesale Stores has been able to cover the lost

ground. It must be its endeavour to take the fullest advantage of the present circumstances and stabilise its position. Purely a product of the war, it will then be an instrument of immense service in times of peace.

The Nilgiris Co-operative Marketing Society, Ltd., Ootacamund.

(Contributed.)

The Nilgiris Co-operative Marketing Society is in its 7th year of working. Its area of operation extends to the whole of the Nilgiris District and as the centre for the trade of potatoes which is its main business, is at Mettupalayam, its operation also extends to the Union Board limits of Mettupalayam. It has a rented godown there. Its head office is at Ootacamund.

2. Of the 71 Agricultural Co-operative Societies in the Nilgiris District 60 are members of the marketing society. Besides 664 individuals also are shareholders in the society. The paid up share capital amounts to Rs. 9,420. It has a reserve fund of Rs. 7,127.

3. There are 11 Directors of whom 6 are representatives of the affiliated societies. Sri Rao Bahadur H. B. Ari Gowdar, B. A., who is the President of the Nilgiris District Board is the President of the Society. The Secretary is a paid employee lent by the Coimbatore District Bank. One of the Directors residing in Mettupalayam is in prime charge of the godown where a paid manager looks after the day to day work. The Directors have recently agreed to shift the Head Office to Mettupalayam and to take a departmental Senior Inspector as Secretary.

4. Like other co-operative Marketing organisations this society also sells the produce of its members only as agent. It deals mainly in potatoes which is the chief commodity grown on the hills. The commission charged for sale of potatoes is 6 annas per bag while the usual rate in private mundies is 8 annas. Of the commission thus collected the society also gives a rebate of 6 pies per bag for the first 100 bags sold on behalf of each member and at one anna per bag for further consignments.

The private middle-men purchase potatoes at villages for apparently attractive rates but also take 50 to 70 lbs. more of potatoes for every bag. The Marketing Society, on the other hand, secured for the ryot the price for the standard bags of 190 lbs. each. The gain to the ryot varies from half a rupee to as much as Rs. 2-8-0 per bag.

5. There are 70 private mundies in Mettupalayam for potatoes. At least 30 of them purchase potatoes from the Marketing Society. Besides the Society sends potatoes to Bombay, Calcutta and Colombo according to demand. The Society gets quotations of prevailing prices by telegram, and if the ryots consent, send consignments to established commission agents in these places. During August to November the Nilgiris potatoes fetch almost monopoly prices at these centres. The society expects to be able to secure still better prices if it is enabled to make supplies on contract rates. As such contracts would be possible only if the Society can make out right purchases in emergencies, it has recently passed amendments to its bylaws for such powers. The amendments are under the consideration of the department.

In the present season the Society sold produce to the value of Rs. 69,823 upto 31-8-42.

WORKING OF SOCIETIES

6. The society gives 75 per cent. of the estimated value of produce as advance to the ryots as soon as the potatoes arrive at the godown. The Central Bank has given cash credit accommodation to the Society upto Rs. 15,000. The advances given to the ryots during the current season amounted to Rs. 14,062 upto 31-8-42. Usually the potatoes are sold away and the sale proceeds given to the members in a week's time. Stocking of the potatoes for a better market for which the provision for advances is primarily necessary, is not possible in the hot climate of Mettupalayam. The full benefit to the ryot can be secured only if arrangements are made to hold up the potatoes at suitable centres in the hills and transport them to Mettupalayam only when there is good demand for them. The Society is attempting to secure a godown for its use at Ootacamund.

7. The Society owns a lorry for transporting the potatoes to Mettupalayam. The charges are acknowledged to be less than those of other private hire lorries. But this one lorry is not able to meet all the demands of the Society's constituents during the season.

8. The potato cultivation in the hills depends chiefly on the manuring of the land which is deficient in lime. Chemical fertilisers came to be in vogue and eventually the potato cultivators came to be so dependant on the few fertiliser firms in the hills that such firms got an undue control over the individual ryots. To remedy this state of affairs a scheme of supply of manure through the combined agency of the primary societies the Marketing Society and the Central Bank is being worked. The members of the primary societies pool their manure requirements, apply for loan for the purchase of manure, undertake to sell the produce through the Marketing Society and agree to deduction of the loan owes from the sale proceeds. The primary societies get the required loan sanctioned by the Central Bank and the amount is transferred to the marketing society. The Marketing Society pays the manure companies direct after the manures are delivered. The Marketing Society charges 4 annas per bag of manure as commission from the ryots. Another sum of 4 annas per bag is charged from them, as earnest money for sale of potatoes through the marketing society and this amount is returned to the ryots when such sales are really made.

