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Regd. No. M. 1284.

THE

Madras Journal of Co-operation

EACH FOR ALL, AND ALL FOR EACH

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

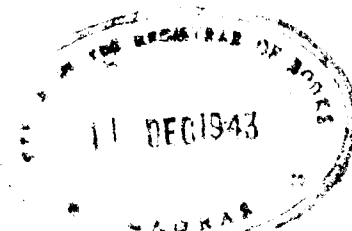
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Editorial Notes.



International Co-operative Day :

As usual the Day has been celebrated all over the presidency when the faith in the high purpose of the Movement has been reiterated and its international character, transcending all barriers of race, creed or colour, has been emphasised. Occasion has also been availed of to emphasise the advantages and potentialities of the co-operative economic system and the need to reorder our social and economic system on a basis of co-operation and co-ordination rather than on competition. The all-comprehensive resolution recommended by the *International Co-operative Alliance* adopted at all gatherings is indicative of that oneness of feeling, thought, and action which, if nourished, augurs well for the future of the world. When the idea of "Each for all, and all for each" finds practical application in all aspects of life, when greed and self-interest cease to govern human relations and

THIS ISSUE CONTAINS

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Reviews.
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News and Notes.
International Co-operative Day.

when common good and common interest mainly influence human conduct, then only wars which bring in their train untold human suffering and misery can be banished from this world. Mere lip homage to ideals such as those adumbrated in the Atlantic Charter, without any idea of giving practical effect to them, can never bring peace and goodwill on earth for which the miserable inhabitants of this planet are craving.

It is a happy idea that in some places the Day has been utilised to take stock of achievements and failures of the Movement and consider ways and means of improving the situation. We have received such accounts from far-off places like Sind, Surat and nearer home Nagpur. We are pleased in this province also such a course has been adopted as from the accounts received we find co-operators have in their deliberations laid great emphasis on questions of joint purchase and sale, joint production and distribution and similar problems. They are certainly problems of the hour and their importance will become much more pronounced in the days to come. In this connection we would venture to draw the special attention of our readers to the speech of Sri Rao Saheb K. Subrahmanyam at the Madras meeting in which he has dealt with the various aspects of the Movement. As owing to war publication of Administration Reports has almost ceased, the facts and figures coming from such an authoritative source will be read with more than ordinary interest.

Co-operative Stores :

The phenomenal growth of the consumers' movement is not a passing phase. Though the economic problems created by the war are the immediate cause of this new development, there is no gain-saying the fact, the consumers' movement has come to stay. How best to strengthen its foundations and make the superstructure substantial so that it might withstand the after-effects of war must from now engage the attention of all co-operators. It is gratifying to note the Department's efforts in this direction are unsparing and the number of circulars issued by the Registrar are meant to serve this purpose. Some of them may appear to be somewhat irksome and even savour undue interference; but if it is realised that all the suggestions are meant to guard from now against possible dangers to which the Movement may be exposed, they should be welcomed. Restraint, moderation, foresight, healthy checks against overwhelming exuberance are essential ingredients of a long-range policy. We would implore co-operators to read these circulars carefully and catch the spirit underlying each suggestion and conform to it. In

most cases, it is needless to point out, they seek to remind us of the insistence on common good and common interest in our dealings as against individual benefit and self-interest. It is good to be so reminded lest we may lose sight of them.

Supervision of Stores :

In his speech Sri Rao Saheb K. Subrahmanyam referred to many problems arising out of the organisation of a large number of co-operative stores. But there is one to which it is necessary to draw pointed attention. We would state it in his own words :

The problem of financing a large number of primary stores without prejudice to the interests of the financing banks is one which deserves closest attention. The temptations in stores societies are far too many and the scope for malpractices is far too much. No amount of vigilance on the part of the directors will be an adequate price for the good management of the stores and the prevention of frauds and malpractices. One must acknowledge with gratitude the liberal manner in which many of the Central Banks have of late been financing the stores; but the measures for ensuring the safety of bank funds are not quite adequate. Thanks to the Government, it has been possible to secure some staff for supervision. But this is not adequate. The supervision of stores should be both intensive and continuous and should involve surprise verification of stocks. The need, therefore, to supplement the supervision now exercised by the very limited Government staff by employment of Supervisors or Inspectors by Central Banks is so insistent that the Banks cannot afford to ignore it any longer. Some banks have already moved in the matter and appointed additional staff for such supervision. Other banks should also tackle the problem of supervision without further loss of time.

