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THE Madras Journal of Co-operation

EACH FOR ALL, AND ALL FOR EACH

Journal of the Madras Provincial Co-operative Union, Esplanade, Madras.

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Editorial Notes.

Co-operative Education:

It is needless to emphasise time and again the need for intensive co-operative education and training for all ranks of co-operative workers, paid or honorary, for "the realisation of co-operative ideals." We were, therefore, pleased when the Government announced their intention to establish three stationary training institutes and a fourth one to be run once in two years. We were also gratified to learn that the Registrar was anxious to make these Institutes real live centres of Co-operation. While welcoming these steps, we pointed out the financial difficulties of these Institutes which prevented them from playing their part, faced as they are with deficits compelling them to go with a begging bowl, often to be turned away from the door steps. We pleaded that the entire cost of maintaining these Institutes should be borne by Government. We understand the

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plight of the Institutes has attracted the attention of Government and they are inclined to bear the whole cost of establishment and running expenses if these Institutes can also undertake Panchayatdars' Training Classes during the vacation. We do not see any serious objection to this proposal as the members of the staff are whole-time servants. In fact the Coimbatore Institute deputed its staff to carry out the economic survey of a village. But the point for consideration is whether the staff will be under the control of the Department or of the authorities of Institutes. We take it their services would be lent and for all purposes they would be under the Institutes though the whole cost would be borne by Government.

The training of panchayatdars and members of rural societies conducted with the help of the grant from Government of India ceases with March, 1943. Though no one is satisfied with the results achieved, there is no gainsaying the fact that something attempted and done is certainly better than not doing anything at all. As the Provincial Government realise the importance of training to panchayatdars and members of rural societies, it should be possible for them to frame a workable scheme taking note of the lessons from past experience. We have more than once pointed out that the task of arranging training should be entrusted to the Provincial Co-operative Union, which is a propagandist body, and the Union in turn should utilise, in the absence of Federations, the services of Central Banks for control and supervision. But the crux of the problem is finance. The cost of running training classes even on a moderate scale comes to about Rs. 25,000. The Provincial Union is not in a position to bear any portion of it. It is doubtful if all the Central Banks are in a position to set apart liberal sums after meeting their existing liabilities especially in respect of supervising unions. Moreover, it is feared that the new rules relating short-term and medium-term loans enacted by Government, in spite of protests, will seriously affect the transactions of Central Banks and thereby reduce their profits. In view of all these considerations, we earnestly plead that the contribution of Government should be generous to enable the Provincial Union to undertake this responsibility and discharge it satisfactorily.

Yarn Prices:

We have more than once pointed out that one of the methods by which the handloom weaver can be effectively helped is by controlling the artificial rise in the prices of yarn without any

reference to factors affecting the cost of production. The Provincial Government have just promulgated the Madras Yarn (Spinning Mills) Returns of Production, Stocks and Sales Order and the Madras Yarn (Dealers) Control Order. These are designed to check the rising prices of yarn and also prevent hoarding and speculative activities of yarn dealers. While we greatly appreciate the concern of Government for the handloom weaver displayed in these two Orders, we regret to note their hesitancy to fix the maximum prices of yarn. Unless this step is taken, these new Orders are not likely to prove even partially effective. However, we are pleased to note that such effective steps are under contemplation. The *Communique* issued by Government states as follows:

> "There is no provision in this Order for fixing maximum prices of yarn, but provision is made in the new licences that if a price is so fixed the licence will be cancelled if yarn is sold at above the price fixed by the competent authority. This clause will become effective if and when prices are so fixed."

We trust no time will be lost in fixing the maximum prices of yarn so that the handloom weaver is not subject to the vagaries of the fluctuating yarn market. Let not the alluring prospects of increased revenue from the excess profits tax stand in the way of Provincial Governments to give the much-needed relief to the handloom weavers.

Standard Cloth:

From a *Communique* to which we have already referred issued by the Government of Madras, it is understood that measures to control the distribution and prices of yarn more closely have been devised so that " while it may be practicable to sell cheap mill-made standard cloth in order to provide more and cheaper cloth for the general public, the large community dependent for their livelihood on handweaving shall not suffer." We are thankful for the great consideration shown to the weaver community whose lot, especially owing to the rising prices of yarn, has been rendered miserable. Such generous help as the Government have offered by cash doles and by opening weavers' relief centres has no doubt alleviated their misery to some extent. We will be forgiven if we venture to state that they are mere palliatives. Something radical must be done to place the handloom industry on its feet. The much-advertised Fact Finding Committee's recommendations must contain some useful suggestions. It looks as though the report of the Committee will not see the light of the day. The control of prices of yarn to which the *Communique* mentioned above refers has not yet taken place. As we have said already mere control of distribution without control of prices will produce least impression on either production or distribution of cloth.

Then again we presume the price of mill-made standard cloth will necessarily be low to place it within the reach of the poorest consumers. The handloom cloth can never succeed in approaching the price so fixed. The point for consideration is whether at least a portion of our requirements of standard cloth cannot be produced on our handlooms so that the large community dependent for their livelihood on hand-weaving may be maintained. But this necessarily means the Government should be prepared to make good the loss sustained on handloom cloth on account of the price of the mill-made standard cloth. This is essential even if the prices of yarn are controlled. We have no doubt these and other allied topics are under consideration and are subjects of negotiation between the Government of India and the Government of Madras. We trust the Government of India will not place obstacles in the way of the Provincial Governments which choose to assist the handloom weavers by control of prices of yarn, subventions etc.

Stores Movement :

We would earnestly invite the attention of our readers to the speech of the Registrar of Co-operative Societies on the occasion of the opening of the North Arcot District Wholesale Stores. We are particularly gratified the Registrar availed of the occasion to review the growth of the stores movement in recent years, especially since the outbreak of the war. The figures quoted by him are not only imposing but also indicative of the strong hold the consumers' co-operation is having on the general public. Realisation of the truth of the 'slogans' 'Union is Strength' and 'Each for All and All for Each', though may be due to exceptional circumstances under which we are living, learnt in the period of stress and strain often leave an indelible impress, goading us to further and greater action. The foundations on which the stores movement is being built up are no doubt sure and strong; but we feel they will be more sure and stronger if the scheme submitted by Sri. Ramalingam Chettiar is accepted and all the financial institutions especially the Apex Bank which have a plethora of money are

enabled to play their part. We have more than once deplored the unusual delay in considering schemes of the kind submitted by Sri. Chettiar and thereby damping the enthusiasm of all interested in them. It is sheer arrogance on the part of anybody to think none but the Government are aware of the defects of a scheme and they alone can set them right. If our information is correct, we are informed, the scheme of Sri. Chettiar postulates advance of co-operative monies to the stores to the extent of more than a crore. Are not the co-operative institutions aware of the risks involved and are equally cautious not to throw away good money for fostering an unworkable scheme? Instead of relying too much on reports, the Government could have called for a round-table conference of all the interests concerned and arrived at agreed conclusions. It is far more easy to compose differences sitting face to face than indulging in endless correspondence often beside the point. We once more appeal to Government to expedite their consent and inauguration of the scheme of Sri. Chettiar. We shall not be disclosing an official secret if we venture to inform our readers that some of the points in Sri. Chettiar's scheme were agreed to by Government at one time and still an officer of the Co-operative Department was placed on special duty to consider and report on the scheme.

The T.U.C.S.

Our readers are aware the T.U.C.S. played a magnificent part during the emergency in April last and its work has been rightly appreciated all over the co-operative world. But the return the T.U.C.S., is going to secure for its meritorious services is the imposition of a Departmental officer as its executive head. When the T.U.C.S., was receiving encomiums unsolicited, it was a source of envy to other traders, who took advantage of their position to point out more the defects of the working of the emergency scheme by the T.U.C.S. But there are also others whom we may call as co-operative critics who in their enthusiasm for perfection are busy revealing the defects of the T.U.C.S. While we heartily commend their enthusiasm for perfecting the T.U.C.S., they should take care not to exaggerate the defects out of all proportion to their seriousness and completely ignore its achievements. We regret to say the Government through the Co operative Department are playing the role of a co-operative critic and in their enthusiasm for perfection are exaggerating such defects as they have noticed. What we earnestly plead is they would be well advised to take note of its achievements and ask it to rectify such defects as have been observed instead of imposing their officer on the T.U.C.S., which, we venture to submit, practically amounts to censure of the Management. We are informed the Management feels deeply hurt by the arbitrary manner in which the Government propose to deal with the institution. We find even in England such criticism of the Co-operative Movement is rampant.

The *Co-operative Review* just received has this pertinent remark to say: "The sooner the idea that a dozen men sitting in Manchester or London can run the Co-operative Movement is crushed the better." There is no need for us to substitute words to bring out our idea. Suffice it to say that we implore in all earnestness that the approach to the defects noticed, if any, in the working of the T.U C.S., must be different from that now proposed.

War and Co-operative Movement:

In an article contributed to the December issue of *Commerce* on the subject of 'Co-operation and Post-War Economic Reconstruction', the Hon. Mr. V. Ramadas Pantulu has some pertinent remarks to make to which we wish to draw the attention of our readers. We regret very much, want of space prevents us from reproducing the article. After referring to the problems which will face the post-war world, he declares, 'Co-operation is a part of the larger movement of national reconstruction based on the ideals of economic freedom achieved through associated effort of the most equitable kind 'and' it is essentially a new social philosophy whose aim is to replace the existing economic practice by one which is more just, socially and economically.' We earnestly wish that co-operators in India also as in the West will recognise the high moral and economic purposes of the Co-operative Movement and work ceaselessly to uphold them at any cost. We need to remind ourselves often that though co-operation is business that it is not mere business as ordinarily understood and that it is 'business run as a service' a fact which is often forgotten.

"The main defect of the Co-operative Credit Movement from the standpoint of our national economy is that it is not yet harnessed to the real productive enterprise of the farmer." It is needless to point out this is too true. As Mr. Ramadas states that though the necessities of the war have compelled Governments to carry on intensive 'Grow More Food' campaign, the machinery of co-operative credit has not been sufficiently utilised 'to finance the cultivator for growing, processing or marketing his produce.' It is high time that both the Government and the co-operative financing institutions should confer and find out ways and means of giving increasing assistance to the farmer to assist in the war efforts especially when these financing institutions have large surpluses for which they must find investment. The Government also should suspend the galling restrictions they have imposed, in spite of protests, regarding short-term and medium-term loans. Unless all interests concerned actively co-operate, the slogan 'Grow More Food' will, we fear, remain a cry in the wilderness.

The Madras Provincial Co-operative Union Examination, 1943.

An examination for the students of the **Tanjore, Coimbatore, Anantapur,** and **Rajahmundry Institutes** will be held at the respective Institutes' Headquarters **from 29th to 31st March 1943** as per programme given below:—

Monday	...	29-3-1943	10 a. m. to 1 p. m.	**Co-operation—Historical & General.**
			2 p. m. to 5 p. m.	**Co-operation—Law and Principles.**
Tuesday	...	30-3-1943	10 a. m. to 1 p. m.	**Auditing.**
			2 p. m. to 5 p. m.	**Banking.**
Wednesday	...	31-3-1943	10 a. m. to 1 p. m.	**Book-keeping.**
			2 p. m. to 5 p. m.	**Rural Economics, Sanitation, Village Panchayat and Revenue Law.**

Candidates who failed to pass in the previous Provincial Co-operative Union Examination held in 1942 are hereby informed that they can also sit for the above examination. For particulars they should apply to the **Secretary, The Madras Provincial Co-operative Union, M. P. C. Bank Buildings, 379, China Bazaar Road, G. T., Madras.**

The examination comprises of III Parts:—

1. Co-operation—Historical and General 2. Co-operation—Law & Principles	Part I.
3. Auditing 4. Banking 5. Book-keeping	Part II.
6. Rural Economics, Sanitation, Village Panchayat and Revenue Law.	Part III.

Candidates who have failed in any one of the subjects of any Part have to sit for the subjects comprising that Part or Parts.

The examination fee is Rs. 8 for full examination, Rs. 6 for two Parts and Rs. 4 for each Part.

The last date for receiving examination fees is 10—3—1943.