This system has been beneficial to the ryots only to a limited extent. Owing to war conditions the manures reach the ryot only at fancy prices while the quality of such manures has deteriorated considerably. There is now a strong demand for the manufacture of substitute mixtures and the ryots took to the marketing society to undertake such ventures. Collections towards increase of share capital are in progress and the response from the villagers has been very encouraging.

9. The Marketing Society has always worked at a profit. But the essential part of its success is its popularity among the villagers. The figures relating to the sales of potatoes each year indicate good progress, as shown below:

Sales in	1937—38	550	bags.
"	38—39	12,542	"
"	39—40	9,952	"
"	40—41	21,193	"
"	41—42	22,568	"
"	42—43	10,655	"
(upto 30-9-42)			

But still, the Society does not tackle any appreciable portion of the potatoes grown in the hills. From the point of view of the informed villagers, the real benefit of the society are often blurred by apparent but unreal attractions offered by private middlemen. The one important way to help the villager to better income is by the introduction of the controlled credit system of Salem type in which an element of helpful compulsion for sale of produce through the marketing society will enable the ryots to get the full benefits of the institution. Another line in which improvement has to be effected in the co-operative marketing is in the provision of more facilities to the ryots for the collection and transport of produce which the extremely uneven topography of the district makes necessary. To this end both the village societies and the Marketing Society have to devote better attention. The men in the panchayat of the village societies are far from being merely altruistic in their attitude to the other members, and it may even be necessary to offer some remuneration to the agents for collection. The main emphasis has to be laid on the control of produce and then profitable marketing will automatically follow. The Nilgiris Co-operative Marketing Society has immense possibilities in this direction.

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Conference of Deputy Registrars.

(From a Correspondent.)

For the first time non-official Co-operators were invited to participate what may be termed as the 'open' session of the Conference of the Deputy Registrars of Co-operative Societies and a distinguished co-operator was requested to address the Conference. We have no doubt this innovation is greatly appreciated and as suggested by Sri Ramalingam Chettiar their participation in that part of the Conference where policies are discussed and decided upon would be to mutual advantage.

In a welcome speech requesting Mr. T. Austin, C.I.E., I.C.S., to open the Conference, Mr. W. R. S. Sattianadhan, I.C.S., Registrar of Co-operative Societies, referred to the need for holding the Conference and welcomed the participation of non-official co-operators in the 'open' session of the Conference. He expressed his particular pleasure that it was possible for Mr. Austin, who was once associated with the Movement to open the Conference and Sri T. A. Ramalingam Chettiar to be present and address the gathering. The Registrar hoped that their deliberations would lead to practical and useful conclusions on various important questions connected with the Movement. Co-operative Societies had been harnessed for the war effort, and were able to do much more than in the previous year, in the matter of the supply of textiles required by the Supply Department. During the past year Co-operative Stores had made striking advances and were really helping people to get food at reasonable prices. He urged that there should not be any antagonism between officials and non-officials, as both were equally interested in the well-being of the Movement.

Mr. Austin, declaring the Conference open, said:

"I feel that the co-operative movement has risen well to the occasion presented by the war, but there is always something to be done in the direction of increasing the activities already begun. There is the supply of various varieties of textiles to the Supply Department. The Provincial Society and the primary weavers' societies have succeeded to a great extent in overcoming initial difficulties and should now be producing all that is wanted according to the required specifications.

"The weavers' groups, now being organised by the Yarn Commissioner should be formed into co-operative societies, so that the weavers may not be brought again so much under the control of the master-weavers. And there should be some organisation to help these people to change-over to peace time production after the war.

Distribution of Foodstuffs.

