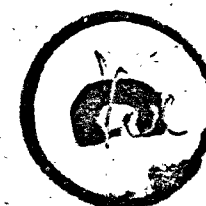


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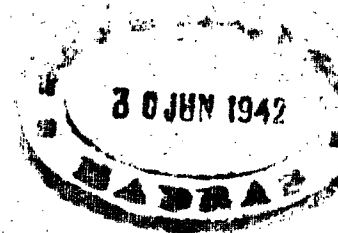
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MAY 1942.

[No. 11

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Editorial Notes.

Co-operatives and Emergency.

We wish to draw the attention of our readers to the article entitled "The Emergency Service of the T.U.C.S." by Mr. K.C. Ramakrishnan published in this issue. The article gives a detailed description of the part played by the T.U.C.S. in the recent emergency in Madras, describing the difficulties encountered and how they were overcome. The work of the T.U.C.S., has very valuable lessons to co-operatives faced with similar situations when engaged in serving the community. In commenting on Dr. Lokanathan's address at the Coorg Co-operative Conference, we pointed out in the issue of the Journal for March, the great scope for mutual service which the consumers co-operatives possess especially in strenuous times such as those through which we are passing and we reiterate that appeal. The account given also shows that for the successful working of any scheme of mutual service there should be co-operation between the various agencies engaged in the task, including the Government. It is needless to point out that such success as has attended the efforts of the T.U.C.S., during the last emergency was due to the support which was given unstintingly to that organisation by the Government.

What would have been the plight of those who had to stay in the City, if the Branches and the Depots of the T.U.C.S., had like other business concerns, ceased to function, one can well imagine. All credit is due to those at the helm of affairs of the T. U. C. S., for the yeoman service they have rendered. We have no doubt that if ever another emergency arises, the T.U.C.S., will render greater and more efficient service profited by the experience already gained. A great deal of forethought and business acumen have been responsible for the sound distributive system built up patiently which has enabled it to undertake the enormous task and continue to carry it on successfully.

May we also extend our congratulations to the Co-operative Milk Supply Union which has also played no small part in maintaining milk supply during the emergency.

The Government also deserve the thanks of the community for encouraging co-operative enterprises to play their part in the service of the community during these troublous times. It is, we believe, due to a clear preception of the aims of the Movement and the tangible recognition of such good work as has been accomplished in the past.

From far-off Bengal we learn that Government are proposing to purchase and stock cloth to meet any emergency. We hope we shall be saved from any such emergency. If, however, such a situation arises, we have every hope that the Madras Provincial Handloom Weavers' Society will also rise equal to the occasion and play its part in the service of the community. The Government also, we have every reason to believe, will be glad to avail of its services. A friend in need is certainly a friend indeed. Co-operative enterprises actuated by service motive are in the circumstances bound to prove the best friends of the community.

Co-ordination.

In reviewing the Administration Report of the Department of Agriculture, the Government refer to certain salient features of the reorganisation scheme introduced during 1940-41 and express the hope that these changes "will ultimately prove beneficial to the agricultural development of the Province." We also share the hopes of the Government. The features are:

The system of placing an officer in charge of a group of districts was abandoned and each district was made a separate unit of administration and has now its own District Agricultural Officer. To relieve the Director of Agriculture of routine

EDITORIAL NOTES

work and to enable him to concentrate his attention on administrative and technical problems, including research, the post of the Personal Assistant to the Director of Agriculture was revived. The Deputy Director attached to the office of the Director of Agriculture was entrusted with the propaganda work of the department. The number of Deputy Directors employed on district work was reduced from 4 to 2 and each officer was placed in charge of 12 district. The District Agricultural Officer was made the Collector's assistant in agricultural matters and the Collector was made responsible for the agricultural programme in the district. The Irrigation Development Board was expanded into an Agricultural and Irrigation Development Board and will deal hereafter with both Agricultural and Irrigation problems. The Government trust that as a result of these changes the Agricultural Department, which was hitherto working in a state of isolation, will be more closely associated with the Revenue and other Departments and that the co-ordination of work of the various departments which, it is the object of the reorganization scheme to ensure, will ultimately prove beneficial to the agricultural development of the Province.

But we may be permitted to point out that the changes made are not likely to promote 'co-ordination of the work of various departments' which has also been the demand of the non-official public of the Province. The co-ordination proposed is not complete as many of the other development departments have been left out. In this connection we invite the attention of our readers to the recommendations of the Committee on Co-operation on this subject and to paragraph 328 of its report wherein the Committee have dealt at length with the need for setting up a Provincial Standing Committee consisting of Heads of development departments and a certain number of non-officials. The Government gave a very unsatisfactory and cursory disposal to the recommendations. If they believe, as is evident from the extract above, that the expansion of the Irrigation Development Board into an Agricultural and Irrigation Development Board would break the state of isolation in which the Agricultural Department finds itself and bring it into close association with the Revenue and other departments, may we venture to point out that this state of isolation is not peculiar to any one development department and the sooner it is broken in the case of all departments the better it would be for the departments themselves as well as the public affected by their work. We plead once more that the need

for creating a Standing Committee of the kind suggested by the Committee on Co-operation is now greater if various economic measures and particularly the 'Grow More Food' campaign are to yield satisfactory results. Co-operation and co-ordination are more necessary now than ever before, if only to promote war efforts.

Evangelistic 'Propaganda'.

We have been told time and again that the "realization of the fact that co-operation is merely a means by which individuals seek mutual benefits by collective action" would do away with the need for all evangelistic 'propaganda' and that the energy wasted in it will be diverted to real work. We venture to reiterate once again the importance of co-operative education which may be euphemistically called by some as 'evangelistic 'propaganda' as indispensable to inculcate and promote the idea of 'mutual benefits by collective action'. Whether the methods now employed for the purpose are efficient and yield necessary results is a point on which there is room for honest difference of opinion. But to decry evangelistic 'propaganda' so very essential for achieving the purpose is, to say the least, to do harm to the Movement. Writers on co-operation everywhere feel that 'pecuniary aims are overshadowing the social ideals of the Movement practically everywhere, and what started out as a conception of a new, a more just, a better order of society is dwindling simply to another way of doing business, a better way perhaps, but still not what was envisaged by the pioneers.' So in stating that co-operation 'is essentially a way of doing business, motivated though it is with a real sense of moral values,' we may be permitted to point out that emphasis is being shifted to pecuniary aims from the social ideals of the Movement. It is to counter this emphasis that evangelistic 'propaganda' is absolutely necessary, and any attempt to minimise its importance or decry its usefulness should be stoutly resisted.

In this connection we wish to remind ourselves and our readers the aims and purpose of the Movement stated some years ago by the International Co-operative Alliance. The following clause is reproduced:

"Co-operation substitutes the service of the community for the profit of the individual; establishes a genuine interdependence between its members throughout the world and a means, through international association, of achieving equilibrium in

the economic sphere between the needs of the people and the world resources.

It dethrones capital from the dictatorship of economic life and puts in its place the Association of Mankind on the basis of mutual and active participation in the enterprise."

The need for emphasising the social aspects of the Movement is greater now than ever before as now we are faced with forces of disorder which are trying to undermine the very foundations of society laid on principles of freedom, justice and equity so that the purpose of co-operation "to arrange the powers of production, distribution, education and government" so as to bring in an order of social justice may not be frustrated.

Failure of Co-operatives.

Under the caption 'Why Do Co-operatives Fail?' we have reproduced a section from a brochure on *Consumer Co-operation*. We would specially draw the attention of our readers to the analysis of the reasons for the failures given and the observations made by the writer. "Co-operatives fail because they do not follow the co-operative principles and practices" and "lack of education with regard to co-operative and business principles was mainly responsible for the failure of these organisations to survive." The writer observes, "*These examples show that a co-operative association must never cease to carry on educational work. Education is necessary before a co-operative is organised so that it may start under conditions favourable to success and it must be continued permanently if the association is going to make progress and retain its co-operative character*" (We have italicised the words). May we, therefore, appeal to all co-operators, official and non-official, to realise the importance of co-operative education and devise ways and means for a continuous programme of co-operative education. We may be pardoned if we venture to express the opinion that the system of education followed in the past and now in vogue lacks what we may call purposeful vigour and the results obtained have necessarily been not commensurate with the energy and expenditure incurred.

The system of holding classes for panchayatdars and members of primary societies worked by the Madras Provincial Co-operative Union and the Central Banks has not yielded the results expected at one time. Nor are we sure the system of one Educational Inspector of the Department in each district visiting a number of societies in

turn and holding classes has been more successful as the Registrar of Co-operative Societies claims in his Administration Report. In the nature of things the system fails to satisfy the test of 'continuous co-operative education.' In view of the decision to revive Unions, we feel these Unions are best fitted to undertake this work and they should be given every assistance to perform this all-important task. We appeal to the Registrar of Co-operative Societies who must have having an open mind on this question, without predilections in favour of any one system, to examine the question afresh and devise some progressive system for continuous education in co-operative and business principles and practices as truly 'without an intelligent and wide-awake membership in village societies, the whole fabric of the co-operative structure will be built on precarious foundations.'

Rural Development.

From the Appropriation Accounts for 1940-41 we notice that grants for economic development and improvement of rural areas have been received from the Central Government and they have been spent for various purposes. Owing to the slow progress of work on the schemes, the amounts allotted were not being fully utilised and the Public Accounts Committee time and again suggested that suitable steps should be taken so that there might be no unspent balance to lapse to the Government of India on 31st March, 1942 and, if ever any balance remained, to obtain extension of time to spend the amount. We have no doubt all these steps have been taken and balances, if any, are available for work during 1942-43. But we wish to point out that the amounts allotted are too meagre compared to the needs of the villages. Moreover, it is not known if a careful survey of the needs of the villages has been made and such needs have been arranged in the order of priority and urgency before sanction was accorded. 'To him that hath, more shall be given' is a common occurrence in our country. We trust that has been avoided in this case.

A very interesting suggestion has been made by Sir Malcolm Darling whose interest in the rural problems of India is well known. He suggests that a special loan may be raised for the specific purpose of undertaking rural development with a planned programme to be completed within a period of years as otherwise with insufficient doles grudgingly given nothing tangible can be accomplished. There is much in Sir Darling's suggestion to commend acceptance. Those who have intimate knowledge of conditions in villages know how

sadly they are neglected. A drive such as that advocated may bring about radical changes in village life. Will that be done? We pause for an answer. It is needless to point out in nourishing villages and promoting the welfare, of villages the Government will be only rendering justice to those who have been neglected so long. Their increased prosperity will be a source of real strength and support, and "that money spent on this purpose will repay itself a hundred fold."

Grow More Food.

The campaign 'Grow More Food' is receiving support from all quarters and the Provincial Governments have also been announcing concessions to growers. But we regret to note that as yet a comprehensive policy has not been formulated and announced. The orders dealing with the concessions are being issued piece-meal and we do not know if the growers are all aware of the benevolent intentions of Government. By the time they become aware, the time for cultivation may be over and even herculean efforts may fail to produce results. Not only the decisions of Government should be quick but their announcement and efforts to give effect to them should be quicker. In regard to extension of facilities for irrigation what further measures are proposed, we have yet to know. It is noticed the Mysore Durbar proposes to quicken the pace of construction and inauguration of various irrigation schemes. We have no doubt the Madras Government have also under consideration both minor and major projects, sinking of wells etc., to provide additional irrigational facilities to bring more land under cultivation. It is needless to emphasise that both intensive and extensive cultivation are necessary to increase production. We implore the Government of Madras to take the public into confidence and issue a comprehensive communique giving details of all steps proposed to make the campaign effective. What is to be the position of the grower after a period of years in relation to the land he brings under cultivation should be clearly laid down as otherwise he will lack the necessary incentive to put forth his best efforts. At least 'cultivating ownership' such as that proposed in respect of colonisation schemes started by Government should be conferred on the growers. These and other questions have been dealt with by Rao Sahib R. Ramaswami Iyengar in his article published elsewhere to which we invite the attention of our readers.

While we concede that intensive propaganda for the utilisation of all vacant lands is necessary, such propaganda will prove effective

only when inducements are offered to the growers to assure them that it is worth their while to bring more land under cultivation and to replace cash crops by food crops. Even *Taccavi* loans for the purchase of improved seed and manure and for constructing and repairing wells, besides concessions such as remission of revenue, sale of improved seed and manure at concession rates, should be given free of interest for a period of time. It is gratifying that the Government of H. E. H. the Nizam of Hyderabad have launched the campaign by making provision in their budget for all these purposes.

We notice specific reference was made to this subject at the Co-operative Banks' Conference held recently at Poona under the presidency of Mr. Saraiya, Chairman of the Bombay Provincial Co-operative Bank. The Conference adopted the following resolution:

"The conference wishes to associate itself with the propaganda carried on by Government, co-operative societies and public bodies with the object of increasing the area under, and yield of, food crops in as much as this course is in the interests as much of cultivators as of the country as a whole. The conference urges Provincial and the Central Governments to assist cultivators to overcome difficulties arising from the pursuit of the "Grow More Food" policy, by adopting necessary measures such as the grant of facilities for transport, the supply of seed, the provision of loans at low rates of interest, and the securing of fair prices for crops. The conference further recommended co-operative institutions in general and central financing agencies in particular to take suitable action to help the "Grow More Food" campaign in their respective areas."

We are anxious that co-operative agencies should play a prominent part in regard to production as well as they have been doing so efficiently in regard to distribution. The Provincial Bank and the Central Banks should address themselves to this task with renewed vigour and should not rest till a larger extent of land is brought under cultivation of food crops. All facilities required by growers should be made available to them even at a sacrifice. There should be co-ordination and co-operation between the various departments of Government and the non-official co-operators if quick and satisfactory results are to be obtained.

Food Production Drive.

BY RAO SAHEB R. RAMASWAMI IYENGAR.