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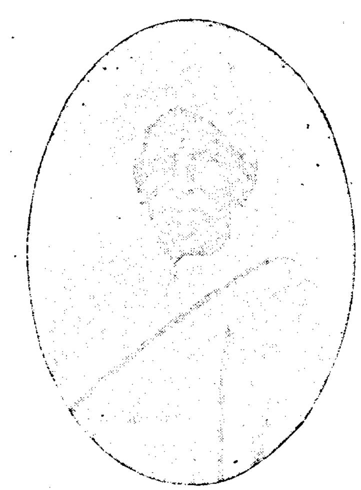

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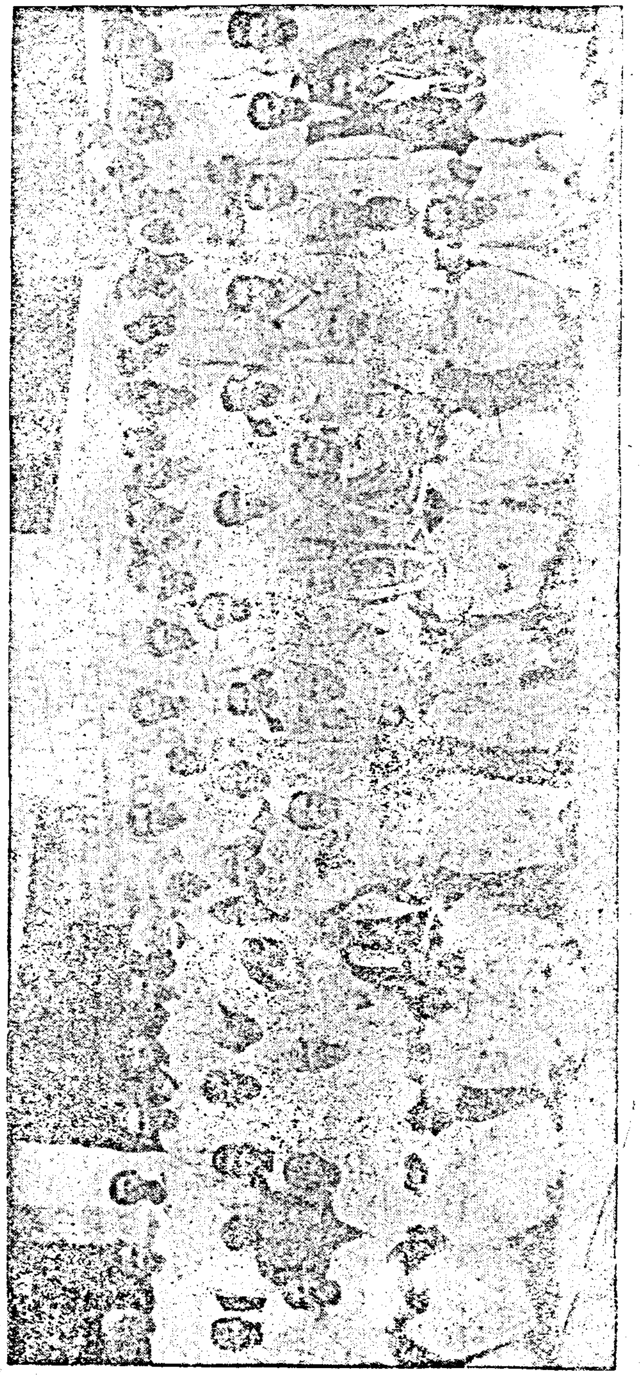

CELEBRATION OF THE ANNIVERSARY OF THE UDAMALPET CO-OPERATIVE SALE SOCIETY WITH SRI V. C. VELLINGIRI GOUNDER IN THE CHAIR.

Co-operative Education and Supervision.

By H. Perneedu Chowdary.

I am much impressed with a friend's writing in the June issue of the *Journal* on 'Organise, Educate and Co-operate'. He says that a co-operative must be born again and again in the imagination and consciousness of the man among and for whom it functions and that as the years go by, the original organisers who infused the spirit into the co-operative to make it a living instrument gradually become fewer and less active and perhaps a little forgetful. He states that new leaders from the ranks raised through education only can carry on the enterprise with energy and zeal.

The Government of Bombay which is in more than one respect advanced in passing ameliorative measures for the relief of the poor and unemployed, have passed orders for radical improvement in co-operative education and supervision of the province. It may be strange and surprising to the co-operators of this province who would not like even the thin end of the wedge to be introduced, to tolerate the official interference in the co-operative democracy. But a business-like province like Bombay cannot tolerate the deterioration either in the volume of its co-operative business or in the efficiency of supervision, the necessary ingredient for the quantity and quality of the business. Therefore, the Government cannot but step in and improve the service conditions of the supervisors, the pivots of the Movement in the first place. A provincial Board of Supervision consisting of the Registrar of Co-operative Societies as Chairman and two members nominated by Government from time to time, will be constituted to serve as the central authority for the supervision scheme. The District Boards of Supervising Unions correspond to our dissolved district federations. Unfortunately federations were thought to be a costly appendage and the supervision is merged in finance in our province. Therefore, it is but natural that supervisors should become mere collecting agents of the financing banks, having lost personal integrity, capacity to guide and urge for supervision. Local supervising unions exist at the mercy of the financing banks to convey their dictates to the societies. . They have no life or potency. These would have been altogether scrapped but for the former Registrar. They are expected to control the work of their affiliated societies but the societies or their staff are not responsible to them. Even these unions do not maintain proper educated clerks and the office-bearers are generally incapable of guiding their group societies. No doubt unions were formed for the societies, by the societies and with the societies but they are not permitted even to approve the budgets of their affiliated societies. What other control can these unions exercise over the societies if they could not interfere when their slender resources were left to be nipped and crippled by the unscrupulous managements? When such is the miserable plight of the supervising unions, the Madras Provincial Co-operative Union and the Andhra Desa Co-operative Union are rest content with the publication of journals. The Central Banks should be divested of the supervision work and this work should be entrusted to Andhra, Tamil, Kerala and Karanataka provincial unions which should act as branches of the Madras Provincial Co-operative Union. The appointments and transfers of the supervising staff other than those of rural societies should vest with the linguistic unions and the Madras P.C.U. according to grades. Appeals for any injustice other than a fine of Re. 1-0-0 or less should lie to the Registrar of the province who could decide them by himself or through his nominee or through an Arbitrator or group of Arbitrators appointed by him. The appointments and promotions should be made only out of a panel of candidates supplied by the Registrar or any committee constituted by him. The budgets of the local supervising unions should be approved by the linguistic unions and the budgets of the linguistic unions should be approved by the Provincial Co-operative Union. The Registrar should decide the question of funds for these institutes obtaining grant from the Government. Local supervising unions must be reorganised at the rate of one per taluk. They should have qualified and paid secretaries. The budgets of the affiliated societies must be approved by those unions and they should have also control over the staff of the societies. 'Clerical fund' should be pooled in unions for the purpose. Existing societies should also be grouped at the rate of one for 500 members. Each such society should have a paid secretary trained for the purpose. If these co-operatives become only parts of the rural republics the foundation would have been strongly laid for rural development. These rural republics will have self-sufficiency and derive their funds from the revenue of the village. The secretary of the society and the rural guide can be one and the same with some more clerical assistance if necessitated.

Education.

(1) Education to be imparted must be divided into 3 categories; education for members and members of managing committees of urban and rural societies should

include pictorial charts, lectures, preferably illustrated by magic lantern slides etc.

(2) Education for secretaries of rural and urban societies with examination in rural accountancy and development.

(3) Higher education for secretaries of central banks and supervisors with examination in Banking and supervision of rural development.

Categories 1 and 2 must be undertaken by the linguistic unions and the 3rd category by the Government direct. The above procedure, if adopted, will undoubtedly bring radical improvement to the Movement and establish efficient supervision in the province. After all, these are all the minor aspects of the problem in an independent country and in the changing order and world conditions, Government will have to introduce new schemes suited to the province.

The Bombay Government have set an example with its commendable scheme and will the Madras Government still lag behind and continue the present mode of inefficient supervision?

Controlled Credit.

BY T. V. L. PAPA RAO.

For successful working of the controlled credit system the borrower must be compelled to borrow for productive purposes and to repay the loan amount by co-operative marketing of his produce. To ensure sound working of this scheme the elimination of middlemen deserves careful consideration.

In order to understand why the middleman should be eliminated, it is necessary to know how he is standing as an obstacle in the way of the ryot. Let us examine this question and the position of the middleman in relation to, say, loan and sale societies. The middleman always tries to keep the ryot in his grip and to achieve this object he advances money to the ryot for cultivation purposes at every stage. So the ryot finds obliged to him in many ways. Apart from his conservatism, this is one of the reasons why he is not able to bring his produce either for marketing or for holding up for a favourable market. A handful of middlemen in any village can easily and successfully keep the ryots of that village in their grip. A ryot with small quantity of paddy, say, one or two bags and who is a victim of the unavoidable middleman for obvious reasons is obliged to sell away his produce to the middleman. Soon after the bargain is settled (which can be settled within a twinkling of an eye on account of his privileged position) the middleman puts the paddy in a godown which has been rented by him for this definite purpose. The godown can be filled up by him at no time as only the small unfortunate ryots form the bulk of the ryot population in any village. Then he approaches any joint stock bank. With a small portion of his money added to what he has brought from the bank, he can easily meet the cost of the produce (at the time of harvest) purchased from the ryot. Thus he can hold up the produce for a better market. The ryot is ignorant of the prices ruling in distant markets and he is also not aware where his produce is sold and where it is consumed. Thus he is deceived in many ways. Even the loan and sale societies which are brought into existence with the object of helping the ryot by securing him fair prices for his produce are not free from middlemen. I can say without any fear of contradiction that these

middlemen are being immensely benefited by these loan and sale societies to the detriment of poor ryots. The present time is the most opportune time for the elimination of the middlemen. The Joint Stock Banks have ceased lending to them on a liberal scale as they had been hitherto doing. At present there are no signs of the present restrictions being relaxed in the near future. If, on the other hand, these middlemen are removed from the loan and sale societies with a merciless hand, they will find themselves in a state of paralysed immobility. This is a prerequisite for successful working of controlled credit system. As long as the middlemen enjoy the benefits and privileges of membership in these societies the controlled credit system will not thrive well on sound lines. An attempt at purging the loan and sale societies should, therefore, be made at once. It is indispensable that mill-owners and big business people should not be allowed to manage the affairs of the societies to ensure that the last link in the chain of middlemen is removed and also to guard against the possible re-establishment of this chain.

Correspondence.

LAND COLONISATION SCHEME.

With reference to the *Communique* dated 19-1-1943, issued by the Government of Madras and published in the local dailies of 21-1-1943, I wish to bring to the notice of the authorities the following important points.

It is gratifying to note that the Government have brought into existence, though late, 16 land colonisation co-operative societies in the presidency for the benefit of poor people. They are put in charge of Co-operative Inspectors under the supervision of Revenue Department to begin with for a period of two years. It is a pity that the Government in their *Communique* have decided to change the present programme of work of these societies even in the initial stages of the working by ordering the substitution of Co-operative Inspectors by Agricultural Demonstrators. The Government fail to note that the proposal to have Agricultural Demonstrator was made in the press only when co-operative farming is undertaken by the societies. While refusing the proposal of undertaking co-operative farming, the Government have decided to accept the proposal of substituting Co-operative Inspectors by Agricultural Demonstrators. Evidently the Government have not considered well the interests of the societies especially in view of the absence of co-operative farming and the fact that they are gradually improving under the close guidance of the Co-operative Inspectors, who are more competent to run co-operative societies than Agricultural Demonstrators with little experience in co-operative field. Mere agriculture is not the main function of a colonisation society. The economic condition of the poor colonists has to be improved not only by agriculture but also by strict observance of co-operative principles to develope the activities of these societies in several directions, which can very well be ensured by the close guidance of a Co-operative Inspector. Much spade work has yet to be done and the societies have yet to be put in proper working order. It is regrettable that Government have decided to change the departments in charge of these institutions just before they were settling down to work. It will be like changing the horses in the midstream. The existing societies have distributed to the colonists the lands and they cultivate them in their own way. They do not require the complete attention of Agriculture Demonstrators. There is already good co-ordination of all Departments, including Agricultural Department, perhaps due to the general control of the Collectors of the Districts over these societies.

Government will, therefore, be well-advised to re-consider their decision not to disturb the existing arrangements at least till the societies are in good working order and give a chance to the Co-operative Department to bring into existence model co-operative societies. No scheme will be successful if the persons in charge of the scheme are often changed especially in the initial stages.