We heartily endorse this point of view. The Directors of Central Banks cannot be expected to exercise that amount of intensive supervision which is necessary. For that special staff is absolutely essential. The staff for supervision already provided by Government is not adequate and the Central Banks are required to appoint additional staff for supervision. But we venture to submit that the responsibility for adequate supervision rests on the Department as well, as on their recommendation necessary accommodation is provided by the Provincial Bank and the Central Banks. In the case of Central Banks the margin between the borrowing and the lending rates is too small to secure necessary funds to engage the required staff. Either the Government themselves should provide the necessary staff at their cost or at least give a subsidy to the Central Banks for that purpose.

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In view of the fact the stores are rendering an essential service in the solution of the food problem and as the Central Banks are assisting them in their task, it is the duty of Government to safeguard the interests of the investing public. While we plead for this assistance in respect of all Central Banks, we must put in a special plea in regard to Central Banks which even in ordinary times do not fare well. The Registrar of Co-operative Societies will bear testimony to their poor condition. We hope the Government will come to their assistance and thereby ensure adequate supervision.

Future of Stores:

The report of the Panchayat of the Triplicane Branch of the T. U. C. S., is worth reading as it contains valuable suggestions calculated to provide against future losses owing to exceptional circumstances. Their suggestions are:

- (1) creating a special reserve after meeting statutory obligations;
- (2) increasing membership and share capital;
- (3) appointment of suitable paid staff and introduction of business like methods.

We are glad to learn the Registrar heartily commends these suggestions and hopes they will be given effect to by the T.U.C.S. We too add our voice of support. Business-like methods cannot be dissociated from any institution and much less from a trading concern. Dilatoriness and leisurely methods will only lead to loss of business and mere homage to co-operative ideals cannot stand co-operators in good stead. Niggardliness shown in regard to appointment of well-paid staff will recoil badly very soon on any institution. Lessons learnt in the hard school of experience should be taken to heart and we should adjust methods of work to suit the business in which we are engaged.

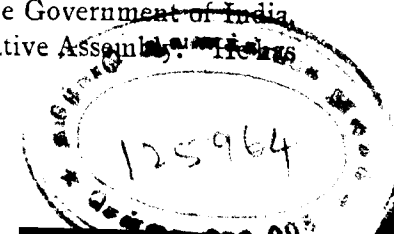
Non-Official Employees:

It is conceded that 'the time has come to take stock of progress so far made and consolidate our gains before we expand further'. One regrettable feature is the absence of trained men of ability, transparent honesty and integrity, possessing business experience and actuated by the ideal of social service, to take charge of the growing number of stores and other varieties of co-operative organisations. We shall not be accused of indulging in vain criticism if

we venture to state that the possibility of dearth of such trained personnel ought to have been anticipated and necessary provision made to meet such a contingency. It is high time the idea that such men are available only in the official ranks and also only among those recruited under official auspices is abandoned. Restriction of choice to a particular brand of workers is not conducive to the creation of wider outlook so very essential for the success of the Movement. There is a large army of qualified Supervisors many of whom have grown grey in the service of the Movement. It is well to recognise that mere official supervision alone is not responsible for the present state of the Movement; non-official employees, equally inspired by the ideals of the Movement, have laboured hard and have contributed equally, if not more, for the development of the Movement. Why should not their knowledge and experience be utilised for the increasingly active consumers' movement and other types? Why should only those recruited from official ranks be considered fit to undertake work of any kind? It will surprise our readers to know that the Department is prepared even to dispense with course of instruction and practical training and for that purpose amend rules governing Co-operative Subordinate Service and entrust the raw recruits with any responsible work rather than utilise the services of qualified and experienced Supervisors who have even undergone training similar to that provided in the Central Institute and have besides gained practical knowledge and experience. Can official obstinacy go further? We earnestly plead that non-official employees who possess ability, transparent honesty and integrity and have shown their undoubted capacity to start and run institutions successfully should be enabled to play their part in the organisation and consolidation of various types of societies especially the stores and for that purpose even alter the special rules governing the Co-operative Subordinate Service. Can it be said that at least a few among the army of non-official employees are not competent to occupy even positions to which the Probationary Junior Inspectors without training are considered fit to hold? It would be an undeserved slur on the Co-operative Institutes engaged in training co-operative workers.