How to grow more food is the problem of the hour. All thinking minds recognize the importance and urgency of the problem, and a Conference of statesmen and experts has considered it and made suggestions. The problem is essentially local, varying not only from one important agricultural area to another but also within the same area. The problem has many approaches. Growth of food crops depends for one thing upon the availability of suitable areas for extension of cultivation and for another on the capacity of the Department and of the ryots alike to intensify production in a given area where chances of bringing fresh land under crop are scanty. Nearly a eighth of the area available for cultivation was left fallow in fasli 1349. The reason for this large extent remaining uncultivated should be ascertained immediately and steps taken to induce the ryots to plant up the full area in their holdings. Large extents of suitable land could easily be listed within reserved forests and all facilities given to the forest tribes and adjacent occupiers of assessed lands to take such lands for the growing of crops suited to the soil. Panchayats should be encouraged to cultivate all suitable waste land in their jurisdiction. The railways have wide belts on either side of their track which could at once be turned out into smiling crop areas. Tank beds in charge of P. W. D., padugais and silted odais could all be brought under the plough. It will of course be realized that all productive and more easily cultivable land is already under cultivation and spread of cultivation to newer areas is beset with considerable difficulties and involves high operating costs.

As to intensive methods, the Agricultural Department should now be in a position to advise almost every part of the Presidency as to the heavy yielders they have produced and ascertained by local test as superior to local varieties. A special responsibility rests on the Department. It should immediately place before the public all that it has learnt through its research. Various district experimental stations could suspend purely research work for a season and cultivate the entire area under commercial farm conditions. This will have an electric effect on the practices of the neighbouring ryots and also those far afield. Efficient organic manures should be purchased in large quantities and distributed to the ryots at not more than the previous years' prices. Free distribution in special cases is recommended. This year prices of cake have gone up and many ryots are

hesitating to purchase on that account. The difference, if any, between the purchasing and selling prices should be treated as subsidy to the ryots at whose cost all subsidies to commerce and industry are paid out. Large quantities of selected seed should be kept ready for sale to indentors and their sale pushed through by the demonstration staff. The kind offices of enlightened agriculturists should also be enlisted for this task.

Another direction in which work should be attempted to improve the outturn, is for the department to study the reason why large extents are constantly affected with what is for instance in Tanjore, called "Surai". Heavy losses were incurred last season on this account. The Agricultural Department should have by now ascertained the reason for its occurrence and found out practical remedial measures for adoption. Prevention of waste would of itself add enormously to the normal yield.

The Government should immediately arrange the following concessions. The object of the present drive is not the earning of additional revenue. It is to produce more. No ryot should be required to pay more by way of land assessment, water-charges and cesses than what he paid in the last season for his holdings irrespective of whether the extent cultivated is included in his patta or not. 'Udu' cultivation in Tanjore should be encouraged by waiving off the assessment wherever leviable under the recent rules. All Back-yard cultivation should be free of assessment. 'B' memos and penal water rates should lie over. Landless farmers and tenants, taking up any land for cultivation for the first time, should be required to pay only 25 per cent. of the assessment leviable for land of similar quality in the neighbourhood. In the matter of improving irrigation, there is no time to take up execution of large or costly schemes, new or old. Immediate results can accrue if a liberal policy is adopted to encourage sinking of wells. In many cases, inexpensive wells may be constructed and lump sum grants as loan based on local enquiries will expedite matters. All initial cost should be lent to him and recovered in easy instalments from the season succeeding that in which the hostilities cease. Terms of recovery of cost of the land, if assigned to him at the end of the war, should be fair and settled at the time of assignment.

Another important factor which would go far to stimulate production turns on the price policy of Government. There is a lurking suspicion that Government might step in at any time to control the

prices at unremunerative rates. The agriculturist has been just emerging from the pre-war depression. He has not yet earned a fair price. It would be well for Government to enunciate this policy at once. No uniform rate can be fixed for paddy, many varieties of which are grown in the province. It may be possible to indicate roughly the minimum price of the short course varieties and the long and finer varieties, payable to the primary producer. Some rate not below Rs. 2 per kalam of 24 Madras measures for the former and Rs. 2.80 for the latter may not be deemed inappropriate. Guarantee should be forthcoming that on application all surplus crop with the producer, however small, will be taken over by Government through authorised or recognised dealers.

Food crops should include fruits and vegetables. Encouragement should also be given for raising dairy products. The smothering official procedure in doling out loans or other help should give way to more business-like and less vexatious methods. The Revenue Officer, who has the authority to grant the requisite assistance, should investigate and issue the order on the spot, only taking care that the Government are not being cheated or unnecessarily called upon to make sacrifices on schemes that do no one any good. It should be kept in view that the vast majority of land-owners are extremely poor; most of them are practising primitive types of agriculture and it involves increased cost to undertake production in new and poorer land; that in granting credit, character and not tangible collateral security the ryots can offer, is more important.

There is hardly time to lose if any results on an appreciable scale are to accrue in the coming year. Red tapism should go. Threats of various kinds should be dropped. Regard should be had to the fact that we have lost the usual import and our own normal production is less than what we need to feed our own population. And we have evacuees pouring in tens of thousands from Burma and Ceylon and they have to be fed and clothed. Their services should also be harnessed to make the drive more effective.

Keep Jumping.

"May I ask you the secret of success?" An ambitious young man said to a great merchant.

"There is no easy secret," replied the merchant, "You jump at your opportunity."

"But how can I tell when my opportunity comes?"

"You can't," snapped the merchant. "You have to keep jumping."

—The Reader's Digest.

Indian Soldiers' Litigation Act IV of 1925 and Madras Act VI of 1932.

By P. K. SRINIVASA RAGHAVACHARYA.

It seems there is doubt felt as to whether the provisions of the Indian Soldiers' Litigation Act IV of 1925 do not apply to suits instituted under section 51 of the Co-operative Societies Act and to execution proceedings taken under section 57-A. It also appears that the Registrar is considering as to whether sections 51 and 57-A of the Madras Co-operative Societies Act have to be amended so as to attract the provisions of the Indian Soldiers' Litigation Act.

With great respect to those who have given rise to this doubt, it appears that there is no room for thinking that the provisions of the Indian Soldiers' Litigation Act are not applicable to cases under section 51 and proceedings under section 57-A of the Act VI of 1932. The preamble to Act IV of 1925 says that the Act is intended to provide for the special protection in respect of *Civil* and *Revenue* litigation of Indian Soldiers serving under special circumstances. In section 2 (a) "Court" has been defined as a Civil or Revenue court and 'proceeding' has been stated to include any *suit* appeal or application.

The doubt is as to whether a tribunal constituted under section 51 of the Madras Act VI of 1932 or the officer functioning under section 57-A can be said to be a civil court within the meaning of Act IV of 1925. The doubt is graver since section 57-B of Madras Act VI of 1932 says that the Registrar or any person empowered by him in that behalf shall be deemed.....to be civil court for the purposes of article 182 of the first schedule of the Indian Limitation Act. The language, which is as unhappy as that of many other sections of this Act, indicates that the Registrar is not a civil court for purposes other than the application of article 182 of the Indian Limitation Act. It may be argued that whether a Registrar or Arbitrator under section 51 of the Madras Act is a court or not, he is not a civil court. The same arguments can be advanced for stating that the Registrar acting under section 57-B is not a civil court except for the application of article 182 of the Indian Limitation Act.

I would in this connection refer to section 17 (2) XII of the Registration Act which exempts from registration "any certificate of sale granted to the purchaser of any property sold by public auction by a Civil or Revenue officer." Doubts were felt with respect to the

INDIAN SOLDIERS' LITIGATION ACT IV OF 1925 AND MADRAS ACT VI OF 1932.

applicability of this provision to certificates of sale granted by the Registrar of the District under rule XXII (10)V of the rules framed under the Madras Co-operative Societies Act. On a reference by the Registrar to the Government Solicitor by his letter C. M. No. 3132 III/33-4 Development dated 5-5-1934 the Honourable the Advocate General has given as his opinion that the Registrar is a civil officer and that the expression "Civil Officer" is used in the context in antithesis to a "Revenue Officer". He has also stated that the Registrar's functions are similar to those *exercised by a Civil Court*. Applying this principle to the present case it may be stated that the term "Civil Court" in the Indian Soldiers' Litigation Act is used in antithesis to the term "Revenue Court" and it applies to all tribunals whose functions are similar to those of a Civil Court. Reference may be made to the Rulings of the Madras High Court in 38 Law Weekly 880—66 M. L. J. 90 and 41 Law Weekly 543. Reference may also be made to section 195 and 476 of the Code of Criminal Procedure where the term "Civil Court" occurs. Doubt was felt in certain cases as to whether a Mamlatdar functioning under Bombay Act II of 1906 is a Civil Court. Following other cases, the Bombay High Court in *Emperor vs. Bhavadu Dhondu*, 14 C. R. L. J. 80—18 Indian cases 416 has held that he is a civil court.

Hence it can safely be said that there is no necessity to amend any of the provisions of the Madras Co-operative Societies Act for making applicable proceedings under sections 51 and 57-A to Indian soldiers.

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The Emergency Service of the T. U. C. S.

By K. C. RAMAKRISHNAN.

The Triplicane Urban Co-operative Society is now on the lips of all consumers in the city of Madras—thanks to the fulfilment of the emergency food supply scheme, initiated and aided by the Government of Madras. The total sales of the Society in its 33 branches and 25 depots in April, 1942, amounted to Rs. 1,86,000, which is double the average of monthly sales of last year. There was, on the other hand, reason to apprehend a serious fall in sales in the branches on account of large scale evacuation of members from the city, several of whom have resigned their membership and withdrawn their share capital. The membership of the T. U. C. S. is largely drawn from the learned professions, and quite a high proportion of them are public servants or employees in business houses. They had been sending away their families since last December, and buying less and less. By the second week of April, many of them had themselves to leave the city with the migration of offices, courts, and firms into the interior. A few members who belong to what are declared as "essential services" have had to stay on in the city, but they live without their families and mess in hotels or messes organised for the occasion. Their direct demand for foodstuffs fell off rapidly. But it has been more than made good by the role the T. U. C. S. has been playing as the biggest provider of food-stuffs for the city in the emergency.

In December, 1941, the T. U. C. S. was invited by the Government of Madras to undertake the supply of essential food-stuffs to the citizens of Madras, non-members as well as members of the Society, during any emergency that might arise as a result of the spread of the war. The management of the Society agreed to undertake the great responsibility of catering to a much larger public than the members, who with their families constituted not more than 5 per cent of the population of the city and mostly belonged to the middle class, provided the Society was given the required funds and was not put to any loss thereby. The Government agreed to both of these conditions and have been quite liberal throughout in financial and other assistance. Besides the grant of funds for the purchase of stocks that in their estimate would suffice to feed for some weeks the population that would stay on in the city, the Government have undertaken to pay the actual charges such as rent of premises, the

THE EMERGENCY SERVICE OF THE T. U. C. S.

emoluments for the staff and contingent expenses of each of the 25 depots that they wished the Society to open in different parts of the city, not served by the 33 existing branches. They have since asked five more depots to be opened on the same terms.

A number of godowns have been rented and godown-keepers appointed at the cost of Government. The Government have also sanctioned funds for some new appointments and over-time and other allowances to the staff, incidental to the great undertaking. Funds for the purchase of stock have been advanced without interest. Any surplus stock that might be left unsold at the end would be taken back by the Government and the loss due to inevitable deterioration of stock would be borne by them. The Government have, of course, assured police protection to the staff during the emergency. They have been securing wagon facilities from the Railways for the transit of goods to the city and also placed three of their lorries at the disposal of the Society for the clearance of goods from railways and their timely distribution to the numerous branches and depots. For it is not merely at the new depots, but also in all the old branches that sales are to be open to the public. The permission of the Registrar of Co-operative Societies has been secured for the sale of goods to non-members, which is prohibited by the by-laws of the society.

Such an extent of state-aid might look far too liberal and embarrassing. It is indeed alien to the spirit of co-operative enterprise, and particularly to the tradition of the T. U. C. S., which has practically never sought any form of state-aid in all the 38 years of its existence. It is only the extra-ordinary emergency that has arisen and the far wider clientele it has to serve that call for and justify such aid.

The general reader at a distance from Madras might imagine that with so much of state-aid it should be pretty easy for any organisation to run the business efficiently during any emergency. It is only those that stayed on in the city during April last and had some inside knowledge of the several severe difficulties experienced by the T. U. C. S., which has built up slowly and painfully a sound distributive system, that can realise the enormity of the task. That in the hands of any other body, even with the same aid, it might have broken down in the dark and desolate days of April is the opinion of the officials concerned and also of some non-officials including business men.

It would not be an exaggeration to say that but for the T.U.C.S. with its 33 branches and 25 depots, a good proportion of the citizens of Madras who chose to, or were obliged to, stay on in the city after the 12th of April would have had to starve without the supply of food-stuffs. Almost all the retail shops, eating houses and refreshment stalls were closed in the course of two or three days after the 12th April. In every Division of the city, the bustling bazaar street became a howling wilderness. Even if the retail shops wanted to carry on, they could not have done so. The wholesale merchants had begun even in January last to contract their business, with a view to close down at any emergency; and they promptly closed their mandis as soon as the Government of Madras advised people who were not engaged in "essential services" to evacuate the city. The wholesalers had themselves been experiencing great difficulty in getting their supplies on account of shortage of waggon facilities and on account of the stoppage of supplies from Malaya and Burma of grains, pulses etc.—the stock in trade of what is known as the "Revu" market near the harbour.

It was the sudden demand by the poor even more than the well-to-do, by the public for more than the members, that the branches and depots of the T. U. C. S. had to meet as best as they could. The population of Madras had no doubt shrunk to 25 to 30 per cent of the normal, by the third week of April. But for a week almost all of them had to depend on the T. U. C. S. If it is remembered, that the Society was catering normally to only 5 per cent. of the population, whose demand was steady and was fairly well known in advance, and that there were a very large number of retailers in the city catering to the public and even to some of the members, it is not difficult to imagine the strain on the Society if it has to cater to such a large demand in only 58 different centres in the city. The rush was far too heavy, especially as the poorer folk earning daily or weekly wages purchased their requirements in very small doses day after day.

The accountants and salesmen of the T. U. C. S. had been accustomed to sell to members, mostly the middle class, in large quantities on fewer occasions. Half the staff were fresh men, who had been trained for the business at the Head Office of the Society for a few weeks. It was indeed remarkable, so said the officers of Government who were daily going round to see the branches and depots working, that in these circumstances the staff were able and willing to discharge their duties to the satisfaction of purchasers and in accordance with the rules of the Society. The pressure at the Head office

and the godowns was excessive for a few weeks, and still continues to be heavy.