There are hundreds of acres of waste land still. If the Government really want to try the proposal to substitute Agricultural Demonstrators they may try with one new society for the present without disturbing and spoiling all the existing societies so that experience may be gained for the benefit of the existing societies. It is hoped that the authorities will view this matter seriously in the interests of the co-operative movement.

A CO-OPERATOR.

Working of Societies.

(*Contributed.*)

The Lalgudi Sivagnanam Agricultural Society, Ltd.

The Lalgudi Sivagnanam Co-operative Agricultural Society was started on work on 13th April 1925 and has completed eighteen years of its existence. There were 16 society members and 406 individuals on 1-4-42 with a paid-up share capital of Rs. 3,651. The society has been doing useful work in demonstrating improved methods of agriculture in a plot of 17.71 acres of double crop wet lands and 3.30 acres of dry lands purchased by it in the year 1938-39. The society obtained a Government loan of Rs. 13,000 in 1939-40 for the purchase of the plot of which a sum of Rs. 1,120-15-0 has been repaid. Besides showing to the ryots the benefits of improved methods of agriculture in the demonstration plot owned by it, the society continued to deal in organic and artificial fertilisers etc. and supplied to the mirasdars through several depots and branches owned by it artificial manure to the value of Rs. 24,731-7-0 in the year 1941-42. Loans were also given to members on the pledge of paddy and other commercial crops stocked in several godowns in different villages. During the year 1941-42 loans amounting to Rs. 1,01,864 were advanced to members. The society also maintains a breeding bull purchased from the Central Cattle Farm at Hosur for multiplying the improved breeds of live-stock. The Trichinopoly District Co-operative Central Bank, Ltd., has given an overdraft accommodation of Rs. 20,000 for manure business and Rs. 60,000 for issue of loans to members on the pledge of produce. The society is also supplying hand-pounded rice by utilising cheap labour available. It is hoped that the society will continue to do its useful work on a large scale in the coming years so that all the ryots may have the benefits of improved methods of agriculture.

The Co-operative Apiary Limited, Tirukattupalli.

The Co-operative Apiary Ltd., Tirukattupalli No. T-863 was registered on 28-7-1939 and commenced work on 9-9-1939 with 11 members and a paid up share capital of Rs. 11. Its area of operations extends throughout Tanjore taluk of Tanjore district. During the period of its existence upto May 1941 it was not able to do any appreciable work for want of sufficient resources to maintain a full-timed paid employee. On the recommendation of the Collector of Tanjore, the Director of Agriculture and the Registrar of Co-operative Societies, the Government were pleased to sanction a grant of Rs. 180, to the Apiary for the employment of a Bee messenger at Rs. 15, per mensem for a period of one year and the grant has now been sanctioned for another year. The Bee messenger, who was appointed by the District Agricultural Officer, is working in the society from 6-6-1941.

The main work of the society is to enrol members, do propaganda work about Bee-keeping, hive colonies for members, extract honey from hives, purchase honey and hives from the members, arrange for their sale and provide members with hives, extractors etc. The Bee messenger visits about 12 villages on an average every month and does propaganda work. He visits and examines all the hives and renders assistance to the Bee-keepers in extracting honey, cleaning the hives and removing waxmoth from the hives. Besides there is a small colony of hives at Tirukattupalli itself and it is used for demonstration purposes. Persons from various places come here and receive instruction in Bee-keeping. The pupils of the Tanjore Girls' Training School and the teachers of the Elementary Schools at Michaelpatti and Megalathur paid visits to this colony. Everything relating to Bee-keeping is explained to such visitors by the messenger.

It had on its rolls on 30-9-42, 128 members with a paid-up share capital of Rs. 152. The value of a share has been fixed at rupee one to enable every one to join the society and take to Bee-keeping both as a hobby and subsidiary occupation. It has been able to instal hives in 47 villages so far. About 292 lbs. of honey was sold through the society. It prepared 39 hives and sold 38 of them to its members. It earned a gross profit of Rs. 31-2-0 and a net profit of Rs. 23-10-0 during the year 1941-42. It has thus been able to do very useful work.

Co-operative Relief scheme to evacuees at Panaikulam—Ramnad District.

With a view to afford relief to the evacuees from Burma and Malaya and their dependents, a co-operative spinners' and weavers' society at Panaikulam in the Ramnad District has been formed and the District Collector, Ramnad, Khan Bahadur Mohammed Azmatullah Khan, opened the society on 17-11-42. The Deputy Registrar of Co-operative Societies, Ramnad, Sri N. Narasimha Achary, explained the objects of the society and appealed to the members to make the best use of the society. Mr. N. S. Mani, I.C.S., Sub-Collector, Ramnad, said that it would relieve the distress of the evacuees from Burma and Malaya and keep them employed. The society has at present undertaken to arrange for spinning and weaving and coir manufacturing. The services of the Coir Demonstrator working under the Leather Research Chemist of the Department of Industries have been lent to the society to educate the villagers in taking up the new methods of manufacture of coir through charkas and looms. The society is run under the able management and guidance of Messrs K. A. N. Bahruddin and Dr. Ariff, A. Hamid, President and Secretary of the Distress Relief Committee respectively. Three hundred and ninety three evacuees have joined the society as members and total share capital collected from the promoters and the evacuees amounted to Rs. 11,955.

The Madras Advocates' Co-operative Club, Ltd., No. X-146.

The society is a typical specimen of the vast field of activities to which the "Co-operative" principle could be profitably applied. Registered as a "Co-operative Club" it aims to do business primarily in the supply of tiffin to its Advocate members, practising at the Madras High Court. Subsidiary to this main object, the Club also undertakes to stock stationery and forms so as to be of use to the Advocate members, at a cheaper rate than in the market. There are at present 160 members on its rolls with a paid-up share capital of Rs. 950. The Club has no borrowings and the only source of its working capital is the paid-up share capital. It enjoys short credit from its customers who supply provisions like ghee, butter, milk and buns. The bills in respect of milk are being met fortnightly and those in respect of other articles monthly. The other small articles are purchased for cash then and there.

Business:

In consultation with the Secretary, the day to day requirements of the society are purchased by the two clerks, and the cooks employed by the society prepare the menu for each day. The major portion of the tiffin is taken to the Advocates' Association in the High Court Buildings and served there by the servers under the supervision of one of the clerks, while the remaining portion is served in the society's premises. The system of sale of tiffin is by the issue of tickets at the entrance for cash. Details about the business transacted by the society are given below :—

Year.	Refreshments.		Stationery.	
	Total sale.	Daily average.	Total sales.	Daily average.
	Rs.	Rs.	Rs.	Rs.
1940-41	7,829	57	554	11
1941-42	12,645	60	406	8
1942-43 (upto 30-9-42)	3,621	53	176	3

In October, 1942, the sales improved much and the daily average was about 68. Since the High Court has now shifted to its original place, it is likely that the sales will go up still further. About the sale of stationery articles, there has been a stand-still almost, particularly due to the dearth of stationery in the market. It will be seen from the extent of sales that the Club is doing its business exclusively for its members.

Non-members are totally eliminated. It is, however, the ultimate aim of the Club to make it as self-sufficient as possible in due course.

There is often a surplus left out at the end of each day which is auctioned away in the evenings. The auction prices are not reduced in respect of coffee; but in the case of sweets and savouries, the extent of reduction ranges from 3 to 6 pies per item. The Club does not, however, stand to lose by this transaction. The cost of establishment has been scientifically distributed among the various articles so that the prices fixed for the articles include the cost of establishment also. Hence, as long as the society does normal business, there is no room for loss. During the two months when the High Court is closed for summer, the Club has practically no business. Nevertheless, it cannot dispense with the eatablishment for this short period, and it has to incur about Rs. 650 without any corresponding business. This expenditure goes to cut short the profits of the Club. Despite this fact, the Society was able to earn profits of Rs. 209-5-0 during 1940-41 and about Rs. 340 in 1941-42. During 1942-43 also its working in the first quarter ended 30-9-42 shows a profit of about Rs. 200.

The establishment charges of the Club amount to Rs. 300 per month. The management of the Club is vested with the Board of Directors consisting of 11 members. The Directors have been taking keen interest in the working of the Club and in the expansion of its business. Granting settled economic conditions, the Club has indeed a bright future for the attainment of its objects to the fullest extent possible.

The Vegavathi Ashramam Rural Reconstruction Co-operative Society, Ltd., No. A-1274.

The Vegavathi Ashramam Rural Reconstruction Co-operative Society, Ltd., is located in the Vegavathi Ashramam, 4 miles north of Andipatti on the Madura-Theni Road. Perched on the banks of the Vegavathi the Ashramam was founded some years back by Sri M. S. Balasubramanya Iyer, Retired Civil Engineer. The Vegavathi Ashramam Rural Reconstruction Society, Ltd., was registered on 25-6-1937 and started on its work on 9-7-1937. The area of operations extends to the villages of Thirumarasanaickanoor, Puliman Kombai, Koilpatti, Kullapuram, Andipatti and other hamlets. There are at present, 240 members on rolls with a paid-up share capital of Rs. 1,240. The authorised capital is Rs. 5,000 made up of 5,000 shares of Re. 1 each.

2. The objects of the society are manifold; but briefly they are as follows:—

(1) To promote self-help and incalculate habits of thrift among members;

(2) To propagate and supply new agricultural implements and better seeds and to disseminate knowledge of the latest improvements in agriculture by actual demonstration according to the recommendation of the Agricultural Department;

(3) To purchase or acquire, or obtain on lease a plot or plots of land to demonstrate on such lands the advantages of improved methods of cultivation such as economic planting of paddy *versus* bunch planting, deep ploughing *versus* local manure, selected seeds *versus* local seeds etc;

(4) To advance loans to members on the pledge of their produce and to undertake to sell the produce to the best advantage;

(5) To maintain a stud bull and to diffuse information in the matter of cattle breeding;

(6) To advise members to curtail their expenses on ceremonies and to reclaim them from bad customs. Under bylaw 37, the general body has powers to determine the maximum expenditure to be incurred on any ceremony and to fine up to Rs. 100 those who fail to observe these conditions;

(7) To promote cottage industries;

(8) To provide educational facilities for children, to devise ways and means for adult education and physical exercise and to run a reading room and library; and

(9) To run a medical home.

3. The medical home mostly doing first-aid work and is run under the immediate supervision of the Secretary, Srimathi M. B. Vengalakshimi Ammal wife of Sri M. S. Balasubramania Iyer the president of the society. Ever since its inception the society has treated 7210 patients. Annual subscription of Re. 0-8-0 is collected from members. A total subscription of Rs. 111-11-0 has thus been collected so far, of which Rs. 76-7-0 has been spent for the purchase of medicine. The Madura-Ramnad Red Cross Society gave a donation of Rs. 92-0-0; but during the last 2 years no donation was sanctioned.

4. The society is running a Higher Elementary School. Besides a teacher, there is a weaving instructor to train boys in weaving. A night school conducted for a few months was closed for want of regular attendance. Likewise, the reading room and the circulating library run by the society have not attracted public attention to the extent they deserve. The society maintains a stud bull.

5. As for the credit side a sum of Rs. 6,388-5-0 is outstanding against the members of the society in 184 loans. Of this as much as Rs. 5,980 is overdue as on date. Even directors are found to have defaulted.

The noble objects of rural reconstruction not having been fully realised, the society is now functioning only as a credit society and it is hoped that the founders of the society will soon revive.

The Madura Leather Goods Industrial Co-operative Society, Ltd., Kallupatti.

The Madura Leather Goods Industrial Co-operative Society, Ltd., No. A-1942 was registered on 22-6-1940 and started on work on 24-6-1940 with the avowed purpose of improving the economic condition of the leather manufacturers by introducing new and improved methods of manufacture. The area of operations of the society extends to the whole of the taluks of Madura and Tirumangalam. Kallupatti, a village 13 miles from the Tirumangalam Railway station has been fixed as the head-quarters of the society as it is situated near the hills wherefrom local cobbers obtain their raw materials.

2. There are at present 43 members on rolls with a paid-up share capital of Rs. 668. The authorised capital is Rs. 5,000 made up of 5000 shares of Re. 1 each. All the workers have been admitted as members and are employed by the society.