Rationing and Price Control:

Exigencies of space prevent us from reproducing in full the speech of Mr. Kirby, Rationing Adviser to the Government of India, delivered during the recent date in the Legislative Assembly.



THE MADRAS JOURNAL OF CO-OPERATION

shown rationing means 'salvation', not 'starvation'. The following points on rationing enumerated by him may be read with interest :

Rationing Provides

- a. A yardstick for measuring consumption.
- b. Reduces consumption—When necessary.
- c. Ensures equitable distribution.
- d. Prevents a "run" on a commodity in short supply.
- e. Prevents hoarding.
- f. Prevents profiteering,—prevents queuing.
- g. Releases surplus quantities for deficit areas.
- h. Enables an authority to build up reserves on a mathematically correct basis.
- i. Controls prices.
- j. Raises efficiency of administration.
- k. Restores confidence in the peoples.

Cattle Wealth :

We are gratified to learn that by the addition of an explanation the notification prohibiting transport of cattle, goats or sheep from Madras Province except under permit is to be made applicable to any buffalo or ox, irrespective of its age or sex. We know this order is much more satisfactory than the ban imposed by the Government of India on slaughter of cows in milk or pregnant cows and bullocks under ten years of age. But we plead once more that mere prohibition of transport from the Province is not enough. Regulation of slaughter within the Province itself is equally important. As far as this Province is concerned, we would suggest for the consideration of Government that a notification is necessary prohibiting slaughter, whether for civilian consumption or army, of any cattle, including within it buffalo or ox, irrespective of sex or age, fit for work in addition to the class of cattle banned for slaughter by the Government of India. This extension of prohibition is necessary in the interests of agricultural industry.

Prohibition :

It has proved a four years' wonder and the four districts which enjoyed immunity from drink is to have a surfeit of it. Apart from the moral or ethical grounds, we deeply regret the decision on economic considerations. We have reason to believe that the

economic condition of the poor had shown a decided change for the better as reflected in the conditions of living. Various measures to promote thrift were yielding slow but steady results. Drunken brawls which were the common sights in villages had given place to healthy revelry and peace, happiness and contentment reigned in the poor man's home. The whole order will now be reversed. There will be pandemonium though of a different type. May the gods help the unfortunate victims of this unwanted infliction !

In this connection we venture to quote the unbiassed testimony of Mr. A. F. W. Dixon, I.C.S., who was Collector of Salem for nearly two years after the introduction of Prohibition :

Drink brought misery into the homes of many thousands of the poorer classes in this district, misery in the shape of domestic unhappiness, insufficiency of food. If the Act continues to be enforced not less effectively than it is now I anticipate a great and permanent improvement in the material well being of the peasants and labourers of this district (Salem).

Women's Co-operatives :

In our September issue of the *Journal*, we pleaded for the appointment of a lady organiser in the cadre of Sub-Deputy Registrars to organise women's co-operatives. We are gratified to learn that the movement for taking necessary steps for the purpose of organising women's co-operatives in the City for knitting, embroidery, tailoring, pickle-making etc., is taking shape under the able guidance of Mrs. K. Satthianadhan whose undoubted talents and organising ability assure their efficient organisation and successful working. But her efforts can bear early fruit only if the appointment of a lady organiser to work under Mrs. Satthianadhan's direction and guidance is immediately made. We believe this is one of the new development schemes which can be immediately begun without waiting for the war to be over. We have no doubt necessary financial and moral support will be forthcoming to make this venture a success.

THE FARMER

HIS WELFARE & WEALTH

BY

DR. M. G. BHAGAT, M.A., Ph.D.

WITH A FOREWORD BY

DEWAN BAHADUR SIR T. VIJAYARAGHAVACHARYA, K.B.E.

Price Rs. 10 nett.

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—Commerce, 29th May, '43.

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GROW FLOWERS FOR PLEASURE AND RELAXATION

Co-operative Banks and Agricultural Labour.

BY N. SATYANARAYANA.

President, Alamuru Co-operative Rural Bank, Ltd.