Supplies could not be had in time from the usual centres of production and of trade on account of waggon shortage on the railways. The Government and the Railways no doubt came to our rescue, but not always in time. When the goods arrived by the railways, the Society could not take delivery quickly and distribute them to the numerous branches and depots in time to meet the demand. The two lorries of the Society were already overworked and could not cope with the normal demand, which could be met only by engaging hand-carts or bullock-carts in addition. The Government have since placed at the disposal of the Society three lorries—apart from the A. R. P. lorries and coolies lent for a few days when the situation was very acute. Stocks are now being replenished in all the branches and depots and there is practically no shortage anywhere in spite of heavy demands. The Buckingham Canal, which used to serve as an alternative route to the railways for bringing in rice and salt, could not be availed of, as boatmen, it was reported, refused to take boats to Madras. Hand-carts could not be had in sufficient numbers as the coolies plying them had many of them left the city. There was shortage of coolies for loading and unloading goods and for cleaning food-stuffs at the godowns in spite of the higher wages offered. By the last week of April, however, the situation was somewhat eased by the return of coolies and of carts.

The clerical staff, the salesmen and chokras of the Society began to feel very uneasy, and some of them were so much upset by the wholesale evacuation going in their neighbourhood, that with or without permission some stayed away from work and some left Madras. Applications for leave poured in and absenteeism increased, just when the demand for staff was greater. The declaration by the Government that under Defence of India Rules, the T. U. C. S. employees belonged to the "essential services" and so could not leave the city did not improve matters. In fact the fear of a breakdown was greater; and the management had to strain every nerve to pacify the staff and encourage them, especially as hours of work had increased in the Society and the hotels and restaurants were disappearing in the city. Apart from the risks involved in staying on, the cost of living also increased. The Board of Directors at a special meeting resolved to grant emergency allowances or free meals to the staff in a mess, which has been organised and run since the

16th of April last near the Head Office. It is expected that the Government will be willing to bear these additional charges thus incurred by the Society for the sake of serving the public.

The greatest service that was rendered by the T. U. C. S. for which the public, the poor people in particular, would gratefully remember the Society is the absence of any element of profiteering in the prices charged by it, even though it had the practical monopoly of customers for some days, and even after that competition was confined to a few shops that were reopened here and there by merchants who returned to the city after the storm blew over.

In fact the retailers resorted to profiteering in commodities, of which they held stocks but of which there was a general scarcity on account of transport difficulties. The T. U. C. S. did not raise the prices except to the extent occasioned by the higher cost of purchase and of transport of certain commodities, of which it had not held sufficient stocks. Salt, sugar, chillies, gingelly oil and kerosene oil were all selling for over ten days at a much higher price in the shops that were reopened, and even now sell at higher prices than in the T.U.C.S. In fact there is no single market price at present with regard to a number of commodities. Prices seem to vary with the stock held by the merchants and the extent and nature of the demand. This is understandable, but regrettable, and it is not easy to control retail prices without reference to supply.

The T.U.C.S. has had to give up the Rochdale rule of "sale at market price," and to fix its selling price with a margin over cost price—which is neither feasible nor desirable in normal times. It is indeed blamed by merchants, that have reopened, for selling at a lower price than what they charge, and are in some cases obliged to charge on account of enhanced transport and other charges. The T.U.C.S. has not only not resorted to profiteering, but prefers to render some public service by charging more reasonable prices than the prevailing ones in a closed market. It can afford to do so because of its financial strength and the facilities it has secured from the Government. In fact the members of the T.U.C.S. have not enjoyed this privilege; but they must remember that margins in normal times were far too narrow because of cut-throat competition.

As the Society is now selling to the public far more than to its members, it is difficult to gauge the demand and stock just the required quantity of goods, which by long experience it used to stock when sales were confined to members. The Government has made

a rough estimate of the stock required of about 15 "essential articles" to meet the needs for a few weeks of a certain proportion of the city population. While it has been found to be difficult to procure, and even more preserve, some of these articles (e.g., ghee, jaggery, wheat flour and vegetables), as a co-operative store accustomed to vend a far wider range of food-stuffs and even toilet articles, the T.U.C.S. has thought fit to sell many other goods besides the "essential articles" in the depots, as well as in the branches, much to the satisfaction of the buying public, whose demand has indeed been far heavier and wider than anticipated by the Government. Many of the poor would go without ghee, wheat-flour, gingelly oil and Aska sugar, but certainly insist on having coffee (second or third sort), country sugar, groundnut oil, etc. The T.U.C.S. having so far catered to the middle and upper classes, seldom stocked inferior goods or articles. But the demand by the poor is for these grades only, and the Society has had to go in for them, suppressing for the moment its co-operative conscience and regard for quality. It is not that members of the T. U. C. S. want superfine quality but they will not put up with stuffs of poor quality, which the poor are obliged to buy and do demand. It is indeed a commentary on the system of distribution of wealth, which does not secure to the wage-earners and other poorer people enough purchasing power to go in for pure and wholesome goods. This is one of the reasons why the T.U.C.S. had been fighting shy of catering to the working classes, apart from difficulties of administration and the undemocratic methods of management, which were bound to ensue with the admission of the so called "B class" members without the right to vote. If votes were given, they would not be free votes because of their poverty, ignorance and illiteracy.

During the emergency, steps had to be taken to restrict—particularly in the case of non-members—sales to any customer to a maximum of Rs. 5 at a time. This has been done with a view to satisfy as large a number of small customers as possible and also to prevent petty retail merchants from buying at favourable prices from the Society and selling them in small quantities at much higher rates to the poor folk. There was some evidence that such profiteering was going on. It is true that evasion of these rules is easy, by for instance a trader sending a number of his men to buy at one or more branches or depots. But the Accountants in charge and some of the Directors who go round to inspect are keeping an eye on possible abuses of the privilege. As regards large bona-fide buyers, (such as hostels, hotel-keepers, mess and lunch-home organisers)

they are all asked to go to the Head-office to get bulk supplies with a certificate, as to their needs, from Commercial Tax Officers, unless they are long-standing and loyal members of the Society, when they get the average of their former purchases. Some of the big buyers, though old members, were not conspicuous for their loyalty in normal times, but they now demand special attention to their needs.

We are not sure whether, when normal conditions return, these big buyers at the one end and the very poor at the other end, who are now obliged to patronise the T. U. C. S., will cling on to it. If at least the latter discover that they had been paying really extravagant prices for the inferior articles they had been buying in small quantities, especially for credit, and realise that they stand to gain definitely in the moral as well as material sphere by buying their requirements in a co-operative store, preferably of their own, it will be a great gain to the consumers' movement.

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Village Improvement--I.

By R. GALLETTI, M.A., I.C.S.

[This is the first of a series of articles by Mr. Galletti, which constitute an able and exhaustive analysis of village conditions reprinted from the Scholar, Palghat—Ed.]

These articles are addressed to all those who intend to take a lively and active interest in the improvement of village life within the M—division. It is meant not only for the officers of the various departments but also for the numerous persons of goodwill and intelligence without whose aid nothing substantial can be achieved. Its aim is to bring out in bold relief the essential outlines of the subsisting conditions, the work to be done, the methods that can be used, and the aims to be borne in mind.

Section I. The General Condition of the Villages and the Needs of the Village.

No general survey has yet been made of the social and economic life of the villages of this area. Very few such surveys have been made in any part of India; and the results of those that have been made elsewhere do not necessarily throw much light on conditions here. There are great differences between areas within the same taluk, not to mention districts and provinces. Yet certain types of rural economy give rise to certain kinds of needs and difficulties all over the world; and with a general notion of how the people live, it is possible to forecast within certain limits of error the results of a detailed investigation.

M—division presents certain obvious features. It is mostly hilly country with a low rainfall and a soil which is nowhere very rich. Irrigation is effected by a very large number of small tanks, a few large ones, and a few unimportant channels. The total area irrigated is not great. The soil is for the most part loam, containing rather more sand than clay. The principal crops are ground-nut and sazza with other millets and various pulses on dry lands, and paddy and ragi on wet lands. Yields are very moderate on the average. Ground-nut is the only crop of commercial importance. The export of food-stuffs is small. Agricultural methods are for the most part traditional and unprogressive. Implements are primitive and seed unselected. Manuring is insufficient. Rotations are empirical, not scientific.

There is no cattle-breeding. Large numbers of cattle are kept to provide manure; but good animals for ploughing and draught purposes are brought in from outside. Fodder is very insufficient and poor in quality. Milking cattle are too few for the population.

Large-scale industries do not exist. Very few of the villagers use their spare time to supplement their income from agriculture. There are no special advantages—no cheap power, no cheap source of essential materials. So

the income from the fields is practically the sole livelihood of the vast majority of the villagers.

Population has been increasing steadily. Cultivation has been extended to very unpromising land; but the pressure of the population on the means of subsistence has increased and is increasing. When ground-nut fell in price this pressure became serious. The people are disinclined to reduce their standard of living, and many have by borrowing maintained a higher standard of living than their income warrants. Land still has a sufficient value to secure large loans. It will be found here as elsewhere that the larger a man's property the greater are his debts.

Nearly everybody is indebted. Some of the richer landowners will have debts amounting to about half the value of their property. Some smaller holders have debts equal to three-quarters of the value of their property; or more. Landless tenants and labourers have only small debts amounting perhaps to a year's income. There are few professional money-lenders; the bulk of the money debts have been taken from fellow-ryots, especially from the rich and influential families in each village. A rough estimate of the extent of the debt in a village can be made by multiplying the land revenue by 2½ or by 3, which will give the amount of the interest due annually on the outstanding debt; the outstanding debt itself will be about eight times this amount, as interest on money debts averages about 12 per cent.*

A very large proportion of the total debt consists of loans taken in grain and to be repaid in grain. As these are repaid after three or four months with the addition of one quarter or more as interest, the rate of interest on them regularly exceeds 100 per cent per annum.

As expenditure in the villages at present tends to exceed income in most families, debts are rarely repaid; the creditor is generally content to obtain a portion of the interest due each year. So debts are accumulating. Payment of land revenue is nominally a first charge on the ryot's land; but the ryot himself regards it as the last painful necessity to be met after he has secured his food, his clothing, and his ceremonies, and paid enough to his creditors to satisfy them for the year. His creditors, incidentally, have a way of taking their dues at the very field, so that they are harder to baulk than Government.

The income per head in the villages will generally be found on careful investigation to average about Rs. 30 in terms of money. It costs Government well over Rs. 50 to keep a prisoner in good health for a year. But the diet given in jails is much more generous than that which most villagers enjoy. A standard of one seer of grain a day with a little condiment and pulse and very little buttermilk is regarded as ample; and many do not get so much. Food for the average villager comes to about Rs. 20 or Rs. 25 for a year in terms of money. It is much the largest part of the family budget.

*This was written in 1937.—It is doubtful whether recent legislation for the relief and conciliation of agricultural debt has made any noticeable difference.

Nothing is paid for house-rent, and clothing is only Rs. 5 or so a year. Ceremonies consume Rs. 3 or so, except when a marriage or a funeral has to be performed; for these borrowing is practically unavoidable. Expenditure on health and sanitation is as little as can possibly be imagined. Most of the villagers will have an income and expenditure very near the average. The very poor are not many, and the well-to-do are very few.

Working hours are long during a few months of the year when the principal operations of agriculture are in full swing; but during most of the year the ryot is not overburdened with work. He has very little to do with his leisure. Entertainments are few; games are hardly played at all; and intelligent or co-operative activities are seldom found.

Women work hard all through the year, but have even less use for their leisure than the men. They are not encouraged to indulge in any activities outside the house, so that they have little recreation besides gossip. They generally keep their houses clean but have so few possessions that they can hardly grow house-proud. Women of labouring classes are very badly paid but supplement the family income in a way that women of richer families are often too proud and indolent to do. Skill in embroidery and other practical crafts is not common; and women very rarely earn money by their handiwork.

Maternity and child welfare are almost unknown. The midwives in the villages are ignorant and far from clean in their methods. It is rare for a woman to be taken to a hospital or a competent doctor. Infants are rarely well tended and infantile mortality is very high. Nursing and first aid are of the roughest and readiest kind. Certain traditional remedies are known and used; but the amount of preventible suffering and death in every village is very great. Diseases due to dirt, bad drainage, and an unprotected water-supply are everywhere common. The water-supply is nearly always from open wells or kuntas which are nurseries for germs and mosquitoes. Drains are very few and bad. Latrines hardly exist. The village site is usually full of uncovered heaps of manure and refuse, which attract flies. Insanitary pits and cess pools abound.

The women are almost wholly illiterate. The proportion of literates is very low among the men and even lower among the women. A fair proportion of the children attend school wherever a school exists; but the attendance is irregular and the instruction often unintelligent and uninteresting. Only a small proportion of the school-going children acquire a genuine elementary education. There is too little development of character or ethical education. It is true of most villages that the majority of the inhabitants are wanting in enterprise, hope, self-reliance, truth and neighbourliness. The sense of the common interest which must have existed in the days when the land was the common property of the village and the affairs of the village were administered by its own panchayat seems to have died. Co-operation is rarely evident, and co-operative credit societies, forest panchayats, and village panchayat boards are all marred by faction and self-seeking.

The moral and social condition of a village will generally depend or not more than half a dozen persons whose wealth or force of character have made them the leaders of the community. Five or six families may own half the land in the village. The rest of the village depend on them for loans and for other assistance. If these families contain some persons of public spirit they may do much good. If, as too often happens, they become absentee landlords or leaders of factions, the whole village will deteriorate.

There is much more to be said, but the sketch is sufficient to show what are the principal needs of the villager and the village. The needs are so inter-related, as are the methods of filling them, that they must all be studied together; but for convenience they must be stated separately.

(i) The villager needs a change of outlook. He needs hope, self-reliance, and the will to assist his neighbour and be assisted by him in common action for a common end. Without this better outlook he will not endeavour to improve his condition; and if he does nothing, nobody can do anything for him. He is caught in a vicious circle. He knows that if he does not change his ways and methods he will continue as he is—poor, unhealthy, and oppressed; but he thinks he is too poor, unhealthy, and oppressed to be able to change his ways and methods. He must be helped to break his way through the vicious circle.