3. The management of the society vests with a directorate consisting of 9 members; but the moving spirit in the society is the Secretary, Sri V. Guruswamy. Though not a cobbler by birth, he has chosen this calling for the mere love of it. He has undergone a course of training for a period of 1½ years in a Tannery Institute, at Calcutta and holds a diploma. Under his guidance are manufactured all kinds of chappals, shoes, boots, handbags, leather boxes, document cases, leather straps for wristlets, hand bags for ladies, postman bags, cycle tool bags, money purses, spectacle cases, fountain pen-holders and holdalls. Some of these articles have been sent to the Madura-Ramnad Industrial Museum for exhibition and some will be sent soon to the Central Museum, Madras. Tanning is also done on the model of Cawnpore tanneries. Cowhides and skins of deer, tiger, snake and buffalo are being tanned. There is a great demand for the articles manufactured by the society at Tinnevelly, Koilpatty and Coimbatore. But at present its supply is confined to the Madura branch of the Dayalbhag stores which has lost its supply from the head office, due to war conditions.

At the instance of Mr. S. A. Venkataraman, I.C.S., the then Registrar of Co-operative Societies, who visited the society on 24-6-1940 and laid the foundation stone for the society's building, the society has taken up the manufacture of glue from out of the waste materials of limed hide. The glue so manufactured was sold for Rs. 31-6-9 and there is now a stock worth Rs. 40.

4. Ever since its inception, the society has produced articles worth about Rs. 3,612. It has effected sales to the value of Rs. 3,309-12-0 leaving a stock valued at Rs. 1,396.

5. The society has obtained a cash credit loan of Rs. 2000 from the Madura Ramnad Central Co-operative Bank. But this is hardly sufficient to enable the society to expand its business on a large scale. The society is now trying to increase its share capital by admitting more members from the neighbouring villages.

6. The Madura District Board was pleased to sanction a subsidy of Rs. 300 for the uplift of this industry. Out of this free grant the society has purchased furniture and implements for Rs. 254-6-0.

7. The society is trying to expand its business (1) by increasing the paid-up share capital (2) by tanning skins on a large scale for sale and (3) by tanning raw hides. The society has begun well and has demonstrated the possibilities of a cottage industry which has a survival value.

The Guntur Silpa Industrial Co-operative Workshop, Ltd., Guntur.

The Guntur Silpa Industrial Co-operative Workshop, Ltd., is a society started for providing employment to those artisans who have traditionally been carpenters, blacksmiths, metal workers and stone carvers (idol makers etc.) and who have fallen out of employment either for want of encouragement or for want of capital and also on account of foreign and machine competition. These people are commonly known as Viswabrahmins. They are landless, educationally backward and are disunited. They were spendthrifts in their prosperous past and when fortune ceased to favour them they are unable to adjust themselves to the altered circumstances or resort to other means of livelihood. Co-operation is then found to be the only means of their economic uplift. The society at Guntur is the result of the efforts at bringing about such co-operation among these artisans.

The society was registered on 31-5-40 and started on its work on 29-6-40. It has now 68 members on rolls with a paid-up share capital of Rs. 222. The value of a share is fixed at Re. 1 so that even the poorest member of the community can gain admission. The area of operations covers the entire revenue taluk of Guntur. The plan of work of the society is to secure work for its members by obtaining orders from the public or public institutions for the manufacture of furniture etc. at its own risk and arranging for its sale. Members alone are employed in the workshop. They are paid monthly salaries according to their capacity or workmanship. The Manager who is one of the Directors is responsible for the execution of the work. It has secured fixed deposits of Rs. 50 and has accumulated a Reserve Fund of Rs. 27-5-0. Its working capital thus comes to Rs. 399 and with this small amount, it has been giving unceasing employment to 10 to 15 workers. The recent political disturbances have adversely affected its progress but the society is likely to gain stability before long.

The other object of the society, *viz.* to take up the other industries such as bell metal, iron and stone work could also be achieved as and when conditions created by war improve.

The Rasipuram Handloom Weavers' Co-operative Sale Society, Ltd., (Salem Dt.).

1. *Origin.*—The Rasipuram town is the headquarters of the Rasipuram Sub-Taluk in Salem district and is occupied by large number of active weavers, agriculturists and traders. This taluk is also a big cotton producing area. Weaving industry is the primary occupation of more than 40 per cent. of the town population which is about 16,000. The weavers belong to Devangas, seniors' Pandarams, Sowrastras, Balija Naidus, Vanniyakulakshatriyas, Mudaliars, Vellalas, Nathamannars. etc. About 2500 looms are working in this town. The goods produced are of cotton and silk to a little extent and the goods have got great reputation throughout this Presidency, Ceylon and other places. The weavers have been working under unsatisfactory conditions under master weavers and also have been suffering from want of continuous work and steady wages. To combat these evils, the starting of a handloom weavers' co-operative sale society was keenly felt. This society was registered on 28-4-1938 and started work on 12-5-1938 with 9 A class and 14 B class members with a paid-up share capital of Rs. 700. This is the 5th year of the working of this society

The society confines its activities to the Rasipuram town and six villages within a radius of two miles. Actual working weavers residing within the said area of operation are admitted as B class members and those residing within the sub-taluk of Rasipuram and interested in the betterment of the society and weavers are admitted as A class members.

2. *Members and share capital.*—The authorised share capital of the society consists of Rs. 30,000 made up of 1,000 A class shares of Rs. 25 each and 5,000 B class shares of Re. 1 each. There were at the beginning of the year 16 A class members and 107 B class members with a paid-up share capital of Rs. 2,420. During the year 3 A class and 58 B class members were admitted and 14 B class members were removed. There were on roll at the end of the year 19 A class and 151 B class members with a paid-up share capital of Rs. 4,505.

3. *Shares and Reserves.*—The society has taken one share of Rs. 150 in the Salem District Urban Bank and four shares of Rs. 200 in the Madras Handloom Weavers' Provincial Co-operative Society. It has built up a Reserve Fund of Rs 3,884 and price fluctuation and Reserve for unexpected losses to the extent of Rs. 3,664.

4. *Members and their work.*—B class members only are given work. At the beginning of the year there were 119 looms working and at the

end 176 looms. Each is given work for one loom only and one more if he has got dependants. The society has given continuous work throughout the year and produced goods of high quality paying higher wages. The grey and dyed yarn required are purchased in the Salem market and through the Provincial Society from Madura and Salem Co-operative Dye Houses. Wages are paid in advance and the total wages paid to members during this year for the production of 11,979 articles amount to Rs. 15,946. Calculating at the rates of wages given by Master Weavers, they would have been paid only Rs. 14,175. Besides this, members were given Rs. 3,398 as bonus out of the profit for the year. When wages are paid deductions are made towards share capital at the rate of Re. 0-1-0 per rupee and at 10 per cent of the bonus disbursed. Members who have not worked throughout the year in the society were disqualified for getting bonus and irregular weavers are levied with penal interest. As an encouragement three are presented with medals for their good work. Many of the members are also admitted as members of the local co-operative stores from which they are now purchasing their domestic requirements. Newmoon days are observed as holidays by weavers. On these days, informal general meetings of members are concerned and lectures on co-operative principles, objects of weavers' co-operative societies, the conduct of members etc., are given.

5. *Production and Sales.*—The members are weaving in 4,06,080 and 100 counts and the varieties produced are sarees, pavadai and jacket pieces. The production of their society are very popular throughout this Presidency and are sold as hot cakes. The goods are sold locally and through the Provincial Society Emporiums and other co-operative institutions. During this year goods worth of Rs. 59,206 were produced and goods worth of Rs. 69,774 were sold. The sale proceeds realised amount to Rs. 67,106. In spite of the increase in the production, the society is not able to meet the demand. Since goods produced are sold then and there without stagnation, the society is able to do much more business with a lesser working capital. This society nearly occupies first rank in production and sales.

6. *General.*—The Provincial Society is giving all possible help for the improvement of the society. The society has also undertaken war orders for 10,000 kerchiefs in 40 counts and has produced them. As per the recommendation of the Sub-committee to the Provincial Society a departmental Inspector was appointed as paid secretary since 5-5-1941. Since the appointment of the Paid Secretary the conditions of the society have been improved and the progress is tremendous this year as may be seen from the following figures.

Year.	Members.	Share Capital.	Deposits	Looms.	Goods Produced.	Goods Sold.	Profits.
	No.	Rs.	Rs.	No.	Rs.	Rs.	Rs.
1938-39	86	1,254	...	57	12,800	8,649	1,594
1939-40	127	2,277	...	103	27,555	25,034	3,750
1940-41	123	2,420	125	119	33,637	32,581	3,700
1941-42	170	4,505	5,000	176	59,206	67,106	6,000

Reviews.

Report of the Madras Provincial Co-operative Bank, Ltd.. 1941–42.

This is the 36th annual report. The paid-up share capital of the bank at the end of the year was Rs. 6.70 lakhs and its reserves amounted to Rs. 33.26 lakhs.

The deposits increased from Rs. 240.38 lakhs to Rs. 250.27 lakhs. Loans issued during the year also increased from Rs. 119.78 lakhs to Rs. 122.73 lakhs. The outstanding loans amounted to Rs. 77.16 lakhs as against Rs. 99.56 lakhs in the last year. Rs. 11.16 lakhs is still due from the Vuyuru Co-operative Industrial and Agricultural Society which is being directly financed by this Provincial Bank.

General.—It earned a net profit of Rs. 1.67 lakhs. Its financial position is exceptionally strong and it continues to be one of the best provincial banks in India. V.S.R.

Report of the Malabar District Co-operative Bank, Ltd., 1941–42.

The year ended with 426 society members and a share capital of Rs. 1.20 lakhs and a reserve fund of Rs. 60,219.

Its borrowings amounted to Rs. 11.84 lakhs, and it gave loans to the extent of Rs. 7.19 lakhs during the year, leaving an outstanding balance of Rs. 8.24 lakhs. Out of this as much as Rs. 3.25 lakhs are reported to be overdue. The outstandings in liquidated societies amounted to Rs. 2.37 lakhs under principal and Rs. 53,723 towards interest.

General.—It earned a net-profit of Rs. 6,638 and declared a dividend of 3 per cent. The bank had to write off Rs. 29,426-9-0 due from liquidated societies. It cannot be said that the bank's working has come up to the normal stage yet. V.S.R.

Report of the Madura-Ramnad Central Co-operative Bank, Ltd., 1941–42.

1. *Banking.*—This is the 30th year of its working. The year ended with 140 individual members and 660 society members. The paid-up share capital was Rs. 3.48 lakhs and the reserve fund Rs. 2.26 lakhs. Its working capital was Rs. 43.31 lakhs.

It made loans to the extent of Rs. 12.99 lakhs and the outstandings amounted to Rs. 17.30 lakhs, out of which Rs. 3.16 lakhs were overdue. The percentage of overdues has reduced from 32 per cent. to 22.93 per cent.

General.—It earned a net profit of Rs. 38,675. There was improvement under all heads.

2. *Non-Credit work.* The sales societies in the district were financed to the extent of Rs. 9.45 lakhs, weavers' societies to the extent of Rs. 1.33 lakhs and Stores societies to Rs. 3.85 lakhs. Other kinds of societies financed by it are Milk Supply Societies, Coffee Curing Society at Pattuveeranpatti, Labour Society at Madura, and a Tanners' Society at Madura,

It gives active support to the Aruppukottai Agricultural Seed Supply Society, Cattle breeding, Apiculture and Adult education also receive its attention.

3. *Administration.*—The amount collected and spent during the year, Rs. 28,232, will give an idea of its work in this direction. Thirty four supervisors are working. Panchayatdars' classes were held in 42 centres in accordance with the general scheme.

General. The Bank's working shows improvement under all heads. The omission of an audited statement of accounts of the Administrative side is surprising. It might be profitably added in future. V.S.R.

Report of the District Co-operative Bank, Cocanada, Ltd., 1941–42.

There were 108 individual and 183 society members at the close of the year. The share capital rose from Rs. 83,100 to 85,000. Its reserve fund amounted to Rs. 44,127, and its bad debt reserve to Rs. 56,911-10-0.

The borrowings of the bank increased from Rs. 9.85 lakhs to Rs. 11.12 lakhs.

Loans to the extent of Rs. 11.12 lakhs were made during the year and the outstandings amounted to Rs. 10.37 lakhs. Out of this Rs. 2.36 lakhs were overdue.