"To meet the rise in prices, the Department has started many co-operative stores and these should be, if possible, organised also in the four districts now without them; and rice and other foodstuffs must be

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sold to the right people, not to the merchants. While on this subject, I must note the good work done by the T. U. C. S. and by Co-operative Canteens. These are playing a great part in steadying the prices of foodstuffs and as centres of equitable distribution of sugar, kerosene, etc. They should not relax in their efforts and should be prepared to deal with other commodities if and when the need arises.

"The Department should do all in its power to check the tendency to hold up stocks, the marketing activities of loan and sales societies should be developed, and the ryots persuaded to get into direct touch with Grain Purchasing Officers.

Conditions are now favourable for a large-scale expansion of cottage industries, and much can be done to supervise production and to market the finished goods.

The Industries Department are rehabilitating small-scale industries which produce various articles for the Army, namely, pickaxes, knives, camouflage nets, sandals, etc. These should be organised on co-operative lines and financed by the Co-operative Banks. They need both financial and technical assistance; here is the great chance for co-operation between the Co-operative and Industries Departments. And these industries, too, should be so well organised that they will continue during normal times.

In conclusion Mr. Austin said that the grow more food campaign the greater cultivation of sugarcane, the supply of pure milk, both to the Army and the public, and the training of war technicians should be further stimulated. He was sure that if people understood what they were fighting for, they would be more willing to help the war effort.

Mr. T. A. Ramalingam Chettiar, in his presidential address said there was no justification for opposition between official and non-official elements in the Co-operative field. So far as the broad policy of the Movement was concerned he would suggest there should be joint consultations between them. He urged young officials in the department not to hold aloof from the people. He regretted the lack of newcomers to the non-official side of the Movement, a marked feature of present day co-operation.

Government Action Needed.

He said that, at present there was nothing more important than the safeguarding of internal security. For this food supplies, within the purchasing power of the people, were most important. It was to be regretted that the Government had no organisation for this purpose except that some sporadic attempts were made here and there. It was necessary that they had an efficient, and big organisation for the Province, if they were really going to meet the situation. One great difficulty was

CONFERENCE OF DEPUTY REGISTRARS

lack of transport for goods from place to place. He would, therefore, suggest to the Government that they should bring into existence a provincial organisation, consisting of the Registrar of Co-operative Societies, the Director of Civil Supplies, the Director of Agriculture, the Director of Industries and Commerce and some non-officials, and representatives of the Railway companies, so that they would be able to study the situation and arrange for the purchase and movement of goods.

It was up to the Government to see that merchants who wanted to profiteer did not do so. Merely fixing of prices would not lead to an actual reduction of price.

Unless goods were supplied at the prices fixed, said Mr. Ramalingam Chettiar, it would be useless to pass orders.

The new crop was now coming in, and merchants had purchased large stocks which they were either hiding, or moving to places like Ceylon. So far as this Province was concerned, the only organisation which could tackle this question was the co-operative organisation. It had hundreds of societies, and every one of them could be worked into any scheme. That organisation should undertake supplies to the whole Province. What was really necessary was, that they should deal in sufficiently large quantities to be able to control the market. Prices fixed should be, not the cost price, but the cost of replacement. It was only then that they could have a continuous supply of goods in the market.

Rao Saheb J. C. Ryan, Joint Registrar, proposed a vote of thanks to Mr. Austin and Mr. Ramalingam Chettiar.

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Questionnaire.

The following questionnaire was considered by the Executive Committee of the Madras Provincial Co-operative Union at its meeting held on 6-12-1942 and it passed the following resolution.

"That the P.C.U. do issue the following questionnaire to all Co-operative Unions, Loan and Sale Societies and other affiliated institutions, and obtain answers before 15-1-1943:—

- i. When is paddy harvested in your District—1st and 2nd crops?
- ii. How much quantity is usually retained by ryots for consumption at home? What is the percentage of ryots who are able to keep paddy in store for domestic use?
- iii. How much quantity is sold and when is it usually sold by the ryots?
- iv. How many ryots usually store paddy for sale at a future date to gain by rise in prices? Mention some cases of substantial gain so obtained?
- v. What was the selling price of paddy in your village in December 1941, March 1942, May 1942, June 1942 and July 1942?
- vi. Who, in your opinion, was benefitted by the steep rise in prices in July 1942? Ryot or merchant?
- vii. Has there been an increase in cost of cultivation—if so under what important heads and since when?
- viii. How much increase is there in the cost of *living* and under what item?