(ii) He needs education. He must be made capable of understanding new ideas and of following the written and printed word. It is impossible to supply him with mentors who will be always at hand to tell him what to do. He must therefore comprehend the elementary principles and obtain his detailed instructions from written and printed matter. He must learn not to distrust those who wish to instruct him. He must realise that his children must attend school regularly and make the best of their opportunities to learn. He must learn not to tolerate slack and absentee school masters.

(iii) His chief material need is a sufficiency of really nourishing food. His health and energy cannot improve until he has proper diet.

(iv) He needs more air and light in his house and more cleanliness in his neighbourhood. More particularly he needs a better water-supply and better drains.

(v) He needs clear ideas about disease and injuries and their treatment.

(vi) He needs more amusement and interests for his mental health.

(vii) He needs profitable sidelines with which to occupy his spare time and supplement his meagre income.

What is needed by the men is needed also by the women. And to secure the fulfilment of each of the needs in the list there are many other things necessary.

(To be continued.)

Why do Co-operatives Fail?

The following section taken from *CONSUMER CO-OPERATION* by John W. Ward, a publication of the *DEPARTMENT OF AGRICULTURE, Province of Manitoba*, is reproduced as it is of general interest—Ed.

One reason sometimes given by persons who decline to take part in organizing a co-operative is that some years ago a co-operative was formed in the district, or in a neighbouring community, and after operating for a few years, became a failure. It is perfectly true that there have been many failures by co-operatives in the past, and it is practically certain that there will be many in the future. It would, indeed, be a very remarkable thing if this were not so. Is there any line of human endeavour in which there have not been failures? Farmers often fail to raise a crop, but they do not for that reason decide that they will never sow another. Private store-keepers, wholesalers and manufacturers often fail and there are thousands of bankruptcies in Canada every year, but people are still going into business and many of them are doing very well at it.

If all co-operatives were a failure that might be evidence that there was something wrong with the system, but when some succeed while others do not, the natural conclusion is that the successful ones have been soundly conceived and properly conducted while others have made mistakes which have brought about their downfall.

This suggests that instead of shying away from co-operation because of occasional failures we should be wise to find out what the causes of failure have been and try to avoid making the same mistakes.

Generally speaking, when co-operatives fail it is because they do not follow the co-operative principles and practices.

Experience in Saskatchewan.

In 1939, W. J. Hansen, of the Co-operation and Markets Branch, Regina, and A. H. Turner, of the Economics Division, Department of Agriculture, Ottawa, made a study of the dissolution of co-operative purchasing associations in Saskatchewan during the years 1914 to 1938. They found that out of 1,091 associations incorporated, 531 were dissolved. Included in these were 80 which obtained a charter, but never operated, and five which sold out in order to realize on their assets which they did to the tune of \$ 2.18 for every \$ 1.00 of paid up capital. Others were absorbed by larger or neighbouring organizations, but the majority became insolvent and had to close up. In 126 cases out of 531, all of the share capital was lost, while in other 405 cases the last balance sheet showed on the average a shareholders' equity of seventy cents on the dollar.

The chief reasons for failure were determined and classified as follows:

Mismanagement	...	114
Lack of interest	...	91
Never got beyond incorporation stage	...	80
Reorganized	...	60
Reasons unknown	...	53
Lack of working capital	...	50
Removal of original Members or Officers...	...	25
No economic need	...	19
Sold out	...	17
Poor location	...	13
To realize on assets	...	5
Fraud and dishonesty of employees	...	4
Total	...	531

Mismanagement, it will be noted, was responsible for more failures than any other cause. The term mismanagement, states the report, includes such factors as over-extended credit, poor accounting systems, operating deficits and poorly qualified secretary or manager. Naturally, if the members and directors of co-operatives permit such errors of this kind, failure will result sooner or later. Such mistakes, however, can be avoided, and so can all the other causes listed.

Failure among small associations.

An interesting point revealed by the investigation in Saskatchewan is that the mortality among co-operatives was greatest in the smaller associations. Out of 138 associations with less than 20 members, 102, or 74 per cent. were dissolved, and of those having between 20 and 40 members, 57 per cent. were dissolved. In associations having between 80 and 100 members, however, the mortality was 27 per cent. and of societies having over 200 members, only 20 per cent. were dissolved in 25 years. These facts are significant but not surprising. If the membership is small, the capital provided will likely be small and the facilities inadequate. The purchasing power of the members will be low also, and the consequence will be that the volume of business will be low and the expenses high in proportion. Many of these small associations should never have commenced business; they would not have done so if those interested had made a sufficient study of the situation before hand.

No investigation similar to that referred to above has been made in Manitoba, but it is likely that conditions are much the same here as in Saskatchewan. The number of incorporations and dissolutions, however, is much smaller in Manitoba than in Saskatchewan, and the percentage of failures is believed to be lower.

WHY DO CO-OPERATIVES FAIL?

The Remedy.

The surest way to avoid failure by co-operatives is to carry on a continuous programme of education. Looking down the list of causes of dissolution found by the investigators in Saskatchewan, it is easy to see the lack education with regard to co-operative and business principles was mainly responsible for the failure of these organizations to survive. Mismanagement means that the managers and directors did not know their duties, or, at any rate, did not carry them out efficiently. Lack of interest means that the members had not sufficient understanding of co-operation and belief in its principles to enable them to carry on the work. In the organizations that never got beyond the incorporation stage it is evident that the charter was secured by a few enthusiasts who had not obtained sufficient support from their neighbours to enable the association to start business. Those which failed because of lack of working capital would not have done so if the members, through education, had realized the necessity of providing adequate resources to supply their needs.

And so one might go down the list. Associations which were dissolved because of reorganization were not necessarily failures. The text of the report indicates that many of these were amalgamated with neighbouring associations to make a stronger organization.

Perhaps the worst instances brought out by the investigation were those where co-operatives were dissolved in order to realize on the assets. These associations had been successful, from a business point of view, at least, and had accumulated substantial reserves. Their balance sheets showed that on the average they could pay off all their indebtedness and still have assets worth \$ 2.18 for each dollar of paid-up capital. Instead of carrying on the enterprise and giving the service to the community which their strong financial position enabled them to render, they decided to sell out and divide the accumulated reserves among the members. Real co-operators would never have done that.

These examples show that a co-operative association must never cease to carry on educational work. Education is necessary before a co-operative is organized so that it may start under conditions favourable to success and it must be continued permanently if the association is going to make progress and retain its co-operative character.

Educational Methods.

Methods of carrying on educational work are many and varied. Members who are fond of reading will find a wealth of literature on the history and philosophy of co-operation in the Pool Library and the fact that these books and the library catalogue can be obtained free of cost should be made known. As many as possible of the members should be induced to join study groups such as that for which this booklet is intended.

THE MADRAS JOURNAL OF CO-OPERATION

A bulletin, printed or mimeographed, giving information about the activities of the association should be sent to every member periodically so that they may know what the association is doing, how it can serve them and what they can do to promote its success. Members should be encouraged to subscribe for a newspaper or magazine devoted to the co-operative and farm management. Social gatherings with plenty of entertainment and one or two short speeches should be arranged, and invitations to these should be given to all non-members as well as members in the community. All members of a co-operative should be active workers in the Manitoba Federation of Agriculture and should help their local of that body to make a real contribution to the cause of co-operation and to the welfare of the community.

When people enter a co-operative store or oil station they should always be aware of the fact that it is a community enterprise serving them and not just a place of business. The name of the Association should be prominently displayed on the front of the building and in the windows, and inside the premises there should be posters, display cards, or some other attractive form of advertising calling attention to the benefits of co-operation.

The Young People.

The importance of interesting young people in the co-operative movement cannot be over-estimated. The young folks should participate in all social activities and they should be taught from their earliest years that helping one another is the best way to happiness. They should be encouraged to take part in young peoples' activities organised by the Manitoba Federation of Agriculture, to attend folk schools and to become members of study groups. Essay contests on co-operative subjects have been held by some co-operatives and have proved most successful. The young people of to-day will be running things in a few years' time and any movement which does not gain their support will surely be short-lived.

Picturesque Speech and Patter.

Her face looked like a window that had caught the sunset.

He's quite a pessimist—always building dungeons in the air.

In our generation the dominant religion is confusion.

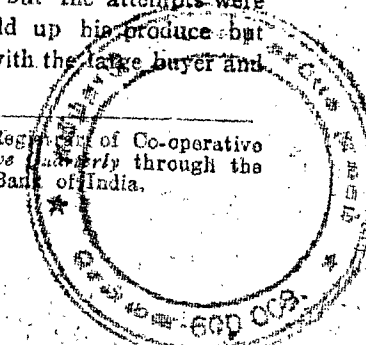
Co-operative Godowns and Agricultural Marketing in Madras.*

Agriculturists in this Province as elsewhere in India generally market their produce under unfavourable conditions. The Royal Commission on Agriculture summarised the position as follows:—

"From all provinces we received complaints of the disabilities under which the cultivator labours in selling his produce in markets as at present organised. It was stated that scales, weights and measures, were manipulated against him, a practice which is often rendered easier by the absence of standardised weights and measures and of any system of regular inspection. Deductions which fall entirely on him but against which he has no effective means of protest are made in most markets for religious and charitable purposes and for other objects. Large 'samples' of his produce are taken for which he is not paid even when no sale is effected. Bargains between the agent who acts for him and the one who negotiates for the purchaser are made secretly under a cloth and the cultivator remains in ignorance of what is happening. The broker whom he is compelled to employ in the larger markets is more inclined to favour the purchaser with whom he is brought into daily contact than the seller whom he only sees very occasionally." To this list of handicaps, the Indian Central Banking Enquiry Committee added another, namely, that even after the prices were settled, at the time of weighing the price was further cut down by refusal to take delivery on the ground that the quality was inferior.

2. The ryot requires loans for cultivation expenses, payment of kist, maintenance of his family etc., and generally the stipulation is that the loans should be repaid at the time of harvest. He has, therefore, necessarily to convert his produce into cash immediately after harvest, when the price is invariably low. It is not unusual, where the lender is himself the village merchant or dealer, to have a stipulation that the crop should be sold at the rate, sometimes pre-arranged, but more frequently at the prevailing rate or even less, and this acts to the detriment of the ryot's interests, as he is practically compelled by force of circumstances to agree to the merchant's terms. The increasing net-work of credit societies did not enable the small ryot to reap the return which he might reasonably expect from his labour and investment, as he had no facilities to hold up his produce when advisable, for sale in a favourable market. From 1917, attempts were made in this Province to popularise joint sale of members' produce and to lend to members of co-operative societies on the security of their produce to enable them to withhold it for a favourable market, if necessary, but the attempts were not successful. Not only was the ryot unable to hold up his produce but he was also handicapped by not being able to deal with the large buyer and thereby eliminate the middlemen.

*Being a note by Mr. S. A. Venkataraman, I.C.S., Registrar of Co-operative Societies, Madras, reproduced by the Bombay Co-operative Society through the courtesy of the Agricultural-Credit Department, Reserve Bank of India.



A list of such cases is also appended (Statement omitted). They are expected to complete the construction before 31-3-42.

5. As a result of the above facilities extended to societies for the storage of the produce of their members, their business has enormously increased during the last 3 years. The following statement will give an idea of the rapid improvement in their transactions during the period.

	1938-39.	1939-40.	1940-41.
Number of societies in the Province	134	149	160
Membership	27,548	36,787	45,637
	Rs.	Rs.	Rs.
Loans issued to members on the pledge of produce	95.86	107.30	142.56
Stock received either as pledge or for sale, including stock on hand at the beginning of the year	179.05	230.52	303.21
Stock released without sale	52.13	109.34	124.04
Stock sold	45.87	54.75	46.57
Net profit (taking all the societies as a whole)	31,981	47,360	47,219

The volume of loans on the pledge of produce appreciably increased in village credit societies also as shown below :—

	Rs. in lakhs.
1938-39	15.28
1939-40	21.18
1940-41	26.30

The bulk of these loans relate to the two Godavaries, the Kistna, the South Kanara and the Chingleput Districts where this kind of loan by village credit societies is more popular than elsewhere. With the facilities afforded to credit societies for construction of godowns, it is hoped that the transactions of credit societies in this direction will further increase in future.

The Central Banks, assisted by the Madras Provincial Co-operative Bank wherever necessary, have been able to cope with the increased demands made on them by sale societies as well as credit societies. The Madras Provincial Co-operative Bank lends to Central Banks at 3½ per cent. and the latter pass on the amounts to sale societies retaining for themselves a margin generally of 1 to 1½ per cent. to enable them to employ the necessary inspecting agency etc. The loans issued by the Madras Provincial Co-operative Bank to Central Banks for the grant of loans on the pledge of produce during the last three years are given below :

	Rs. in lakhs.
1938-39	40.14
1939-40	62.34
1940-41	92.13

Besides granting loans to Central Banks for financing sale societies, the Madras Provincial Co-operative Bank has been taking an active interest in the development of these societies by making handsome subsidies to Central Banks for the purpose. The subsidies given during the last three years are indicated below :—

	Rs.
1938-39	21,900
1939-40	20,425
1940-41	25,500

It is necessary to mention in this connection a fresh concession which has been recently given by Government.

As things were, sale societies could borrow from the Central Banks on the security of the produce pledged by their members without any relationship whatever to their paid-up share capital or to the share capital invested by them in the banks, while the maximum credit limit of Central Banks was itself restricted to 10 times their paid-up share capital and reserve fund. It is only now that a beginning has been made to restrict the credit limit of sale societies to 50 times their paid-up share capital and reserve fund. One or two central banks found it difficult to meet the growing demands of sale societies for want of adequate credit limit for the purpose and there was a need for some relaxation. Government were approached and they have been pleased to empower the Registrar to permit Central Banks to borrow up to 12 times their owned capital, provided they utilise the additional credit exclusively to give loans to sale societies. The grant of this concession will be subject to the following conditions :—

- (1) The Registrar should be satisfied as to the financial position and management of central banks and loan and sale societies.
- (2) Produce should be properly stored and insured and subject to inspection by Central Banks.
- (3) Loans should be secured on produce in the possession of societies hypothecated to Central Bank, with joint custody.
- (4) The approval of the Registrar for the enhanced credit limit may be withdrawn at 3 month's notice if he finds that the circumstances of the bank or the purposes for which this enhanced limit is being utilized do not justify its continuance.