General.—The bank earned a net profit of Rs. 7,916-10-0. It has worked for 25 years and proposes to celebrate its silver jubilee. V.S.R.

Report of the S.I.Ry. Employees' Co-operative Credit Society, Ltd., 1941–42.

There were 24,074 members with a share capital of Rs. 7.95 lakhs. Deposits amounted to Rs. 24.31 lakhs and the working capital was Rs. 37.83 lakhs. Its reserve fund amounted to Rs. 3.47 lakhs. It earned a net-profit of Rs. 79,485, and declared a dividend of 6¼ per cent. The rate of interest on loans is 6¼ per cent.

General.—This is one of the biggest Employees' societies in the Presidency. The transactions increased under all heads. The repayments are punctual as usual. The Directors deserve to be congratulated on another year of progress. V.S R.

Report of the Mettupalayam Co-operative Urban Bank, Ltd., 1941–42.

The year ended with 282 members of the A class and a share capital of Rs. 20,230, and 622 members with Rs. 155-8-0 as share capital of B class members. Its reserve fund was Rs. 8,034.

Its deposits amounted to Rs. 47,262 and the District Bank loan to Rs. 17,500. Loans were made to Rs. 96,089. Only Rs. 513 is reported to have been overdue.

General.—It earned a net-profit of Rs. 1,819. The bank has purchased a plot with a view to construct a building of its own. V.S.R.

Report of the Rasipuram Handloom Weavers' Co-operative Society, 1941-42.

The year ended with 19 A class members and 151 B class members. Its share capital was Rs. 4,505. 176 looms are working.

The society received Rs. 48,753 during the year under the overdraft account and repaid Rs. 49,616, leaving a balance of Rs. 11,398 at the close of the year. Yarn valued at Rs. 44,616 as purchased, and Rs. 59,205 worth of goods were sold. The wages paid amounted to Rs. 15,946. The members got Rs. 1,771 besides a bonus of Rs. 3,938.

General.—The society received a subsidy of Rs. 720 from the Provincial Weavers' Society, which was utilized for the pay of the Government Inspector, who worked as the Secretary. It earned a net profit of Rs. 6,000 and a bonus at the rate of 0-1-2 per rupee was declared. The society did very good work, and the transactions were double those of the previous year. V.S.R.

Report of the Tiruthuraipundi Land Mortgage Bank, Ltd., 1941-42.

This is the tenth year of its working. There were 186 A class and 251 B class members with Rs. 1,91,606 as share capital. The Reserve Fund amounted to Rs. 1,927-14-0.

The bank owed Rs. 1,91,348 to the Madras Central Land Mortgage Bank and the dues from the members amounted to Rs. 1,90,979 less by Rs. 369. Loans made during the year amounted to Rs. 2,125 and Rs. 3,025 was overdue. The net profit was Rs. 1,447-12-0.

General.—The deficit *viz.*, Rs. 369, the members' dues being less than the amount due to the Madras Central Land Mortgage Bank, although small, deserves to be looked into carefully as it forebodes something wrong. V.S.R.

Report of the Tanjore Co-operative Land Mortgage Bank, Ltd., 1941-42.

There were 1003 members (A & B class) with Rs. 73,731 share capital. The reserve fund was Rs. 2,657.

Rs. 3.07 lakhs was obtained in all from the Madras Central Land Mortgage Bank and the dues from the members amounted to Rs. 3.08 lakhs.

General.—The loan disbursed during the year has been steadily declining from Rs. 94,800 in 1936-37 to Rs. 22,285 in 1941-42. It had to write off Rs. 450 during the year. Though the loss is not much such a loss in a Land Mortgage Bank deserves to be carefully enquired into as it may lead to some fundamental mistake. V.S.R.

Report of the Cochin Co-operative Land Mortgage Bank, Ltd., year ending 16th August 1942.

This is the seventh year of its working. The number of members increased from 2,425 to 2,575 and the share capital from Rs. 81,650 to

Rs. 83,190. Its working capital increased from Rs. 17.24 lakhs to Rs. 19.09 lakhs. The total amount sanctioned from the beginning was Rs. 22.41 lakhs, of which Rs. 16.96 lakhs were outstanding. Rs. 22,241 is reported to be overdue. Besides this special loans amounting to Rs. 1.62 lakhs were due from members. Coersive steps are reported to have been taken in 251 cases under bank loans and 64 cases under the special loans. The bank floated no debentures during the year.

General.—The net profits earned amounted to Rs. 18,074. The number of coercive steps taken is rather large in a land Bank. V.S.R.

Report of the Coimbatore Co-operative Printing Works, Ltd., 1941-42.

This is the nineth year of its working. There were 139 members with a share capital of Rs. 8,850, which included also 96 individuals. The reserve fund was Rs. 4,259-2-0.

Besides Rs. 26,614-12-0, the cash credit account it got a regular loan of Rs. 5,000 from the District Bank. At the close of the year it had to pay Rs. 5,651 only.

Its sales and printing charges amounted to Rs. 26,238 and it got a profit of Rs. 2,407 as against Rs. 2,033 in the previous year.

General.—It seems to be doing good service. V.S.R.

Report of the Chittoor Co-operative Milk Supply Union, 1941-42.

There were 43 members with a share capital of Rs. 740. Milk worth Rs. 37,568 was purchased and it was sold to Rs. 44,106. The net profits amounted to Rs. 450 after setting apart Rs. 500 towards bad debts.

Silver Jubilee Souvenir of the Lalgudi Co-operative Union, 1941.

The souvenir contains an introduction by Mr. P. B. Krishnaswami Reddiar, and an account of the Union for the past 25 years, with the names of all the Governing body members. It also contains the welcome address to the Registrar of Co-operative Societies and his reply thereon. The proceedings of the Taluk Co-operative Conference which was also held then is also included. An account of the working of the Sivagnanam Agricultural Demonstration Society is added.

The souvenir contains an interesting record of almost all the Co-operative activities in the Lalgudi taluk all these years. V.S.R.

Report of the Salem District Urban Bank, Ltd., for the year 1941-42.

This is the 34th Annual Report.

There were at the end of the year 132 individual members and 663 Society members holding shares to the value of Rs. 80,000 and Rs. 1,10,596 respectively. The borrowings increased from Rs. 27.44 lakhs to Rs. 31.83 lakhs and the owned capital from Rs. 6.79 lakhs to Rs. 6.83 lakhs. It had an overdraft of Rs. 3,42,900 from the Imperial Bank and another Rs. 1,40,000 from the Madras Provincial Co-operative Bank.

Loans amounting to Rs. 21.65 lakhs were made to societies during the year and the outstandings at the end of the year was Rs. 24.65 lakhs. Out of this only 1.65 per cent. were overdue. In addition to this, Rs. 26.54 lakhs was lent under the controlled credit system, and Rs. 25.41 was returned, leaving a balance of Rs. 3.47 lakhs.

It earned a net profit of Rs. 22,356-13-0 during the year and the reserve fund amounted to Rs. 2,26,862.

General.—It is very gratifying to note that the bank's overdues have been reduced from 57.8 per cent. in 1923-24 to 1.87 per cent. in 1941-42. The tone of the bank's working in other directions also has increased considerably. It is significant that the Sub-Registrar Mr. T. M. Kuttikrishna Nambiar, whose services had been lent to the Bank for the past 4 years, was responsible not to a small extent to the progress of this bank and also to the progress of the Movement in the district. The Directors bring this to the special notice of the General Body. This seems to be one of the best Co-operative District Banks in the Presidency, if not the best.

V.S.R.

Report of the Tiruchengode Handloom Weavers' Co-operative Sale Society for the year 1941-42.

This Report, which is for the fourth year, shows substantial increase in the business which is double that of the last year.

There were at the end of the year 172 members with Rs. 3,551 as share capital. 170 looms are working. Rs. 53,037 worth of goods were produced and Rs. 46,347 worth of goods were sold with a profit of Rs. 3,529. Besides the statutory reserve of Rs. 1,279, it has Rs. 3,343 as other reserves. It received a subsidy of Rs. 720 from Government.

The Directors deserve to be congratulated on the excellent results.

V. S. R.

Report of the South Kanara District Central Co-operative Bank for the year ending 1941-42.

The year ended with 205 individual, and 382 society members, with a total share capital of Rs. 1.07 lakhs, there being a slight fall of about Rs. 1,000. The deposits amounted to Rs. 14.86 lakhs and loans to the extent of Rs. 12.78 lakhs were outstanding. Repayments were pretty regular, the overdues being only Rs. 12,103 at the end of the year. The bank earned a net-profit of Rs. 15,976-7-0 and the reserve fund amounted to Rs. 83,548.

Points of interest in the Report are :—

1. A short account of the progress of the Movement in the district has been given. This is a very desirable addition, and it meets a real want. At present, it is kept as a sealed secret. Other district banks may usefully follow this.

2. There seems to be a committee of supervision in addition to the Board and the Executive. This arrangement is very laudable. But the bank may consider the desirability of converting the present board itself as the Supervision Council, and the Executive committee as the *business* committee, which it really is. Owing to the large size of the Board, it has naturally become *de facto* Council of Supervision, meeting at long intervals and simply approving what the Executive Committee has done. By entrusting it with more powers and directing it to supervise more critically, more efficiency can be expected.

3. The Bank is encouraging non-credit activities to a large extent.

Before concluding I wish to refer to two facts.

1. To write off Rs. 13,834 in a year is to be deplored. Still it has Rs. 36,123 more as doubtful. It will be useful to investigate the reasons for these losses, with a view to find out if anybody was responsible for them ? I have no doubt necessary steps are being taken.

2. A single society, the S. K. Agricultural Co-operative Wholesale Society, with a share capital of only Rs. 16,457, (there may be another Rs. 20,000 as R. F.) has been *sanctioned* a maximum *cash credit* of Rs. 7,50,000. Rs. 4,73,459 was actually due on 30-6-42. It is needless to presume that all possible precautions have been taken before allowing such a large cash credit.

V. S. R.

Report of the Kurnool District Co-operative Bank for the year 1941-42.

The Bank was under the management of a Special Committee appointed by the Registrar.

There were at the end of the year 191 individual, and 273 society members, with a total share capital of Rs. 96,958. The deposits amounted to Rs. 6.14 lakhs. Rs. 1.19 lakhs was lent during the year and the amount outstanding at the end of the year was 5.30 lakhs. The percentage of demand to overdue was 78.8 per cent. The profits amounted to only Rs. 1,180. The reserve fund stood at Rs. 58,571. The estimated values of doubtful and bad debts were Rs. 1,01,701 and Rs. 68,567 respectively.

V. S. R.

The XXIX Mysore Provincial Co-operative Conference.

RESOLUTIONS PASSED.

1. (*a*) That the Mysore Co-operative Institute be requested to form a Committee, with powers to add two more when necessary, consisting of: (i) The President of the Co-operative Institute (Ex-officio Chairman), (ii) a representative of the Stores Societies in Bangalore City, (iii) a representative of the Stores Societies in Mysore City, (iv) a representative of one of the Factories Employees' Co-operative Stores outside the cities of Bangalore and Mysore, and (v) one of the Secretaries of the Co-operative Institute who will also be the Convener, to recommend after investigation not later than the 15th November 1942 such steps as are necessary to strengthen and expand the Co-operative Stores Movement in the State under the favourable circumstances created in consequence of the present world war;

(*b*) That the Consumers' Co-operative Societies be requested to contribute liberally to the fund allotted by the Institute to meet the expenses of the Committee which shall be fixed on the minimum scale.

2. That the Government be requested to arrange for the supply of goods manufactured in the Government concerns and other factories direct to the co-operative stores instead of directing them to purchase the same through the sales agents.

3. That the Government be requested to direct the railway authorities to give to Co-operative Institutions special facilities such as first preference in the despatch of goods from other places and concession in the rate of booking.

4. That this conference requests the Government to permit Co-operative Land Mortgage Societies to elect their Presidents and Secretaries from among non-officials wherever possible and to restrict the application of Government Notification No. D. 795-7-70 L.M. 13-34-6 dated 24-6-1935 to places where proper non-official workers are not available.

5. That the Government be requested to introduce legislation to amend the Mysore Co-operative Societies' Act so as to compel the creditors of loan applicants of Land Mortgage and other Co-operative Credit Societies to furnish all the details required by the investigating officers on the lines of the Madras Co-operative Societies' Act.