All the Co-operative Banks are requested to send answers to the above questionnaire on or before the 15th January 1943 and also address the unions or other institutions in their area for answering these and sending them direct to the Union.

The Registrar on Tour.

Coimbatore District.

The Registrar spent a busy week at Coimbatore this month. He attended the meeting of the Mill Owners' Association at which the Second Adviser to His Excellency the Governor and the Yarn Commissioner were also present and later visited the C. S. & W. Mills and inspected the war textiles produced by the Weavers' Co-operative Societies.

The question of increasing the supply of good milk through co-operative societies also engaged his main attention. He attended the meeting of the Directors of the Milk Supply Union and discussed the steps to be taken to get more milk from the villages and visited along with the Deputy Registrar, Coimbatore the Dairy Expert and the Directors of the Milk Supply Union, Appanaickenpalayam village where a milk supply society has been newly organised. There was a large gathering of ryots from the adjoining villages and the Registrar explained to them that they could increase their income by mixed farming and advised them to own as many milch cattle as possible and take up dairy industry as a subsidiary occupation. The ryots in the end assured the Registrar that they would act up to his advice and supply any quantity of milk.

The Registrar paid a visit to Muthugoundenur centre and distributed medals to the milk men and milk women who had brought their cows regularly to the common milking ground. He was pleased to find the centre doing good work and congratulated the milk women and milk men who received the medals and exhorted the others in emulate them. He also disbursed the weekly payments for the milk supplied by them to the Union. The visit of the Registrar has created a new spirit and enthusiasm among the villagers and they have all agreed to bring their cattle to milk in the central place and supply milk regularly at the appointed time.

He inspected the Sulur Co-operative Society and was glad to find that the society had a record of many years of good work and had constructed a building of its own.

The Registrar also visited the Co-operative Sugar Manufacturing Society at Podanur and discussed with the Directors ways and means to increase the production of sugar. The Directors requested the Registrar to secure a wholesale and retailer's licence for the factory to sell sugar direct to the Co-operative Stores, instead of through an agency as at present. The Registrar promised to do his best in the matter.

He also discussed with some of the Directors of the Central Co-operative Stores certain matters connected with its present and future working.

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AMMUNITION
NOV 24 1942

Circular.

R. 2811/42 K.

14th November 1942.

Sub : Weavers' Co-operative Societies—Model by-laws—by-law No. 48—
Distribution of profits—Creation of a 'wages equalisation Fund'
Amendments to by-laws—prescribed.

It has been suggested that if weavers' co-operative societies are allowed to set apart a portion of their net profits earned in prosperous years towards a special fund called the "Wages equalisation fund", it could be drawn upon in lean years, specially when distress among weavers is widely prevalent, to enable the societies to pay reasonable wages to their members. This suggestion was considered by the Executive Committee of the Madras Handloom Weavers' Provincial Co-operative Society at its meeting held on 22-10-1942 and the Committee has supported the suggestion. The Registrar agrees that the course suggested will be beneficial and accordingly suggested the following amendment to the model by-laws of primary weavers' Co-operative Societies:—

"In by-law No. 48 of the by-laws insert the following as clause (3) (i.e., after the provision regarding dividends) and renumber the succeeding clauses:—

"(3) Out of the remainder, a sum not exceeding 3-1/8 per cent. of the net profits may be set apart towards a wages equalisation fund to be drawn upon and utilised with the sanction of the general body and the Madras Handloom Provincial Weavers' Co-operative Society to pay a reasonable rate of wages to members in years in which, for any reason, this becomes ordinarily impossible."

We put too much faith in systems, and too little in men — Disraeli.

** * * * **
Force without justice is tyrannical. Justice without force is impotent. Force without justice is condemned. We must therefore combine justice and force, so that what is just may be strong and what is strong may be just — Pascal.

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President: RAO BAHADUR SRI M. GIRIAPPA, B.A.

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President: SRI T. A. RAMALINGAM CHETTIAR, B.A., B.L., M.L.C.

Secretary: T. RAGHAVENDRA RAO.

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N. S. KONETI RAU, B.A., B.L.,

Dated, 19-9-42.

Secretary.