With this facility given by Government, and with the Madras Provincial Co-operative Bank with its large resources ever ready to finance Central Banks for this purpose, there can be no difficulty for central banks to finance and develop the activities of sale societies.

5. With rapid increase in the volume of loans on the pledge of produce, it became necessary to review the whole question of produce loans to ensure that the business was being done on safe and sound lines. After a detailed examination of the position, the Registrar has suggested a set of rules for the

3. The question was considered in 1925 and it was decided that the organisation of special societies for the grant of loans on the pledge of produce and the joint sale of such produce on a large scale were essential in the interests of the smaller agriculturists, and co-operative loan and sale societies were brought into existence. The objects of these societies are:—

- (i) to advance loans to members on the security of their produce,
- (ii) to arrange for the sale of their produce,
- (iii) to rent or own godowns to facilitate the grant of loans to members and the sale of their produce, and
- (iv) to act as agent of these members which are affiliated societies in the matter of receiving for safe custody in their godowns or elsewhere, the produce pledged to such societies by their individual members.

The area of operations of these societies varies with the kind of produce dealt with by them and with local conditions. The area of a paddy sale society is generally confined to a taluk or a revenue fiska. In the case of groundnut or cotton, it extends to a whole district or to the whole of the tract where the crop is grown. All ryots raising the crop are eligible to become members. Village credit societies are also admitted as members, as they form an important link between the central bank and the sale society in the scheme of cultivation and of finding a sale for the produce of the ryot. The sale societies are financed by the central banks in their respective districts.

4. Though these societies were brought into existence in 1925, their progress was greatly retarded by the lack of suitable godowns and the difficulty of raising the capital required for their construction. A request was, therefore, made to Government that, in the initial stages, they should assist such societies by making grants for the construction of godowns for storing the grain and other agricultural produce of their members. Government decided in 1927 that the assistance of co-operative sale societies to enable them to construct granaries should take the form of a Government loan repayable in 30 years with interest at 5½ per cent, and that the loan to a society should not exceed 50 per cent, of the cost of construction of the godown, or Rs. 2,500, whichever was less.

The terms offered by Government were not attractive and in a period of 8 years from 1927 to 1935, only seven societies took advantage of this facility, and five of these were unable to repay the instalments, although the Government loan in each of these cases was only about 50 per cent, of the cost of the building. The reasons for the poor response from the sale societies were:—

- (i) The sale societies could not afford, at least in the first few years of their existence, to take a loan for the construction of godowns and to repay it out of their income, as they had to meet the establishment and other overhead charges, and the commission which they earned was too small to enable them to repay the instalment of loan or interest on it.

- (ii) It was difficult for the agriculturist members of sale societies to find large sums of money for building godowns.
- (iii) It was not possible for the members to make adequate contribution either by way of share capital or otherwise, and the societies could not, therefore, find sufficient resources of their own to invest in the construction of godowns.

For the above reasons, Government were requested to give subsidies to sale societies, not exceeding Rs. 5,000 for each society, or in the alternative, to give loans, free of interest, repayable in 20 to 30 years. Government, however, declined to grant interest free loans as they considered that construction of godowns by sale societies should be a profitable form of investment. They recognised at the same time that there were advantages to agriculturists in sale societies possessing godowns and agreed to give loans on the following terms:

- (i) the grant of loan for the full amount of the cost of construction of godowns;
- (ii) a concessional rate of interest at 3 p. c. to be charged on such loans;
- (iii) simple interest alone to be paid for the first 5 years, after which the loan should be discharged with interest at 3½ p. c. in equated payments over a period of 25 years.

As a further inducement to sale societies to construct godowns, Government are giving a free grant equal to 25 per cent. of the estimated cost of the godowns from the Rural Uplift Grant of the Government of India, provided the balance of 75 per cent. is met by the societies concerned from their own resources or by taking a loan from Government. The concession of giving free grants has also been extended to village credit societies which wish to have godowns of their own. Government have also recently enhanced the free grant from 25 to 50 p. c. of the cost of construction in their case. The godowns of these societies are intended to serve as auxiliaries to the godowns of sale societies. There will ordinarily be no sale in these godowns, and they will be used for storing the produce so as to avoid its transport over long distances. The sale of the produce will be effected only through the sale societies which, with the large stock at their disposal, will be able to deal with the wholesale firms directly and secure favourable prices. As a result of the facilities afforded by Government, sale societies and credit societies have begun the construction of godowns, in increasing numbers. So far, 24 sale societies have been given loans and free grants amounting respectively to Rs. 2,02,901 and Rs. 64,296. Thirty credit societies have also been given free grants to the extent of Rs. 30,062. The names of the sale societies and credit societies which have constructed godowns in each district are furnished in a statement appended. (Statement omitted). The godowns are rat-proof, damp-proof, and fire-proof.

In certain other cases, the societies have not yet drawn the loans or free grants sanctioned to them and completed the construction of their godowns.

guidance of Central Banks and sale societies. A summary of the rules is given below:—

(1) *Loans by sale societies.* A sale society may advance loans only on the pledge of produce not exceeding 75 per cent. of the estimated market value in the case of food grains and 60 per cent. in the case of commercial produce. The loan shall be ordinarily limited to Rs. 500 for a member but the limit may be raised in individual cases upto Rs. 5,000, if the directors of the society are satisfied that the produce pledged has been raised by the members concerned. Subject to these limits a loan may be given not exceeding 50 times the share capital actually paid by the member. In the case of produce stored in improvised godowns (e.g. "puries," pits, etc.), the maximum loan to a member will be limited to Rs. 250. The produce pledged by a member shall be secured either in the society's own godown or in other suitable godowns approved by the Central Bank which finances the society. Where the produce is stored in an improvised godown, the member shall furnish collateral security bonds with two sureties or mortgage of immovable properties in the form of a continuing guarantee bond. Small sub-committees composed of well-to-do persons may be appointed for a group of villages to recommend loan applications and to verify the stock at periodical intervals. Where a guarantor is taken as in the case of turmeric, the guarantor shall also join in the execution of the bond. In the case of all loans, they are to be disbursed only after the godown inspector has verified the produce and has furnished his certificate and the society has secured the keys of the godowns. The period of the loan shall not ordinarily exceed six months, but it may be extended to nine months or even one year, in exceptional cases, where the commodities can keep in good condition. There is provision for partial release of the produce on repayment of a portion of the loan. The Central Bank which finances the Society shall have the right to sell the produce and realise its dues, if the loan is not repaid on the due date. It is, of course, the member that will be liable to make good the deficit, if any, in the sale of the produce.

(2) *Loans and Cash Credits from Central Banks Limits and Procedure.* A sale society may obtain cash credit accommodation from the Central Bank of the district under the 'open loan system.' The limit for the cash credit will be fixed with reference to the requirements of the society, its owned capital, the efficiency of its management, etc., and the amounts drawn against the cash credit shall be secured by a floating charge on the assets of the society. It is open to the society to convert the cash credit drawn into regular loans at convenient interval so that the cash credit may be available for further withdrawals. The loan by the Central Bank shall be secured by the pledge of produce transferred by the sale society to the Central Bank and no loan shall be given exceeding the amount of loans given by the latter to its members on the pledge of produce transferred to the Central Bank. The total borrowings of the society shall be limited to 50

times its paid-up share capital and reserve fund. The sale society is required to execute a bond in favour of the Central Bank and also to assign to the Bank all the bonds obtained by it from its members. No re-lending of collections from members is permitted; the society is required to pass on the collections intact to the financing bank.

(3) *Custody of produce.* The produce pledged shall be placed in the joint custody of the Central Bank and the sale society, whether stored in closed or open godowns. In either case, the godowns are required to be kept under the double lock system, the key of one lock being kept with the sale society and the key of the other with the Central Bank or its duly authorised agent. The society shall of course be responsible for keeping watch over the godowns and the Central Bank shall not be liable for any loss on account of theft, defective insurance or otherwise. The Central Bank is required to appoint one of its permanent employees as godown inspector in every society which has borrowed more than Rs. 50,000 from it during the season. This employee shall be the agent of the Central Bank and shall be controlled by it and it shall be his duty to regulate the deposit and release of the produce in the godowns of the society. Where the borrowings of a sale society do not exceed Rs. 50,000 and it is not possible to maintain a separate godown inspector, the cash credit sanctioned to it shall be subject to a maximum of Rs. 10,000 in respect of business done in its open godowns. It shall, however, be open to the society to convert the amounts drawn from the cash credit into loans and recoup the cash credit for further business by transferring the produce kept in its open godowns to suitable closed godowns approved by the Central Bank. In all cases of loans granted on the pledge of produce kept in or transferred to closed godowns from the open godown of the society, one of the keys of the godown shall be handed over to the Central Bank, if the sale society is situated at the headquarters of the Central Bank, or its branch, or to the duly authorised agent of the bank. The Central Bank may appoint a godown inspector for two or more societies to keep custody of the keys of their closed godowns. It shall be the duty of the Central Bank to obtain adequate security from the godown inspectors. Wherever possible, the custody of the keys may also be entrusted to local urban banks.

(4) *Insurance.* Insurance is insisted upon in all cases where the produce is combustible and, in the cases of non-combustible produce, in respect of loans exceeding Rs. 250. The sale society is required to store combustible and non-combustible goods separately or to insure the non-combustible goods also if the two cannot be so separated but have to be kept in the same godown. The produce is required to be insured for its full market value and the insurance policy shall be in the joint names of the sale society and the Central Bank. If a loan is not repaid, the period of insurance shall be extended for the period required. The Central Bank shall have the power to obtain a policy, if the sale society fails to insure

the produce in the first instance or to extend the policy, where required. The sale society is required to see to it that, wherever necessary, the borrowers take policies to cover war risks also.

(5) *Control and inspection by the banks' staff.* The sale society should send every day information to the financing bank regarding the kind, the quantity, and the value of the stock on hand kept in its open and closed godowns and also the amount for which the stock has been insured. Where the business of the society exceeds Rs. 50,000 the godown inspector in charge of the society is required to countersign these daily reports in token of his verification. The godown inspector is also required to check the stock regularly once a fortnight and to submit stock statements to the Central Bank. The Central Bank is also expected to arrange for the periodical inspection of godowns by its officers at least once in every two months.

These rules, it will be seen, provide for careful scrutiny of loan applications, effective custody of the produce pledged, insurance against fire, and effective control by periodical verification and inspection. The rules have been accepted by the Madras Provincial Co-operative Bank, and commended to Central Banks for adoption.

(7) It will be seen from the foregoing paragraphs that a great deal has been done by the Department to improve the facilities for the storage of agricultural produce with a view to enable the ryots to find a better market for it. It was only during the last few years that anything tangible could be done in this direction, and having regard to this fact, it must be admitted that the progress has not been slow. There is, however, much more to be done before the Province can be covered by a network Co-operative godowns, or large-scale business done on the basis of satisfactory warehouse receipts.

Reading his newspaper one morning, a man came across an article which he severely criticised. He was furious, and immediately consulted his lawyer how to take vengeance. Should he challenge the author of the article for a duel? Demand an apology? Sue him? But the lawyer was a philosopher.

"You will do none of these things," he said calmly. "Half the people who have read the paper didn't see the article. Half of those who did see it, didn't read it. Half who read it didn't understand it. Half who understood it, didn't believe it. Half who believed it were of no importance anyway".

—(For Lawyers Only.)

Recent Utterance.

Extracts from the Presidential Address of the Hon. V. Ramadas Pantulu at the Fifth All-India Co-operative Conference held at Nagpur in April last. Owing to indifferent health he could not be present. The address was read by Dewan Bahadur K. V. Brahma who occupied the chair.

It is a matter of the deepest regret to me that in spite of my earnest effort I am not able to be amidst you to-day and to convey to you in person my sincere thanks.

Post-War Reconstruction and Co-operation.

We are meeting at the most critical period in the political and economic history of India. The old political structure and economic order are well nigh in the melting pot. For the first time in the chronicles of the Imperialisms of the world, ever since the dawn of history, an accredited emissary of an imperialistic power has been sent out to a country ruled as a dependency without any pretence to political or economic freedom. Whatever may be final outcome of the mission of Sir Stafford Cripps, it may be taken to be a definite recognition of the fact that the old order can no longer be sustained under the severe impact or onslaught of new world forces and currents of natural life in India. India is determined to become free politically and economically and play her proper role in the future world order, and nothing can stand in the way of achieving her will. It is, perhaps, too early to predict with any approach to precision the effect of the war economy on our national life or the nature of the many readjustments we shall be called upon to make in our socio-economic structure in the process of post-war reconstruction. One thing, however, is certain; the fundamental principles on which such readjustments and reconstruction will proceed will be co-operative in character. In essence the co-operative ideals of better and more equal opportunities in life to all sections of the people and a more equitable and rational distribution of wealth, commodities and goods produced by national effort will have to be accepted. I am confident that the efforts of international co-operators to convert the world to their irresistible economic doctrine will bear fruit, and every one of us will have reason to feel that he or she has not lived and worked in vain, however humble the part played by one may be.

I have indicated briefly, in my introduction to the *Year-Book and Directory of Indian Co-operation, 1942*, the potentialities of co-operation in the reorganisation of our peasants and workers. There are more thinkers and statesmen in the world to-day who are prepared to admit, as they have never done before, that "co-operation" is a better alternative to the solution of problems connected with national re-construction, to any other system that

has been tried hitherto or may be suggested. Co-operative method alone can help us to effectively raise the standard of living of the people and bring about a genuine change in their outlook on life. Under capitalist economy, we have been taught to believe that there was over-production of commodities and goods while, as a matter of fact, half the population of the world is underfed and insufficiently clothed. Co-operators consistently held the view that swollen stocks were due not to lack of demand but the ineffectiveness of the demand, which means the lack of purchasing power among those who are most in need of even the elementary necessities of life—food and clothing. There is therefore, no escape from national planning with a new angle of vision both in the structure of production and distribution on the basis of all round social and economic justice, or in other words, in accordance with the principles and practice of co-operation. Whatever may be the ultimate form of India's political constitution we must, therefore, continue to strive to make our voluntary co-operative organisation an inseparable part of our rural and urban economy. We, co-operators, believe that while the economic system is the foundation, the political system is the super-structure. If we have an undying faith in these ideals and continue to preach them till we compel their acceptance by those who will be responsible for the post-war reconstruction, our contribution to national building will not only be of a permanent and lasting character but will also help to hasten the transfer of political and economic power and control into people's hands from oligarchies and capitalist-ridden Governments. So, let me repeat the advice given by an eminent co-operator: "Build co-operatives in order to build democracy."