6. That the Government be requested to appoint representatives of Land Mortgage Co-operative Societies to the Boards of debt conciliation.

7. That the Government be requested to arrange for the financing of house-building co-operative societies at rates of interest not exceeding 4 per cent.

8. That in the case of limited liability co-operative societies which have built up the reserve fund exceeding the share capital, the statutory

minimum contribution to the reserve fund be reduced from 25 per cent. to 12½ per cent.

9. That rule 18 of the rules under the Mysore Co-operative Societies' Act be amended so as to limit the rates of dividend payable on shares in all co-operative societies to 6¼ per cent.

10. That the Government be requested to try collective co-operative farming in order to examine its possibilities in improving cultivation and to set apart 500 acres of land for the purpose.

11. That Paddy Marketing Co-operative Societies be started in paddy-growing centres.

12. That this conference is of opinion that the amendment proposed by the Government to rule 21 of the rules under the Mysore Co-operative Societies' Act is opposed to the fundamental principles of co-operation and requests the Government not to introduce the proposed amendment.

13. That facilities free of payment be created for co-operative institutions for making search of the attachment registers in civil courts.

14. That the period of limitation applicable to co-operative disputes be doubled as recommended by the Co-operative Enquiry Committee of 1936, by adding a suitable section to the Co-operative Societies' Act.

15. That, instead of giving priority to old loans in the matter of attachment of salaries of Government employees, arrangements be made to distribute the attached amount among all the creditors *pro rata*.

16. That the Government be requested to introduce legislation for making provision for recording all attachments on immovable properties by civil courts in the books of the concerned Sub-Registrar's office having jurisdiction over such properties.

17. That this conference requests the Government to amend rule 16 of the rules under the Mysore Co-operative Societies' Act by adding "through the said agency" after the words "2½ per cent. on the amounts realised".

18. That the Government be requested to amend Rule No. 16 (x) Note II of the rules under the Mysore Co-operative Societies' Act as follows:

"on every dispute............not exceeding annas eight per dispute".

The following three resolutions were referred to the Working Committee of the Mysore Co-operative Institute for consideration and report.

1. That this Conference requests the Government to introduce legislation for the amendment of section 44 (2) of the Mysore Co-operative Societies' Act so as to add the following clauses:

"(v) Prescribe the conditions of service for employees of co-operative societies."

2. That the following rule be added to the rules under the Mysore Co-operative Societies' Act:—

"Rule No. 38. The essential conditions to be observed by co-operative societies employing whole-time or part-time servants shall be as under:

(a) There shall be an agreement of service as between every employee of the society and the society concerned governing the terms of service, pay and prospects and such other matters as are vital to the prospects of each employees ;

(b) Every society shall frame subsidiary rules regarding leave, provident fund, security deposit and the number of working hours as they should apply to their employees and such subsidiary rules shall not ordinarily be replaced, amended or altered without hearing the staff on the proposals.

(c) No employee shall be either dismissed or suspended for a period exceeding seven days in the aggregate during a calendar year unless the proposal is supported by the votes of a majority of not less than two-thirds of the total strength of the committee and the party aggrieved shall have right of appeal to the Registrar. Before any employee is dismissed or suspended as aforesaid, his written explanation shall be obtained after granting him sufficient time to give the same, findings recorded in full and the copy of the order served on him prior to his discharge from his office.

3. That the Government be pleased to introduce legislation to amend section 43 (a) (i) of the Mysore Co-operative Societies' Act so as to omit the followings words printed in brackets :—

"Other than a dispute regarding the disciplinary action taken by the society or its committee against the paid servant of a society.

Recent Utterances.

THE TRICHINOPOLY DISTRICT CO-OPERATIVE CONFERENCE.

PRESIDENTIAL ADDRESS

BY RAO SAHIB C. S. SRINIVASA MUDALIAR.

* * *

What are the features which characterise this movement as one best adapted to render efficient service at this period? What is the present condition of societies which claim to be co-operative and how far are they fitted to fulfil the expectation now entertained of them? These are questions which, even at the risk of retracing a trodden ground, we cannot help reviewing now again.

Co-operation implies the voluntary association of persons of limited means for the purpose of securing a common economic end by self and mutual help. Its object is essentially to render service and not to create profit. There is no room for any sort of clash because the interests of all the members are common. There is no room for any unhealthy rivalry or conflict because the members work in a spirit of self and mutual help. Formed and imbued with such elevating ideals the movement aims at bringing about conditions of better living, better business and better methods of production. Many are the means tried to achieve these ends, which, if secured, would leave nothing to be desired for the economic improvement of any people, but we can say that of the various means which have been put forward and experimented upon, the way pointed out by the co-operative movement is to be singled out as pre-eminently the best.

The Co-operative movement has flourished splendidly in those countries where the people have a highly developed social and economic consciousness. In spite of the several indigenous forms of co-operative effort that our people have had, it cannot be said that they have developed the economic consciousness to a degree which made the co-operative enterprise a remarkable success in other countries. When the Government of India took the initiative of introducing the Co-operative movement in our land and passed the first Co-operative Credit Societies' Act in 1904, they were not unaware of that fact and they believed that some years of training in the working of co-operative societies would develop in the natural course the required consciousness in the people. A study of the working of the movement for the last 38 years and an examination of its present condition will help us to know how far or how little we have progressed from that time.

The Act of 1904 facilitated the formation of societies purely for supplying the credit needs of members. The next Act passed in 1912 recognised the formation of other societies for promotion of non-credit activities. But the credit side of the movement alone developed prominently although for some years now non-credit co-operation has received an impetus owing to a change of outlook noticeable more in the leaders of the movement than in the people for whom its beneficial result is intended and also owing to conditions created by the present war.

I shall now try to place before you a few facts relating to the condition of the Agricultural credit societies in our province which form by far the bulk of our movement. On 30—6—1941, there were 14,251 societies of all types. Of these, 11,058 were agricultural credit societies with a membership of 6,10,023, and a working capital of Rs. 454 lakhs. Their transactions in the year amounted to Rs. 330.9 lakhs. Except for Rs. 35.23 lakhs granted for redemption of prior debts, loans were for the most part given for productive purposes. It is found that loans for sums less than Rs. 50 formed less than 14 per cent. of the total loans given in the year. This shows that the cardinal fact that co-operative societies were intended mainly for persons of limited means has been ignored. Loans on personal surety were on the decrease. This is not a happy sign because societies which claim to be really co-operative should have lent more on personal security and less on the mortgage of immovable property. But the most unhappy feature of the working of these societies is the enormous amount and the age of overdues from the members. 51 per cent. of the demand representing about 39 per cent. of the outstanding amount was overdue on 30—6—1941. No doubt, this includes amounts covered by decrees and arbitration references. The frozen assets representing amounts locked up in immovable properties purchased by societies in the course of execution of decrees should also be taken into account in this connection although they may not be shown as loans actually outstanding. Another disquieting feature is the increase of D. class societies. There were 1,651 D. class societies on 30—6—41 in spite of the fact that a large number of them is being liquidated every year. 267 societies were liquidated in 1940-41 of which the largest number should have been D. class societies. Much headway was not made in the year in rectification work. Out of Rs 39.31 lakhs considered doubtful of recovery only a sum of Rs. 4.53 lakhs. *i.e.*, 11.5 per cent. was either recovered or secured in the year. But this amount evidently includes sums which were transferred to the account of liquidated societies and also those which were written off. The actual amount collected and secured should have been much less. These are no doubt unpleasant facts. The Madras Committee on Co-operation wrote :

"The large number of liquidations in recent years the increasing number of D. class societies and an equally increasing number of societies which have not borrowed for years, the marked rise in the arrears from members to societies and from societies to financing banks, the increasing number of arbitration references and decrees and the forced purchase of lands of members by societies in execution of decrees, the voluntary supersession of

panchayats and the appointment of agents for the management of societies—these are all the elements of a situation which cannot be viewed with equanimity and which indicates a general lack of vitality on the part of many agricultural credit co-operatives."

I should not wonder if you are by this time feeling that you have chosen the wrong man to preside over your conference, I entirely sympathise with you. Had your choice fallen on a person who had applied himself to a study of co-operation as an economic problem for all the 25 years that I have devoted to practical work in the co-operative field, the discourse he would have given in my place would have been more pleasant because our conclusions would have been different. We are agreed that the movement has succeeded in pooling a large amount of money and in making it available to the people on easy terms. It has remarkably succeeded in bringing down the rates of interest more than any legislation could have accomplished. The potentialities of the movement are vast and the advantages that it can confer on people are great. But it is undeniably true that we have not succeeded in bringing these advantages to the needy people or at any rate in averting the unhappy situation to which our societies have drifted. We have committed many mistakes and we have made many miscalculations. We should, however, feel happy that we have realised our shortcomings, that we have made serious and successful attempts to retrieve our loss and that we are already well on our way to progress.

A craze for phenomenal development had undoubtedly characterised our enthusiasm in the early stages of the movement. We had displayed such haste in expanding it that we little thought it worthwhile to consider the chances the societies we started had for successful working. Indeed we had sadly forgotten that co-operation was business and that business needed training. The people whom we wished to help were illiterates before and when we started societies for them we failed to fit them for the business in not giving them the training necessary for it. Long after they had been co-operators they have figured conspicuously in several dramatic plays and magic lantern slides, "as co-operative illiterates" which many of us have no doubt seen—not, I hope, without a feeling of self-reproach. Thanks to the Government of India, several schemes of training subsidised by them are in force for some years and though opinion is divided on the point whether the training imparted in this way has produced any large and lasting influence, there is no doubt it has been good as a beginning and as to the future it should be carried on in a more intense and personal way by those who, in the discharge of their duties, come into frequent contact with the people. This question of 'co-operative education' has been in the fore-front for some years past and co-operators, both officials and non-officials, are exercising their mind on the most efficient system by which it could be imparted to the large masses of the people steeped in ignorance and apathy. Let us hope that an efficient system will be devised and co-operative illiteracy which is at the root of the present decay of the movement will soon be eradicated.

That given sufficient capital to carry on his occupation and to maintain himself till his income is secured, an agriculturist producer would be rendered completely happy and would be able to repay his debt to the society in time was a great miscalculation that we had made. The Indian agriculturist is often characterised as thriftless, improvident and unprogressive. A sympathetic observer sometimes answers that he is honest and sincere and that, if he is found plunged in abject squalor, it is due to factors which he was never taught to control but which might nevertheless be controlled. These are two extreme views. The dispassionate critic will have little difficulty in forming the sane conclusion that much may be said on both sides. Agriculture in our country has never been but a deficit economy. Its dependence on the vagaries of nature has always rendered it a precarious calling. It has been carried on amidst debt from generation to generation. The proposition that the Indian farmer is born in debt, lives in debt and dies in debt, is no exaggeration. Periodical depressions have been a further menace to his progress. We had striven hard in the past to show that the average agriculturist had a net income, that he had, what we familiarly speak of, a "repaying capacity." It was but an ingenious manipulation but the inevitable result had manifested itself in the persistent growth of overdues. Our credit policy needs thorough revision. In the first place, we have made credit facile. It is good that we have now realised that co-operative credit is essentially a controlled credit. In the very act of borrowing the member should be made to put the loan to proper use and to repay from the results of his application of the loan. Having freed the agriculturist from the greedy money lender by supplying him with the necessary capital which he should apply to the best productive we use must free him from the avaricious middlemen by helping him to secure a fair price for his produce in a favourable market. It is by such perfection of the producers' organisation that we can really hope to augment his income, to increase his purchasing power and to provide him with what has been only a mere chimera, the repaying capacity. I for one would not feel contented until, in every class of industry, the producers are thus so thoroughly organised that not only are they placed in a position to be provided with the capital necessary for their occupation under the controlled credit system but they should also be made to feel that they are absolute masters of the produce of their labours and that they could get a price which they themselves would fix for it, consistent of course with the cost and labour expended by them over it. I can anticipate many misgivings about the success of this plan. But I am confident that, after some years of working and experience, a stage of perfection would be attained and there would be no more room for all misgivings then. It is to a perfected producers' organisation that, in course of time we would look for the

adequate supply of our necessaries in any contingency, for fair dealings in their supply and also for all essential statistics relating to production and distribution. I hope for the day in the near future when we shall have to thank for an organisation of this nature, when we shall be free from a system of unjust distribution which benefits neither the producer nor the consumer but enriches the middlemen, the common enemy of both. I am conscious I am not talking of an illusion. We have organised credit societies and sale societies in sufficient number. We have only to make the one effective agencies for agricultural finance and the other for agricultural marketing. The closer the co-ordination of the activities of these different agencies for finance and marketing be, the greater the perfection we shall attain in our organisation of agricultural production.