The question how far this second world war has actually affected the co-operative movement in India has not so far been examined carefully. But taking everything together it may be said that our institutions have on the whole not been adversely affected by the war. It may be premature to venture any opinion as to what would happen to our co-operative institutions if India is to become an active theatre of war, which God forbid. I am sure that I shall be faithfully echoing the sentiments of this Conference, if I say that it is our earnest hope that Britain and her Allies will be able to overcome the dark force of aggression and that the fortunes of the war will turn in Britain's favour before our enemies are able to set foot on the soil of this country.

The question of scorched earth policy is very much in the forefront now. To my knowledge co-operators no where in the world view with equanimity the destruction of property or concerns built or acquired at considerable cost and after generations of effort. We, as co-operators, must impress on the Government that the scorched earth policy will be detrimental to the true interests of India which in many respects differ from Russia and other Western countries where such policy is advocated. In any case those who have been over-emphasising the benefits of large-scale industrialisation on

western model may have to concede that scorched earth policy will have more disastrous effects on such structure of industrial production planned on a programme not merely of large scale industrialisation but also on the development of agriculture and cottage industries, so as to make villages as self sufficient as possible even under the new world conditions. While industrial plants may be completely destroyed and remain so for years, by the pursuit of scorched earth policy, agriculture and rural industries will not be affected to the same extent. Though the burning of a year's harvest may result in a shortage of food for the season it may improve the productivity of the soil for the next crop. In any case it will not sterilise the soil. Same is the case with the consumption of goods and wealth produced by the rural labourer and the handicrafts-man in his day-to-day life. These considerations will at least serve as a corrective to over-emphasis on large-scale industrialisation in all spheres of national economy as the main solution of India's economic problems.

Progress of the Co-operative Movement.

In my address to the Joint Session of the Standing Committees of the Associations held at Bombay, I gave a brief resume of the measures in progress for the rehabilitation of the movement in certain Provinces. Since then no tangible advance has been made in giving practical shape to those measures. With the exit of popular Governments in the majority of the Provinces, the political pre-occupations of a pressing character in Provinces where the ministries are still functioning and with the financial stringency brought about by the war, it is perhaps not possible to expect any effective drive from the provincial administrations. I have no later information about the progress of the rehabilitation schemes and programmes in the various Provinces and States than what is embodied in the Year-Book just published. The separation of Orissa from Bihar has not resulted in any improvement of the movement in Orissa. The idea of establishing a Provincial Bank for Orissa is for the present put in cold storage. In the meantime the two Central Banks in South Orissa, namely those at Aska and Berhampur, still remain affiliated to the Madras Provincial Co-operative Bank and receive, some limited financial assistance. A vigorous drive to disaffiliate these two banks from the Madras Provincial Co-operative Bank, which was much in evidence recently, seems to have somewhat abated in fury for reasons which it is not necessary to mention here. The central banks in North Orissa and the societies affiliated to them depend on the Provincial Government for finance to their members. The position in Orissa is on the whole very depressing.

In Bihar the scheme sanctioned, after prolonged enquiries, by the Provincial Government on the 15th April 1941 and a summary of which appeared in the *Indian Co-operative Review* is still in its preparatory stages. In the Central Provinces and Berar the enquiries relating to the central banks

now extended by the Reserve Bank of India and the passing of an All-India Act to deal with multi-unit societies, among other achievements, may be attributed to the efforts of our Associations.

Co-operative societies have a good case for exemption from the excess profits tax and in spite of the financial stringency caused by the war we shall be justified in pressing on the Government of India and the Central Board of Revenue, our case in regard to excess profits tax. In the first place our services are not actuated by profit motive. In the next place there is absolutely no evidence whatever to prove that there has been any expansion of our business or an increase of the so called profits on account of the conditions created by the war. Any increase in our revenues should be attributed to a normal expansion of our business and the development of our institutions on co-operative lines.

The All-India Act dealing with multi-unit societies is more or less the same as that recommended by the Committee appointed by the last Registrars' Conference. I drafted a Bill for the consideration of that Committee on the lines suggested by our Standing Committees and it is gratifying to note that it has been practically adopted by the Committee in that form and implemented by the Government of India in the Act referred to. But the question whether our two Associations should be registered under the Act is a different question. We must ascertain the views of our member-Institutes and Banks on the subject and leave it to the Standing Committees to deal with it in the light of those views.

The Indian Co-operative Review, the credit for the publication of which must go to our Associations is, I am glad to say, gaining in popularity and we are securing growing support and patronage. I have had communications from different quarters appreciating the work of the Review, a few of which I have published in the January-March issue. I hope and trust that the official and non-official co-operators in all provinces and states in India will endeavour to make the Review even a greater success than it has been.

The Year Book and Directory of Indian Co-operation which is just published by the Associations under my General Editorship is now in your hands. It is for you to assess the utility and worth of that publication and to determine the lines on which its future editions are to be brought about. No one is more conscious than myself of the many omissions that have to be supplied and the defects that require to be remedied in this publication; but in the limited time at my disposal and in my failing health I regret to say it has not been possible for me to make it better than it is, as a first attempt. Some information bearing on the economic reorganisation of agriculture and cottage industries might have been usefully incorporated so as to afford co-operators facilities for a study of the wider aspects of the co-operative economic system. I have collected some materials on the incidence of land

tax and irrigation cess as well as on the effects of land tenures on our co-operative organisations, but it is not only incomplete but is also not adequately sifted and analysed or put into shape to get into the year book. God willing, I shall endeavour to incorporate it in the next edition if it falls to my lot to edit the same. I may at once state that if the publication of the *YEAR-BOOK* is not to end with this first attempt but is to be a regular item of the activities of the Associations, we must be working at it continuously. It must however be mainly a decentralised effort by the Provinces and States, in regard to collection and revision of materials as well as provision of finance, if it is to be a success. The general editor can be only a co-ordinating agency and the central office a clearing house for co-operative information. In course of time a small bureau of research in rural economics may have to be attached to the central office, to feed the *Indian Co-operative Review* and the Year-Book with necessary material duly tested and verified. It may not be possible for this conference to deal with the details of such a scheme and hope the new Standing Committees will take up the matter as early as possible.

In conclusion I wish to repeat what I have said in my introduction to the Year-Book in this connection. The success of planned co-operation depends on the efforts of men and women educated and trained in true co-operative ideals and methods and suitably equipped for the task of preaching those ideals and methods to the masses so as to bring about a change in their outlook on life and their standard of living. In other words our workers must have the requisite missionary spirit if they are to be genuinely engaged in the promotion of the co-operative movement and in carrying its life giving message to the doors of those who are waiting to receive it. Cannot our two Associations start a "Co-operative Service League" for the spread of the gospel of co-operation so that it may permeate the lives of the peasants and workers?

Nothing to stop them.

A well known journalist had just died. His guardian angel showed him the way to Heaven, and was in the act of leading him in, when St. Peter interfered.

"Profession?" inquired the Saint, with military curtness.

"Journalist."

"No room for you!" And he slammed the door in his face.

"Well," said the angel "there's nothing for it but the other place."

"What did you do on the earth?" inquired Satan.

"I worked for the newspapers."

"No place for you. I'm sorry." And the Devil closed the wicket more politely than St. Peter had done, but decidedly.

But the journalistic fraternity are not easily discouraged. The journalist set up an establishment on an abandoned star and started a newspaper.

Within a month he had press passes admitting him to both places.

—Illustrada, Havana.

have not yet been completed. So far, eight central banks have been tackled and four more are being tackled. The instructions for rehabilitation enquiries and for implementing the rehabilitation proposals are carefully and elaborately drawn up and are likely to prove helpful. But I am constrained to say that the whole process has been too slow and that in the meantime the further deterioration of the movement may make the scheme out of date. In Bengal, I regret to say that there is no evidence of any move even to the extent that we notice in Central Provinces and Berar and in Bihar. Things are stagnant and the movement is deteriorating rapidly. So, on the whole the outturn of rehabilitation programmes is poor and the outlook not very hopeful or encouraging. I hope and trust that the provincial administrations will realise that co-operative organisations will prove to be real and efficacious aids to stimulate production of goods and agricultural products which are essential not only for war effort but also to meet the requirements of the people in regard to food, clothing and other necessities of life. So, the provincial administrations will benefit the regions in their charge if they devote a little more time and energy and allot adequate funds for the resuscitation of co-operative institutions.

In Madras a Committee on Co-operation was appointed in 1939 by the late Congress Government. The Committee submitted its report sometime ago in the middle of 1940, some months after the Congress Government went out of office. I may at once state that the present provincial administration in Madras practically rejected almost every useful and well-considered recommendation of the Committee. The Registrar in his latest administration report (for the year ended 30-6-1941) devoted a paragraph to setting out the decisions of the Government on the report. Beyond stating that the recommendations of the Committee on various vital matters have been "rejected" or "not accepted", no attempt has been made to explain why the recommendations of the Committee have been dealt with in this manner or to justify the action of the Government. It is impossible in an address like this to deal either with the recommendations in question or with the decisions of the Government thereon. While rejecting almost all vital recommendations of the Committee, the Government made a number of additions to, or modifications of, the rules framed under the Madras Co-operative Societies' Act, which not only make radical departure in the policy hitherto pursued by the Government in that Province but also provide for much larger scope for official control and interference. So, the method adopted in dealing with the Committee's report is mainly one of executive legislation under rule making power at a time when the legislature did not function and even normal facilities for interpellating the Government on the issues involved were non-existent. I feel that the rule making powers under the Co-operative Societies' Acts in force in various Provinces should be more precisely defined and provision made to give the legislature an opportunity to examine the rules

framed by the executive with power to veto or modify them whenever the legislature feels it necessary or expedient to do so.

The net result of the action of the Madras Government on the report is to considerably enlarge the official control over the Movement and make departmental interference with the working and internal management of co-operative institutions almost a normal feature of co-operative law and order in Madras. My remarks, in general, in regard to the role played by the official agency in my Bombay address to the Standing Committees last year have been the subject of some bitter and acrimonious controversy in the Province of Madras; but I now find some of those who were particularly emphatic in disapproving my references in my Bombay speech have themselves come to realise the effects and complain of such interference after having experiences of it, by no means pleasant. I not only adhere to what I said in Bombay on the last occasion, but it shall be my endeavour to utilise such little energy and time that I may still be able to devote for the reform of the Movement, particularly for bringing home to the Provincial Governments the need to rewrite the Co-operative Societies' Acts on truly co-operative principles and to so administer those Acts as to ensure the essentially popular and democratic character of the Movement. So long as the responsibility for the proper working of the institutions is laid on the shoulders of non-officials and vast and detailed powers of direction and control over the Movement are vested in the official agency I feel that there is no genuine scope for non-official initiative and enterprise in Co-operation. Even more important than the modification of the enactments regulating the working of co-operative societies is the spirit which animates those who are entrusted with the administration of these acts. In dealing with the members of the societies, we have no use for official or non-official co-operators who have no faith in the character and the capacity of our average member to manage the affairs of his society. That attitude shows a fundamental lack of faith in human nature itself. An administrator who is lacking in such faith and who proclaims from a responsible platform that the co-operative movement as a whole is a "woeful failure" is an obvious misfit in his office. Even in provinces where the Movement received the severest set-back, I consider that it is merely put in a dry dock for repair and is not thrown on the scrap heap as being utterly un-sea-worthy. If measures for rehabilitation of the movement have not been attended with that amount of success which we have anticipated, it is due to want of adequate effort on the part of the state and the people and not to any inherent defect in the movement itself or in the character and capacity of our members.

The work of the All-India Co-operative Associations.

I think our two Associations have justified their existence and rendered useful services to the Movement as a whole. Relief in respect of supertax and certain concessions to co-operative banks with regard to transfer of funds

Reviews.

Report of the working of co-operative Societies in Coorg for the year 1940-41.

The number of societies increased from 322 to 325 and the number of members from 20,724 to 21,940. The total share capital of all societies increased from Rs. 3.43 lakhs to Rs. 3.56 lakhs and their working capital, excluding the Central Bank, increased from Rs. 14.59 lakhs to 14.97 lakhs. The percentage of collections to demand increased from 59.39 per cent to 67.69 per cent.

Central Banks.—The Coorg Co-operative Central Bank, which is the only Central Bank in the Province, had Rs. 56,790 as its share capital and Rs. 5.74 lakhs as working capital at the end of the year. The Bank seems to be encouraging Ten Year Deposits. It is a point for consideration whether Debentures may not be the proper and better method of getting long-term money, as they are easily transferable, and as such, more appreciated by the investing public.

Agricultural Societies.—There were 179 Societies with 11,229 members, Rs. 2.01 lakhs share capital, and Rs. 10.78 lakhs of working capital. Loans amounting to Rs. 2.35 lakhs were made during the year and the percentage of collections was 58.74 per cent. There were also 77 Grain Banks with 4,820 members. Grain valued at Rs. 59,379 formed their working capital.

Non-Agricultural Societies.—There were 19 Societies under this class with 2180 members and Rs. 1.14 lakhs of share capital and a working capital of Rs. 2.55 lakhs. The collections were good, 71.50 per cent. of the demand having been collected.

Non-Credit Societies.—11 out of the 13 loan and sale societies handled paddy worth about 3 lakhs of rupees. There were also some stores societies, and some other kinds of societies. The working of the Honey and Wax Producers Society deserves special mention. 13,099 lbs. of honey was sold during the year. The Registrar reports that 'Coorg Honey' has earned a reputation in the Indian Market. It got a subsidy of Rs. 8,000 from the Government of India. The marketing of oranges is receiving special attention now and the Government of India have sanctioned Rs. 33,000 for the same.