We have not done much by way of developing organisation for producers and marketing. The few loan and sale societies we have, have been doing more of loan business than of real marketing. We have started one or two district federations to subserve the interests of the ryots and we have the Provincial Marketing Society at the top. But there is lack of proper co-ordination of the efforts of all these organisations—the loan and sale society, the district marketing federation and the Provincial marketing society. I would like to see the loan and sale societies in each Taluk pool the entire produce of the Taluk for sale through the District Federation. The loan and sale societies cannot achieve this without the help of the financing Bank, the rural societies and the co-operative supervising unions. The Central Banks should popularise extensively the systems of controlled credit, cash credit, loans on the pledge of produce in rural societies and kist and forecast loans. It is by organised attempts like these that we can induce the ryots to bring their produce for sale through the loan and sale societies. No doubt, the loan and sale societies are now attempting to obtain for their members a reasonable price for their produce. But I feel that the price now obtained for them is not one which is paying to the agriculturists. It is because the price is fixed by the middlemen and the traders. In a predominantly agricultural country like ours, the producer must be able to determine the price he should have for his produce. In fixing the price, he has necessarily to take into account the interest on the capital sunk in the lands, the cost of manures, labour and improvement effected and a fair remuneration for his own enterprise and supervision as well. He has also to provide for lean years to which he is often subjected to on account of the caprices of nature. Taking all these considerations into account, a price for the produce has to be fixed by the District Marketing Federation which deals in that produce. In order to make marketing efficient, we have got to have a control over the produce in the entire area. The weak ryots have to be brought into the fold so that they may not be pressed by the middlemen and the traders to part with their produce at low prices. We have also to see that there are sufficient godowns or warehouses in several places in a taluk. Each firka must have one or more godowns. This is not possible unless Government come forward with liberal grants to co-operative sale societies for the construction of godowns. The loan and sale societies should be in touch with the agricultural and veterinary departments and procure for the members the seeds, manures and improved agricultural implements, cattle and disseminate knowledge of improved agriculture among the ryots. In short, the loan and sale societies should serve as a powerful unit in the organisation of producers. The District Marketing Federation should co-ordinate the activities of the loan and sale societies, collect their produce, grade them, and arrange to sell them in the best market. It will collect the necessary statistics about prices and markets and generally advise the loan and sale societies in all matters relating to the produce dealt with by each society. A perfect organisation of this type for producers of every kind of major crop will, I am sure, help to transform agriculture from the present 'deficit' economy into a 'surplus' one. As in the case of Agricultural producers, the weavers who form the next largest Industrial class should be organised on a larger scale than now and they should be able to fix a price for their products which will ensure for them a definite advancement in their standard of living. What we require is a net work of organisations of producers placed on a sound footing and worked with perfect co-ordination to ensure a decent living for the members. In this connection, one may well ask if this will not lead to a conflict of interests between the producers' and consumers' organisations. This conflict has always been described as only apparent and not real. The producers' organisations will only aim at getting a reasonable price to make their calling a paying proposition and not at getting the highest price at the expense of the consumers. The price cannot rise too high, for other economic forces will play their part and bring down the price to an equitable level. It will not also be difficult to settle prices at a joint committee of the producers' and consumers' organisations. It should not also be forgotten that producers in one class of industry are consumers in another and *vice versa*. On the whole, therefore, neither the producer nor the consumer class will be considerably affected by permitting the producers to fix the price of their produce or article.

A knowledge of the mistakes and miscalculations made by us in the past has helped us to know in which direction we shall proceed to rectify those errors. We have wisely discovered that unless we attempted to improve the condition of our agriculturist members by taking every aspect of their economic life into our consideration any real progress is not possible. So, we decided to follow a programme of reconstruction which included, besides the provision of mere finance, a good training in co-operative principles, joint purchase of agricultural, domestic and other requirements, joint sale of agricultural produce, practice of thrift, and other features. It is several years since we set our campaign of reconstruction

afoot. It is in the midst of this campaign which, either because the times were unfavourable or because there was lack of enthusiasm on our own part, we have not been able to carry through to a successful conclusion, that we are now confronted by the problems created by a world-wide war. It is no doubt a difficult task to face these problems and we need all our resources to their fullest extent. The reconstruction of our societies should be hastened and a new vitality should be infused into a large number of societies which are now dormant. The agencies entrusted with this work of reconstruction should be made very efficient and their work particularly at this period must be effective. In our province the system of supervision by unions exists in several places. The constitution and working of the unions have not, however, attracted much praise. In several cases they are labouring under real difficulties which must be removed, if possible, to make them work efficiently. Most of the Central Banks seem to be satisfied with the supervision carried out by themselves with an administrative section which they have formed with an executive officer at its head. Considering the importance of rectification work in our programme of reconstruction, it is to be desired that a Council of Supervision is established in all Central Banks with the sole charge of the work. What is wanted more than anything else is a genuine zeal for the work and an effort to carry it out with determination. The Central Banks have a duty to see in their own interests that supervision is adequate and effective. The number of societies allotted to each supervisor should be so reduced as he can manage easily. I firmly believe that an efficient and contented supervisory staff will help to see that the societies do not lapse into lethargy and bad ways but that they are playing their proper role in the more comprehensive scheme of rural reconstruction. I have read an interesting article written by the Deputy Registrar of Co-operative Societies, Delhi about the rehabilitation of the co-operative movement in two of the districts of the Punjab. An account of the conditions of the societies in those districts before the rehabilitation work was commenced is given in the article. They were worse than what we find in some of the bad societies in our province. I was really surprised at the incredible progress which the societies in the Punjab had made as a result of the scheme undertaken for their resuscitation. But the Deputy Registrar assures that there was nothing miraculous about it. Here are his own words: "Having taken a thorough stock of the existing conditions and our previous failures in the field an organised campaign for reconstructing the societies was launched. The task amounted to a veritable cleaning of the proverbial Augean's stable and the success of the campaign primarily depended on its being carried out with faith, renewed hope and ceaseless energy. As a first essential, therefore, the entire outlook of the staff had to be changed from one of despair and despondency to that of hope and confidence. The plans adopted were simple and easily workable. There was hardly anything novel in them. All that was required was their organised execution." The movement in our province has not certainly degenerated and our task being therefore easier, the attempt that we make would be rewarded with greater success provided that we make it with the hope and confidence and execute it with even half the faith and energy displayed in the Punjab.

I must congratulate the co-operators of this district for the comparatively better working of their societies. It is really a relief to see your progress after seeing the conditions in which societies are found in several of the other districts. I understand that you are trying a special scheme of reconstruction in the Udayarpalayam taluk where the societies do not appear to have been working soundly. It is found that the societies in this taluk account for a major portion of the overdues to the Central Bank. I hope as a result of the scheme contemplated by you, these societies could be revived and placed in a position of being able to do useful service to the people of this taluk. I wish the scheme all success.

Our compaign for the resuscitation of our agricultural credit societies must be carried on without interruption, for on the efficiency to which we raise the standard of their working ultimately depends their usefulness to the public, not only for the duration of this war but also during the post-war period. Our attention to the problems that have arisen out of the war situation cannot also be postponed on any account. Since the war broke out in the eastern theatre we have begun to feel its effects keenly. The supply of articles for which we were dependent on foreign markets was suddenly cut off. The influx of evacuees from enemy occupied territories, the deportation of prisoners of war and the arrival of a large contingent of fighting forces have all tended to increase consumption. Stray local production did not keep pace with the rate of consumption. Restrictions on transport increased the difficulties of distribution. As a result of these influences, many of the absolute necessaries of life were brought under the ration system and the tendency for prices to rise abnormally developed without end. The traders, good opportunists that they have always shown themselves to be, in the meanwhile seized the occasion freely for unscrupulous profiteering in evasion of the control measures adopted by official bodies or resorted to black marketing, a term applied to the practice of suppressing the supply of marketable commodities in expectation of a greater gain and for selling secretly for a higher price. The cry for the establishment of fair price-shops became universal. It was then that people turned to the co-operative movement and Government too recognised co-operative institutions as agencies which could be trusted to do honest and efficient service. To those who doubted whether co-operative societies were capable of doing such service, the Triplicane Urban Co-operative Stores furnished the best answer. Stores' societies in all places are now striving to ensure a proper distribution of the essential commodities and to stabilise prices. The Army and other departments of Government are now

customers of the Madras Weavers Provincial Co-operative Society. As the clouds of war are thickening, our attention is drawn to the necessity of conservation of the essential commodities as a provision for a dire stringency. The marketing societies and the stores societies are, I believe, already giving their due consideration to the matter and taking all possible steps in the right direction. Here is then an opportunity for us, co-operators, to vindicate the superiority of our movement over other movements devoted to the service of the people at a time when they most need it, to prove our faith in the co-operative movement and to create the confidence of the people in it and although there is much to be done by way of increasing production and improving our capacity for prompt and proper distribution, I hope we are going to succeed and succeed remarkably.

For some time past we hear much talking about several schemes of post-war reconstruction. I believe there were talks of such schemes during the last Great War too. The greatest disadvantage of all such schemes, in my opinion, is that they aim at making achievements on behalf of the people who have themselves no participation in them and who cannot, therefore naturally appreciate either the sacrifice made by others on their account or the benefits which are worked out for them by others. We may turn to the pages of history and read about untold crises and about many movements and schemes evolved for their mitigation which failed because they were not based on the rocky foundation of the self-help of the people. Turning in the same way to the history of co-operation, we find that, wherever the pre-requisites of selfless devotion to service and the determination to carry it out had been satisfied, Co-operation succeeded in persuading the people by the surer way of self-help to evolve an order of permanent importance and utility. We, Co-operators, do not therefore believe in special schemes for specific crises because we are convinced that self-help and mutual help have always proved and would so prove to be the best help at all times in all circumstances. We have merely to carry on the rehabilitation work which we have started and make our societies fit to play their part in the period that follows the present war.

Speech delivered by Mr. W. R. S. Satthianadhan, M.A., I.C.S., Registrar of Co-operative Societies on the occasion of the opening of the North Arcot District Central Co-operative Stores:

'It gives me immense pleasure to be with you today. As you are probably aware, I have been devoting a great deal of attention to the non-credit side of the co-operative movement with particular emphasis on the development of weavers' co-operative societies and the consumers' movement. The results in both cases have been astonishingly good. At the out-break of the present war, there were only 85 co-operative stores. They now number 625. Sales of all the stores during the half year ended 31-12-1942 amounted to nearly one crore of rupees and I have no doubt that the progress will be so maintained that during this year we will sell articles to the public for at least two crores of rupees, if not more. Special emphasis has been laid on the federation of primaries into wholesales and nearly every district has its own wholesale, and those which have not will get them in a month or two.

Please do not think that I am unaware of the numerous difficulties confronting us at this juncture. The fact is that we must not forget that we are involved in the most ferocious and exacting war of all time and that in spite of it, our physical and economical position is by no means as hard as most of the other countries involved. When we think of the hardships which England and Europe and China and Russia are undergoing, the loss of life and property and the great difficulty to give the people even one square meal a day, it is surprising indeed to find that, the people in this country should make so very much of the inevitable economic dislocation which must accompany a war of this magnitude. No doubt there are transport difficulties and rice, ragi and cholam are not enough to meet the requirements of our people and Government have been compelled to prohibit the export of rice from particular areas to all parts of the province. But you must be thankful indeed that our homes and our lives have not yet been jeopardised, that at least we can get some food though not the type to which we were accustomed in the past. It is impossible for anyone to sympathise with the constant complaint that the people in a particular district are accustomed to eat say Nellore rice and that they must have Nellore rice in consequence and are not prepared to eat any other type of rice. May I submit that this attitude should be changed as soon as possible and that the sooner people get accustomed to eat all kinds of wholesome food, although it may not be exactly suited to their tastes, the better for them. You know that Collectors have more or less full discretion in the matter of granting licences to wholesale and retail dealers. I am glad to inform you that very many Collectors have realised that the consumers' co-operative movement is a movement of the people by the people, and as the people themselves desire that they should be permitted to purchase articles from co-operative stores, it is as well that the sale of controlled articles should become the monopoly of such stores. The Chingleput District Wholesale Stores at Conjeevaram was started only three months ago and yet the Collector of Chingleput has been pleased to give the sole distributing agency for sugar throughout the district to it. In the same way, many other districts have been benefiting from such an arrangement because in a co-operative stores we have not got—and I hope, never will have—the pernicious and dangerously anti-social habit of profiteering by means which, to say the least, are selfish and depraved, such as we find daily in black markets. In our stores, accounts are well maintained and are always open for inspection; our sales are done openly, receipts are issued in every case and our rates are moderate. The

very fact that the public have become so enthusiastic over this movement that they are contributing share capital in lakhs and lakhs of rupees is evidence that the public want to have their own consumers' movement. This being the case, I cannot see how the authorities can refuse the legitimate request of stores for permission to sell articles controlled by Government, provided always that the enthusiasm is genuine, that the effort put forth by the people in this movement is honest and that the work which the people do towards the maintenance and furtherance of the consumers' movement is hard and sustained. All this is for the Collector to judge and if he finds that the consumers' movement in a district is doing well and that the people themselves want to buy their articles through the stores, he will naturally give all that you want, if not today at least tomorrow.