General.—Out of 274 villages in Coorg, 272 are reported to be served by co-operative societies. The Central Bank is reported to have had another year of successful working and continued to enjoy the confidence of the public. The Registrar reports that he is convinced that all the loans in the Rural Credit Societies are backed by proper securities. The collections are comparatively good. The classification of societies also shows that the majority of societies, 213 out of 296 societies, are in the A and B classes.

REVIEWS

Coorg Honey has earned a reputation in the Indian Market. With the Government of India grant the marketing of oranges, which have already got a name, must succeed. These form an excellent record of which any Registrar may be proud.

Coorg is about the size of a district in the Madras Presidency and conditions there are not different. With scarcely 5 Inspectors and a Registrar, whose pay is Rs. 150-10-200, which is less than that of a Deputy Registrar of Madras, it is very creditable that it has been able to show such excellent results. Madras will do well to note this.

V. S. R.

The South Kanara Agriculturists' Co-operative Wholesale Society, Ltd., Annual Report for the year 1940-41.

This is the second year of its working. At the close of the year there were 2,459 individual members, and 67 Society members. Its share capital amounted to Rs. 8,486 and its reserve fund to Rs. 9,899. In addition to the central bank loan of Rs. 3,97,987, it had Rs. 22,615 as deposits as its borrowings. At the end of the year Rs. 3,05,193 was due from members and Rs. 35,982 from customers.

There were 49 branches at the beginning of the year, 10 were closed and six new branches were started during the year. Detailed working of 57 branches are given in the Appendix B. Probably some are in the same place. Some have worked at a total profit of Rs. 6,993-4-0 and the rest at a total loss of Rs. 5,225-11-6. The President reports that though an approximate income of Rs. 4,000 ought to have been obtained from the lending business, the result showed only a net loss of Rs. 95 on account of special difficulties.

It worked at a net profit of Rs. 1,768-4-0.

Considering its owned capital, the total transactions are rather heavy. The Society seems to command very high credit. This is probably due to personal factors in the Directorate. The holding of a general election of Directors, just one and a half months before the close of the business year, shows, whatever may be the circumstances under which it took place, that the Directors did not realise their joint responsibility. The proper time is only at the annual meeting, after rendering an account of their work of the year to the general body.

V. S. R.

Radio Quip.

"You don't know the first thing about Syntax."

"My goodness, is there a tax on that too?"

Resolutions.

Resolutions passed at the 5th All India Co-operative Conference,
held at Nagpur on the 4th and 5th April 1942.

1. Resolved that as the price of cloth has gone up considerably, causing much distress among the poorer and middle classes, owing to the fact that the Weaving Mills in the country are not now in a position to supply all the requirements of the people, as these are busy in producing clothes for war purposes for which big orders have been received by them from the Government, Governments of Provinces and States should earnestly endeavour to increase the production of cloth in the country and encourage the formation of societies of hand-spinners and weavers on co-operative basis all over the country by giving adequate financial and other help necessary for their successful working.

2. In view of the fact that the co-operative movement needs urgent expansion and a number of district and central banks find it difficult to organise and finance new societies due to lack of adequate funds, resolved that Provincial and State Governments be requested to permit various public bodies like the Municipal and District Boards and Universities etc., to deposit their funds with those financially strong co-operative institutions which may be recommended for this purpose by the Registrars of Co-operative Societies concerned, as is the case in some Provinces and States.

3. With a view to encourage members of co-operative societies to purchase cattle and sheep of improved breed from good breeding centres and with a view to transport cows, buffaloes and sheep of improved varieties which are disposed off at very low prices after their utility is lowered, at big cities like Calcutta, resolved that Government be requested to introduce special concessional railway rates for transport of cattle and sheep to co-operative societies.

4. (a) Resolved that Government be requested to allow total remission or reduction in irrigation charges in case the crops of cultivators are totally destroyed or suffer considerable damage by inadequate supply or lack of supply of canal water at the proper time, where such a rule or practice does not now exist.

(b) Resolved further that there ought to be at least one non-official representative of the co-operative societies in the Divisional or District Canal Committees constituted by the Government, to safeguard the interests of the members of co-operative societies.

5. As execution of awards through civil courts takes a long time, Governments of Provinces and States may be requested to give powers of execution of awards of co-operative societies to the Registrars of Co-operative Societies of those provinces and States as in Madras.

RESOLUTIONS

6. (i). The Joint Session of the Indian Provincial Co-operative Banks' Association and the All-India Co-operative Institutes' Association welcomes the scheme formulated by the Agricultural Credit Department of the Reserve Bank of India relating to rediscounts for and advances to Provincial Co-operative Banks and recommends Provincial Co-operative Banks, wherever possible, to avail themselves of the facilities outlined in the scheme. The conference while appreciating the arrangement for the grant of rebate in interest on accommodation obtained for the purpose of marketing of crops requests the Reserve Bank of India to extend the arrangement to accommodation granted also for the financing of seasonal agricultural operations. In the opinion of the Conference, the grant of this concession is necessary as it is from the point of view of lowering the cost of credit for the agricultural borrower, will also be helpful in inducing co-operative financing agencies to take advantage of the new arrangements and thus to establish closer contact with the Reserve Bank of India.

(ii). This Conference notes that in view of the interpretation placed by the legal advisers of the Reserve Bank of India on the wording of Section 17 (4) (d) of the Reserve Bank of India Act, it is not permissible for the Reserve Bank of India to make advances under this provision of law which was intended for developing marketing credit in India, the Conference urges upon the authorities of the Reserve Bank of India the need for getting suitable amendments made to the wording of Section 17 (4) (d) so as to enable the Bank to grant accommodation for the financing of seasonal agricultural operations or the marketing of crops on a secured basis against promissory notes supported by the security of goods on which the Reserve Bank can realise its dues if necessary.

(iii). This Conference further recommends to the Reserve Bank of India that on the analogy of the relations subsisting between the National Banks, State Banks and semi-State Banks in foreign countries with the agricultural credit institutions of those lands, a special credit system should be evolved for the financing of agricultural societies on lines suited to the requirements of the country, keeping particularly in mind the need of lowering the rate of interest for the agriculturist borrowers.

7. This Conference accepts, in principle, the suggestion of the Reserve Bank that bad and doubtful debts should be assessed and shown on the balance sheets by the Provincial Banks, Central Land Mortgage Banks and the Central Banks and recommends to the banks concerned that even if accurate and precise calculations are not practicable, estimation of such debts as best as possible should be made with adequate provision for them.

8. Resolved that no audit fee be charged from a co-operative society for a year in which its accounts are not audited.

9. The Co-operators of India assembled in Conference here do solemnly believe that the present titanic struggle in which the world is involved is

Hon. Members shall be eligible to the Standing Committees and other offices in the Associations.

23. Thanks of the Association be conveyed to the Hon'ble Mr. V. Ramadas Pantulu for his able editorship of the 'Year Book and Directory of Indian Co-operation, 1942.'

In view of the abnormal rise in prices of paper and printing the Indian Provincial Co-operative Banks' Association be requested to contribute a minimum sum of Rs. 1,000 to enable the Institutes' Association to meet the cost of publication.

24. Resolved that the Hon'ble Mr. V. Ramadas Pantulu be requested to continue to edit the Indian Co-operative Review and the Indian Provincial Banks' Association be requested to contribute liberally as heretofore towards the cost of running the Indian Co-operative Review.

25. Resolved that, as recommended by the Central Banking Enquiry Committee, local Governments be requested to allow free remittance transfer facilities for all *bona fide* co-operative purposes through Government Treasuries in places where there are no branches of either the Imperial Bank or the Reserve Bank of India.

26. The Conference is of opinion that the Indian Registration Act should be amended so as to make compulsorily registrable all decrees passed by Civil Courts and creating a charge on immovable property.

In Section 17, sub-section (2) clause (vi) of the Indian Registration Act, 1908, the following shall be inserted at the end:

'and except a decree or order declaring or creating a charge on immovable property,' or

27. The Indian Co-operative Review be requested to collect information regarding co-operative marketing and supply, cattle insurance with cattle breeding, ghee and milk supply societies etc., their linking and co-ordination with co-operative credit.

28. Resolved that the following words be added to clause (vi) of section 17 of the Indian Registration Act after the word 'Court':

'Or any award affecting immovable property of the value of Rupees one hundred or upwards given by an arbitrator appointed under the rules framed under the Co-operative Societies Act.'

29. In view of the fact that representation on the management of a co-operative institution should be exclusively confined to members, it is the opinion of the Conference that there is no need for providing for the separate representation on the Boards of Directors of Co-operative Banks of depositors who are not members and resolved accordingly.

30. (a) Resolved that the Government should be requested to take immediate steps to improve the efficiency and resources of Co-operative Industrial Societies for augmenting war supplies during the period of war

and enable them later during normal times to earn better living by placing at their disposal proper qualified technical advice and raw materials and also machinery at controlled rates.

(b) Further that Government orders for the supply of war requirements should be placed with the Industrial Societies through the Registrars concerned not by means of tenders but on a defined profit (adequate margin between cost and sale price) basis, as is the reputed practice in the case of various mills and commercial concerns so that there may reign peace and contentment during the present times of stress among the workers of cottage industries and this by itself will form a very material asset to Government.

31. Resolved that the members of Co-operative Societies be completely exempt from the levy of stamp duty and registration fees on all documents executed in favour of the societies.

The All-India Co-operative Institutes' Association.

32. The following office-bearers were elected:

President: The Hon'ble Mr. V. Ramadas Pantulu.

Vice-Presidents: Dewan Bahadur K. V. Brahma, C.I.E., M.B.E.,
Dewan Bahadur H. L. Kaji.

Hony. Secretary & Treasurer: Khan Mohammad Bashir Ahmad
Khan Esq.

Joint Secretary: Mr. N. Satyanarayana.

33. Accounts of the Indian Co-operative Review, The All-India Co-operative Institutes' Association, Madras Office and the All-India Co-operative Institutes Association, Lahore Office were passed.

The Indian Provincial Co-operative Banks' Association.

34. The following office-bearers were elected:

President: The Hon'ble Mr. V. Ramadas Pantulu.

Vice-President: Sir Madhavrao Deshpande.

Secretary: Mr. Multaj Bhai, Manager, The Punjab Provincial Co-operative Bank, Lahore.

Joint Secretary: Khan Saheb W. Zaman, Secretary, The Bengal Co-operative Alliance.

35. Report of the Association was adopted.

36. Accounts of the Association were passed.

37. Resolved to amend the Constitution of the Association in accordance with resolutions No. 21 and 22 of the Conference.

mainly due to a maladjustment of distribution and express their fervent hope that the new world order will be based upon dominant co-operative ideal of distributive justice.

10. As the war has created severe economic distress which has been further aggravated by the dislocation of transport, this Conference urges upon co-operative organisations in India to take immediate steps:

1. to promote an increase in the acreage of food and fodder crops,
2. to arrange for the adequate stock and supply of food-stuffs and other necessities of life, and
3. to stimulate the production of finished goods on cottage industry basis in rural areas.

11. This Conference strongly urges on the Government, while distributing orders for the supply of war and other requirements, to give preference to the products of Industrial, Marketing and other co-operative societies and for the purpose to utilise the agency of the Co-operative Departments to stimulate the production and supply of such requirements.

12. (a) This Conference requests Provincial and State Governments to grant financial and other facilities to sale societies, credit societies or groups of these societies for the construction of godowns and granaries according to approved plans in suitable rural centres as well as in distributing centres of importance, on the same lines as has been done by the Government of Madras.

(b) This Conference is of opinion that Central Marketing Societies should be established at each Provincial Head-quarters at an early date and that such societies should receive financial assistance and advice of experts from the Provincial and State Governments so as to develop the marketing of agricultural produce on a co-operative basis rapidly and place it on a sound footing.

13. (a) This Conference tenders its thanks to the Hon'ble Mr. V. Ramadas Pantulu for his successful efforts in getting the Multi-Unit Co-operative Societies Act placed on the Statute Book.

(b) This Conference requests the Government of India to consult the Standing Committees of the All-India Co-operative Institutes' and the Indian Provincial Co-operative Banks' Associations while framing the draft rules under the Multi-Unit Co-operative Societies Act.

14. This Conference reiterates its conviction that consolidation of land holdings, preferably on a co-operative basis, is essential for the improvement of the economic condition of the agriculturists and that early steps should be taken by the Provinces and States where conditions are favourable to introduce consolidation operations.

15. This Conference is strongly of opinion that the full development of Co-operation requires the active association of women within the co-operative

fold, particularly in the sphere of home industries, thrift, better-living and rural reconstruction.

It further requests Co-operative Departments and Institutes to train and appoint women organisers to popularise various types of co-operative activities amongst women.

16. This Conference strongly believes that the success of co-operation largely depends on a high level of co-operative education of the staff of the Co-operative Departments and of co-operative organisations and on a systematic diffusion of knowledge of co-operative principles amongst the members of co-operative societies, and urges that adequate arrangements for co-operative education and training should be made in different provinces by the Provincial Institutes with the active support and assistance, financial and otherwise, of the Provincial and State Governments.

17. Resolved that in those Provinces and States where schemes for rehabilitation of the co-operative movement have been sanctioned by the Governments concerned, the work for the rehabilitation of the Apex Bank, Central Banks, Unions and Primary Societies should be taken up without more delay, as the delay is causing further deterioration in the condition of Primary Societies and Central Banks, and Unions and the Apex Bank.

18. Resolved that non-official representatives of the Provinces and States to the Conferences of Registrars should be elected by Provincial Co-operative Institutes and Provincial Co-operative Banks and not be nominated by the Government.

19. (a) This Conference regrets the incompleteness and the inordinate delay in the publication of statistical statements relating to the co-operative movement in India which detracts considerably from their utility and requests the Central Government to arrange for complete and early publication. (N.B. This function is now entrusted to the Reserve Bank of India.)

(b) This Conference requests the Government to include in the above publication information relating to co-operative societies of Indian States. (N.B. Only nine States are now included.)

20. Resolved that Governments of Provinces and States be requested to include the Provident Funds of the Employees of co-operative institutions in the list of those recognized under the Provident Funds Act.

21. Resolved that the Hon. Editor of the Indian Co-operative Review, for the time being, shall be an ex-officio member of the Associations and the Standing Committees thereof.

22. Resolved that the Standing Committee of the Associations shall have power to co-opt co-operators of distinction who have rendered valuable services to the Associations, as Hon. Members of the Associations. Their number shall not at any time exceed six. Interim vacancies among them may be filled in by the Standing Committees. The ex-officio members appointed

Orders & Circulars.

DEVELOPMENT DEPARTMENT.

Amendment to rules under the Madras Co-operative Societies Act.

Fort St. George, April 27, 1942 (G. O. No. 12-S, Development).

RESTRICTIONS ON ADMISSION OF PERSONS AS MEMBERS.

For rule XVIII-A of the said rules, the following rule shall be substituted, namely:—

"XVIII-A. (1) No person shall be eligible for admission as a member of a society, if he—

- (a) is an applicant to be adjudicated a bankrupt or an insolvent or is an uncertificated bankrupt or an undischarged insolvent; or
- (b) has been sentenced for any offence other than an offence of a political character or an offence not involving moral delinquency, such sentence not having been reversed or the offence pardoned.

(2) Any member of a society shall cease to be a member of the society, if he—

- (a) applies to be adjudicated, or is adjudicated, a bankrupt or an insolvent; or
- (b) is sentenced for any such offence as is described in clause (b) of sub-rule (1).

Provided that, where a person ceases to be a member of a society under clause (b), he shall be restored to membership of the society if and when the sentence is annulled on appeal or revision.

(3) The provisions of clause (b) of sub-rule (1) and clause (b) of sub-rule (2) shall not apply to a person seeking admission to, or to a member of, a society exclusively formed for the reclamation of criminal tribes."

G. O. No. Ms. 709, Development, dated 28th March 1942.

Sub: Co-operative Societies—Concessions—Public Servants' Societies—Loans to members—Recovery from Salaries by pay disbursing officers—further instructions—issued.

His Excellency the Governor of Madras is pleased to extend the application of the procedure prescribed for the recovery of loans in paragraph 3 of G. O. No. 2528, Development, dated 31st October 1940 to all sums due by Government Servants to a co-operative society, whether towards loans in cash or in kind or deposits or other incidental expense incurred by societies.

News and Notes.

Cottage Industries in South India.

COLLECTION OF TYPICAL PRODUCTS.

Having regard to the publicity value to be obtained therefrom, the Joint Director of Industries has advised the district authorities to instruct their officers to send as many as possible of the typical products of important cottage industries of the locality to the Central Industrial Museum at Madras.

An important feature of the Museum, it is pointed out, is the display of cottage industries products with information as to the place of manufacture, value etc., and other commercial information of a useful nature relating to them.

Food Production Scheme.

MADRAS GOVERNMENT'S CONCESSIONS.

In reply to a reference from the Collector of Chingleput, the Board of Revenue has stated that the unoccupied assessed lands, belonging to the Government, unassessed lands and disafforested lands were the only three classes of lands, for which the Government have extended certain concessions for augmenting food production. Regarding the railway poramboke and tank-bed lands, the orders of the Government are awaited. The other porambokes should be dealt with under the ordinary rules.

Referring to the temporary occupation or cultivation of blocks of lands, the Board of Revenue has replied to the Collector of Kistna that no distinction is made in this behalf between the landless poor and others. Permission will be granted year after year but it is within the discretion of the Collector to allow the same man to cultivate in a particular block so long as no right of permanent occupation is conceded.

Cultivation of Food Crops.

PROPOSED CONCESSION TO GOVERNMENT EMPLOYEES.

To increase the production of food grains in the Province, a suggestion was made to the Government that all Government servants occupying Government quarters, should be allowed to plough up their compounds and grow food crops or vegetables on them, without being charged anything as assessment or having to pay for water where irrigation water is available from a Government source.

The Government, it is understood, have asked the Director of Agriculture to offer his views on the suggestion.

Government Lands for Ryots.

Under the recent Government Orders regarding the lease of Government lands for temporary cultivation, the Deputy Collector, Bhimavaram, has given about 5,000 acres of land to the ryots in this taluk, of which 1,500 are to be cultivated on the pumping system and the remaining by drainage water.

Most of the ryots in the villages of Kalla, Doddanapudi, Bondada and Kalvapudi have been benefited. Several other ryots have applied to the authorities for grant of lands.

Paddy Crop Cultivation in Tanjore District.

The Government of Madras have sanctioned a scheme for raising quality paddy grains in the district of Tanjore. Fifty acres in fifty firkas in the district will be sown with first-rate quality paddy seeds. A special maistry will be in charge of

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each such plot. The paddy harvested will be distributed to the mirasdars in the firka for use in their fields. Mr. Ananthan, District Agricultural Officer, is in charge of the scheme. The idea is to multiply the agricultural farms throughout the district instead of concentrating it in one particular locality. This scheme is expected to result in increased yield. It is learnt that the Government are also actively considering bringing more areas under food crop cultivation and that the question of granting exemption from water tax is engaging their consideration.

Colonisation Schemes in Chingleput.

The Government have sanctioned five colonisation schemes for the Chingleput district and the following are the villages where the colonies would be set up; and the extent of land reserved for the purpose: Nemalur (Ponneri taluk), 196 acres; Serucher (Chingleput taluk), 120.9 acres; Vandalur (Chingleput taluk), 108.32 acres; Santhavelur (Ponneri taluk), 98 acres; Sendivakkam (Madurantakam taluk), 70.92 acres. The colonies would be run with the aid of co-operative societies for the formation of which arrangements are at present being made. Special staff to aid in the formation of the societies would also, it is understood, be sanctioned.

Transactions of Paddy Marketing Federation.

The Tanjore Co-operative Paddy Marketing Federation, Tiruvarur, an organisation of landholders of Tanjore and Trichinopoly Districts, which started business during April, 1941, has considerably developed its transactions. The annual report shows that it has, so far, purchased 1,12,293 bags of paddy and disposed of 95,028 bags. It has also produced or purchased over 10,000 bags of rice and sold them. The turnover has exceeded Rs. 6 lakhs.

Aid to Brass Works Industry.

MYSORE GOVT.'S GRANTS.

With a view to encouraging local artisans and developing brass industry in the State generally, the Mysore Government have sanctioned the starting of a brass works in Nagaragundi Taluk 10 miles from Bangalore. A sum of Rs. 2,061 recurring and Rs. 215 non-recurring has been earmarked for this purpose for the current year and another Rs. 4,000 recurring and Rs. 1,500 non-recurring expenditure will be allotted towards the treatment of the works during the coming year.

Help to Handloom Weavers of Tinnevely.

Mr. K. Swamy Sarma, Principal of the Government Textile Institute, Madras, visited Tinnevely and discussed with Mr. V. S. Thevar, Collector of Tinnevely, about the relief method to be adopted to relieve unemployment among handloom weavers engaged in producing clothes for export purposes outside this Presidency. Mr. Sarma also met some important officials and non-officials and visited the most important weaving centres in the district to study as to what extent certain variety of clothes required by the Supply Department for defence purposes can best be woven. It is understood that the unemployment among a section of the weavers can be relieved by engaging them in producing certain types of cloth such as Majri, Dhoty, towels, gauge-cloth etc., with some alterations in the looms in some cases.

The late Mr. U. Mangesh Rao.

At a meeting of Co-operators of Mangalore, the following resolution touching the death of the late Mr. U. Mangesh Rao was passed.

"This meeting of Members of Co-operative Institutions in Mangalore and other Co-operators records its deep grief at the demise of Sri Ullal Mangesh Rao, veteran Co-operator, who was a Director of the Central Co-operative Bank for a number of years, President of the South Kanara District Co-operative Advancement Society, Organiser and sometime Secretary of the Central Co-operative Stores, Ex-editor of the 'Kannada Sahakari' and organiser of the Sadananda Co-operative Printing Works, and actively connected with many other co-operative institutions, and also records its sense of the great loss to the co-operative movement in this district."

List of Societies Registered and Cancelled.

List of Societies Registered in March 1942—(Continued from last issue.)

S. No.	Name of Society.	District.
1	The Moghivilenkatagiri Co-operative Credit Society ...	Chittoor.
2	The Yemmiganur Weavers' Co-operative Production and Sale Society, Ltd. ...	Bellary.
3	The Yemmiganur Co-operative Stores, Ltd. ...	"
4	The Kurugodu Co-operative Stores, Ltd. ...	"
5	The Kalyandrug Co-operative Stores, Ltd. ...	Anantapur.
6	The Kalyandrug Weavers' Co-operative Production and Sale Society, Ltd. ...	"
7	The Pudupet Weavers' Co-operative Production and Sale Society, Ltd. ...	South Arcot.
8	The Tiruvannainallore Co-operative Stores ...	"
9	The Kurinjipadi Weavers' Co-operative Production and Sale Society, Ltd. ...	"
10	The Sivanapuram Fishermen Co-operatives Society, Ltd. ...	"
11	The Tindivanam Weavers' Co-operative Production and Sale Society ...	"
12	The Sri Subramaniaswami Weavers' Co-operative Production and Sale Society ...	"
13	The Kiliyanur Co-operative Credit Society ...	"
14	The Kooranur Co-operative Credit Society ...	"
15	The Seruvamani Co-operative Credit Society ...	Tanjore.
16	The Tenampadugai Co-operative Credit Society ...	"
17	The Tiruvengadu Co-operative Stores, Ltd. ...	"
18	The Arapalayam Co-operative Milk Supply Society, Ltd. ...	Madura.
19	The Ramnad Co-operative Sale Society, Ltd. ...	Ramnad.
20	The Rajapalayam Thoppupatti Salier Weavers' Co-operative Production and Sale Society, Ltd. ...	"
21	The Melapavoor Co-operative Credit Society ...	Tinnevely.
22	The Eppoduvandran Co-operative Stores, Ltd. ...	"
23	The Meelavittan Co-operative Stores, Ltd. ...	"
24	The Kurukkuchalai Co-operative Stores, Ltd. ...	"
25	The Vedanatham Co-operative Stores, Ltd. ...	"
26	The Pudur Co-operative Stores, Ltd. ...	"
27	The Paramankurichi Vadiriyar Weavers' Co-operative Sale Society, Ltd. ...	"
28	The Sawyerpuram Sendiambalam Weavers' Co-operative Sale Society, Ltd. ...	"
29	The Sankarankoil Weavers' Co-operative Sale Society, Ltd. ...	"

List of Societies Registered in April 1942.

1	The Maddur Gopalakrishna Co-operative Stores, Ltd...	Chittoor.
2	The Nagaradona Co-operative Credit Society ...	Bellary.
3	The Kottur Co-operative Stores, Ltd. ...	"
4	The Thumukunta Co-operative Credit Society ...	Cuddapah.
5	The Buddayapalle Co-operative Credit Society ...	"
6	The Madurantakam Hindu High School Students' Co-operative Stores, Ltd. ...	Chingleput.
7	The Conjeevaram Silk Weavers' Co-operative Production and Sale Society, Ltd. ...	"

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S. No.	Name of Society.	District.
8	The Vasanthapuram Co-operative Building Stores, Ltd.	North Arcot.
9	The Kovalai Co-operative Credit Society	
10	The Ballurpet Papparappatti Co-operative Stores, Ltd.	Salem.
11	The Palacode Co-operative Stores, Ltd.	"
12	The Pachal Weavers' Co-operative Sale Society, Ltd.	"
13	The Dindigul Weavers' Co-operative Production and Sale Society, Ltd.	Madurai.
14	The Periyakulam Vadugapatti Sedapatti Meeppambika Devanga Weavers' Co-operative Sale Society, Ltd.	"
15	The Kodaikanal Co-operative Society	"
16	The Athikaripatti Co-operative Society	"
17	The Kunnarampatti Co-operative Society	"
18	The Virudunagar Handloom Weavers' Co-operative Production and Sale Society, Ltd.	Ramnad.
19	The Pudukchery Co-operative Credit Society	Tanjore.
20	The Shiyali Co-operative Stores, Ltd.	"
21	The Mayavaram Co-operative Stores, Ltd.	"
22	The Tanjore Central Co-op. Stores, Ltd., Tiruvarur	"

List of Societies Cancelled during March 1942.

S. No.	Name of Society.	District.	Date of Cancellation of Registration.
1	Palaya Battlagundu A. D. C. S.	Madurai	3-3-42
2	Kavalcheti	Chingleput	3-3-42
3	Nilacottai Sale Co-operative Society	Madurai	3-3-42
4	Satyanadhapuram	Salem	7-3-42
5	Ayyavarirudhravaram Xian	Kistna	17-3-42
6	Karuppoor	Ramnad	17-3-42
7	Puthiaputhur S.P.G. Mission Employees' Co-operative Society	Tinnevely	17-3-42
8	Kaliyedda Veerasami	West Godavari	17-3-42
9	Kuthambakkamcheri	Chingleput	17-3-42
10	Natrampalli Arbitration Co-op. Society	North Arcot	17-3-42
11	Doddipattla Co-operative Society	West Godavari	17-3-42
12	Appapuram F. L. C. S.	Kistna	17-3-42
13	Takkellapadu F. L. C. S.	"	17-3-42
14	Pandamangalam	South Arcot	17-3-42
15	Madvarayapatti	Ramnad	17-3-42
16	Aryambakkam Panchamma	Chingleput	17-3-42
17	Narasavapet Co-operative Urban Bank	Guntur	18-3-42
18	Erramannipalam	Cuddapah	18-3-42
19	Velvarkottai	Madurai	19-3-42
20	Kallar Alagarkoil Devasthanam Employees' Co-operative Stores, Ltd.	Madurai	20-3-42
21	Sayipet Co-operative Society	Cuddapah	21-3-42
22	Korapattu	Chingleput	22-3-42
23	Bukkarayasamudram Consolidation Holdings Co-operative Society	Anantapur	23-3-42
24	The Madras Canning Growers C. S.	Madurai	25-3-42
25	Thelungapatti Co-operative Society	Tiruchinopoly	28-3-42