It is unnecessary for me to go into the numerous details of the relationship between the primaries and the wholesales, the rates at which you should sell to the public, the methods you should adopt in buying and selling, and so on. These problems are engaging the constant attention of the department and before long I hope we will possess a set of rules sufficiently comprehensive and flexible to meet all difficulties. But a few general points may be indicated. If you wish primaries to be loyal to you, it is up to you to buy good material at cheap prices and the only way in which you can do it is to buy in bulk when the price is at the lowest. This is generally the case during the harvest season. But I do not wish you to expect your primaries to buy all articles from you. In England also, primaries are permitted to buy their requirements from agencies outside the Central Co-operative Stores where circumstances necessitate such a course. But as regards essential commodities like rice and ragi etc., provided you make your bulk purchases judiciously and with business acumen, you will necessarily compel the primaries to buy from you. As regards rates for sale, you are expected according to the time-old practice to sell at the market rates. But what are the market rates of to-day? Very often they are black market rates, rates so absurdly high that if adopted as your criterion would denounce you as a pernicious profiteering machine as unworthy of existence as those unhappy people who have so put aside good conscience and civic responsibility so as to prey upon the poor to their own enormous profit. If, therefore, market rates are too high, you should sell below them. I want you to act as fair price shops and to check the inflation of prices. Further you will have to command sufficient capital and those joining the movement should be men of position and integrity with business ability, such as we have today in your directorate.

I have been devoting a good deal of attention to watching primary stores at work. It is a pleasure indeed to see the people flocking to these stores to buy their articles at the cheap and honest prices which prevail therein. But in almost every stores I have visited, I have found one fundamental defect and that is the premises are small and congested and the people who come to buy are greatly inconvenienced by having to crowd into a small entrance. Further, facilities for selling are poor indeed. I am afraid not enough really serious attention has been given to the art of salesmanship in India. In England and America, any person who goes to a particular institution to buy an article, no matter whether he is rich or poor, generally leaves that institution feeling that he has been treated throughout with courtesy and consideration and that he would like to visit that institution again because he is not insulted as is often the case in India by the casual and sometimes indifferent if not almost truculent attitude which our shopkeepers adopt towards their customers, almost as if to say "Here is an article we have for sale; take it or leave it; we are not in the least bit interested one way or the other." If each of your stores would make a study of the difficulties which the purchasers find or are likely to find on entering its premises and does its best with the material on hand to lighten the difficulties and so make visits by customers to the stores a pleasure rather than a painful experience, I am sure you will win the whole of the public of this province over to your side so that with such strong public opinion in your favour no one can refuse you the privileges which you claim. What we want is honest, imperial and courteous service at the counter. I should like finally to close with a quotation from Mr. Otto Rothfeld which strikes me as very pertinent:—' A consumers' society, as universal experience has shown, must depend on the loyalty of its members, must in other words base itself upon members who join and stick to the society not because they hope for immediate advantage, but because they have grasped the fact that the existing distributive system is wasteful and anti-social and injurious and intend to substitute for it by their effort and sacrifice a system which will ensure the customer getting what he wants, as he wants it, while security to the consumer the profits intercepted by capital between him and the producer.' If only these weighty words are taken to heart by those running the consumers' movement, I feel sure that we will prosper not only during the War but after it and will become a permanent and popular feature of this province.

He that is wise and well instructed standeth fast, not heeding which way the wind of instability blows, but so that the whole intention of his mind tendeth to the right and best end.

Thomas A Kempis.

News and Notes.

Celebration of Food Production Week.

The Food Production Week was celebrated at Ramachandrapuram in December 1942. The Director of Agriculture inaugurated the week. In doing so the Director explained the Food Production Campaign and the propaganda carried on by the Department. Many prominent co-operators and others spoke about the benefits of hand-pounded rice, how women can aid the Grow More Food campaign, kitchen gardening and cottage industries. In conducting the Campaign competitions in hand pounded rice, ploughing, magic lantern and cinema shows, dramatic performances, issue of appeals *re.* Grow More Food etc. were all enlisted in the programme. A drama was staged with the theme how the educated youth can go back to land, the villages can be made self sufficient and self dependent in respect of food and clothing. Another feature of the week was a day alloted for women to discuss how they can aid the Grow More Food campaign. To evoke interest among literates competitions of literary nature were also held in essay writing, verses and ballads in tunes on Grow More Food and paintings etc. To arouse similar interest among institutions, competitions were arranged among co-operative societies for their non-credit co-operative activity, Village Panchayat Boards for their efforts in soil sanitation and manure composts, Agricultural Associations for efforts to produce more food crops etc. Competitions were also arranged among labour classes for the items of hand-pounded rice and wooden grinder rice and among ryots for the best cattle pair and the largest vegetable area cultivated. An exhibition by the Agricultural Department on Grow More Food, Waste not Food etc., were also held. At the conclusion prizes were distributed to winners among several competitions. M. Ananthanarayanan Esq., I.C.S. Dt. Judge, before distributing the prizes, made a short speech where in he dwelt about the self-sufficiency of villages etc.

Sir H. M. Hood's visit to the Hood Co-operative Institute, Tanjore.

Sir H. M. Hood, Adviser to His Excellency the Governor of Madras, paid a visit to the Hood Co-operative Institute in December last. He was presented with a Guard of Honour by the Co-operative Rover Crew. Addressing the students Sir H. M. Hood observed that co-operation was good, straightforward and honest business. There are many aspects in co-operation, as credit, stores, milk supply and better-living societies. Unless the members are honest, good members will be made to pay for the dishonest ones and the movement will fail. Better-living societies are formed to rectify some of the bad social habits. He said that someone in England has criticised Madras Co-operation as being too materialistic. But moral development always follows material improvement. He also pointed out that banking and commerce should not be mixed up as is advocated by the enthusiasts of the multi-purpose societies. He felt sure and happy that the Institute is functioning successfully and that the Principal and the Lecturers are explaining their subjects well. With a vote of thanks by Dr. Syed Tajuddin, the President of the Institute, the function came to a close. An holiday was declared for the rest of the day in honour of Sir Hood's visit to the Hood Institute.

A True Christian and a True Co-operator.

In unveiling the portrait of Sri. Rao Bahadur J.C. Ryan, M.A., the Joint Registrar of Co-operative Societies, Madras, in the premises of the Rasipuram Co-operative Marketing Society on 2-12-1942, Sri. Rao Bahadur T.M. Chinnaiya Pillai, M.A., B.L., President of the Salem District Urban Bank, Ltd., paid a glowing tribute to the work of Mr. Ryan in the Salem district and said that Mr. Ryan is a True Christian following the principles of Christ and also a true co-operator. He pointed out especially the work done by him on the non-credit side of co-operation in that district. Mr. A. Hirudayasamy, B.A., Deputy Registrar of Co-operative Societies, Salem, delivered a speech on the scheme of "Controlled Credit" and spoke on the tremendous strides the co-operative movement had made in the Salem District. Sri. K. A. Nachiappa Gounder, M.L.A., who presided over the function also spoke about the splendid work done by Mr. Ryan.

Free Reading Room opened.

A free reading room in memory of the late Sri O. M. Venkatanatha Aiyengar, President of the Uttiramerur Co-operative Bank, was opened in Uttiramerur in the Bank's own premises by Sri N. Subramania Aiyar, B.A., L.T., Headmaster, Ramakrishna Mission Students' Home, Uttiramerur. About 600 poor people were fed by the Bank on the occasion.

Grow More Food Week.

The Grow More Food week was celebrated in Uttiramerur under the presidency of Sri T. V. Ratnam, Co-operative Sub-Registrar, Chingleput. Prominent co-operators of the locality spoke on the occasion stressing the importance of producing more food at the present crisis. After distribution of prizes such as manure, iron implements to winners in the ploughing competition held on the occasion, by Sri Shantosham, Deputy Tahsildar, the meeting terminated with a vote of thanks by Sri K. Srinivasalu Naidu, Secretary of the Uttiramerur Co-operative Union.

Ginning Factory Opened.

The Ginning Factory constructed at a cost of about Rs. 11,000 out of the own funds of the Koilpatty Co-operative Sale Society, Ltd., was opened by. Sri Diwan Bahadur V. N. Visvanathan Rao, M.A., B.L., Collector of Tinnevelly. The Collector spoke about the turn of events in the war and appreciated the war efforts of both the officials and non-officials of the district. He also impressed on the public how co-operative institutions are helping the ryots. Then the Deputy Registrar of Co-operative Societies Sri K. A. Padmanabhan, M.A., requested the audience to patronise the Society and to get the maximum benefit from it. The function ended with a tea party.

An Appeal.

In an appeal issued by the South Arcot District Co-operative Central Stores Ltd., Cuddalore, all co-operative stores and institutions and individuals are requested to help the Central Stores by taking as many shares as possible so that societies and individuals can help themselves and help the Central Stores. The Stores commenced its business in May 1942 and it has at present 305 members with a paid-up share capital of Rs. 16,161.

INTERNATIONAL CO-OPERATIVE DAY.

Rajahmundry.

Under the auspices of the Andhra Desa Co-operative Union, the Day was celebrated with Rao Bahadur Sri A. Ramarao, B.A., B.L., the President of the Local Bar Association in the chair. Rao Saheb K. Subramaniam Naidu, M.A.. Deputy Registrar of Co-operative Societies, Rajahmundry, hoisted the Co-operative Flag. Sri A. Sankara Rao, Dangeti Narayanaswamy and others spoke on the occasion and the resolution was adopted. The students of the Ramadas Co-operative Institute gave a dramatic performance on Co-operation.

Tiruvannamalai.

Under the auspices of the Co-operative Urban Bank, a public meeting was held when Sri T. A. Avudaiyappa Pillai, B.A., Revenue Divisional Officer presided. Lectures on Co-operation and War were delivered by Sri Krishnaswami Naidu and Rao Saheb M. S. Seshachalam Iyer.

Salem.

The Day was celebrated by the Salem District Urban Bank with great eclat. All the leading co-operative institutions in the city joined in the celebrations. The procession was headed by a beautiful cow fully ornamented with silver jewels and velvet dress and a plough carried by a ryot. The procession included the members of the Executive Committee and local members of the Board of the Bank. A public meeting was held at the Bank's rest house with Sri Dewan Bahadur K. Sundaram Chettiar, Retired Judge of the Madras High Court in the chair. Sri M. Ananthan, Deputy Director of Agriculture, Chittoor delivered a very interesting and highly instructive lecture regarding cattle breeding and increasing of food production. Rao Bahadur T. M. Chinnaiya Pillai, M.A., B.L., the President of the Bank proposed the vote of thanks.

Namakkal.

Under the auspices of the Namakkal Union, the Day was celebrated with Sri A. Uthandarama Pillai, B.A., Revenue Divisional Officer, Namakkal, in the chair. Messrs. V. Srinivasa Gopala Iyengar, G. N. Chakravarthi and P. S. Ameer Batcha addressed the gathering.

Rasipuram.

For the notes published in the November issue on page 262 under the heading 'Namakkal' please read as "Rasipuram".

The Day was celebrated at the following places:—Harur, Tholasampatti, Karaikattu-Velayuthur, Dharmapuri, Trichengode etc.

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