War has created new situations and new problems in the country. The cost of living has increased enormously. There is a scarcity of even the essential foodstuffs. The Government is driven to the necessity of introducing rationing in a number of towns. The list of controlled articles is increasing day by day. Transport of food grains and other essentials of life, not only from province to province and district to district but even from village to village is controlled by the authorities. Though there is no war actually on the soil, the effects of war have brought a thorough change in all walks of life. People have become victims to famine and pestilence and they have to face these difficulties and rise to the occasion, if they are to save themselves from disaster and annihilation. Individual profiteering and selfish gains have grown rampant in the mutual help and social service. Poor people are left in the lurch. Rich people are able to manipulate to get their requirements somehow or other in the black markets. Starvation and death are catching hold of thousands of artisans and labourers owing to penury and lack of foodstuffs. Though war has given employment to a good number of skilled workers in industry, millions of agricultural labourers and middle class people in villages have become destitute and are quite helpless to face the new situation. Bengal is an example. Orissa and Andhra have their own tales to tell. Kerala is now in the grip of cholera. We hear harrowing tales of starvation and death owing to the exodus of thousands of unemployed labourers from villages to towns in search of employment and food. It is the duty of the public and the Government to grapple with the serious situation and organise relief through well recognised institutions with the motto of service and sacrifice and without any profit motive.

Co-operators have a message to deliver and a mission to fulfil at this juncture. Co-operative institutions have come into existence with the noble ideal of "Each for all and all for each". This is a real test and an opportunity has come now for the co-operators to shoulder this responsibility. There is a large mushroom growth of Co-operative Institutions which are existing only in name. These must be weeded out. Strong and efficient co-operative institutions have to be developed in rural areas to supply all the needs of life, especially food and clothing. Hitherto co-operative institutions

were being mainly developed for supplying credit, but of late encouragement is given for non-credit activities also. But without proper patronage and help from Government they cannot thrive. There must be a thorough change in the policy of the Government and relief to the needy public must be organised through well recognised public institutions like co-operative societies, instead of by patronising the profiteering middle men.

There is now a disintegration in village life. The gulf is widening day by day between rich and poor. The poor have nothing to fall back upon as their savings are *nil*. During the days of employment only, they can earn wages and purchase their daily needs and lead only a hand to mouth living. Agricultural labourers cannot find employment throughout the year as agricultural operations are only seasonal. Hence their life is precarious.

Eighty per cent. of the population in India live only on agriculture and it is admitted by one and all that agricultural industry is a deficit economy in India. Factory labourers are well organised in towns and the capitalist owners have a responsibility to maintain them, as their services are essential for their own prosperity. The same is not the case with the agricultural labourers. They are not well organised. They are bond slaves to the agriculturists and they have to depend for their living entirely upon their masters when unemployed. Though slavery was abolished, it is still existing in several unrecognised forms. The farm labourers have to depend upon their masters for their daily living and are bound to him from generation to generation to redeem the debts, which they contracted for feasts and festivals, for marriages and death ceremonies. There is no redemption from their debts. It is a fact that they are born in debt, live in debt, die in debt and bequeath debt. This is a vicious circle. When the masters throw them out of their employment, they have to starve and die. This is what is actually happening in the country side. Indeed, there is now a plethora of funds in the country but no food to feed the hungry mouths.

Debt relief Acts, Debt Conciliation Acts, Usurious Loans Acts and other relief acts of the legislature have all in a way helped the agriculturists and other middle class people for the redemption of past debts. The present boom in prices enabled them to save something and stand erect from the clutches of the sowcar and the capitalist. In spite of the recommendations of the Labour Commission no debt relief acts were passed by any legislature in India for the redemption of the past debts of agricultural labourers and they are now

driven to a miserable plight owing to the unprecedented rise in the cost of living and the dearth of foodstuffs in the country side. The efforts made by social service leagues and other humanitarian missions for the amelioration of these down-trodden people serve only as temporary expedients but cannot solve the problem permanently. No person or community can live on charity alone. Any amount of charity given to an individual or a society without a planning is a waste and even harmful and prejudicial to the proper development and growth of the individual or the community as a whole. Agricultural labour in the country side is wasted and needs organisation with planning. The existence and prosperity of these labourers should not depend on the whims of the employer or on the caprices of the capitalist or on the vicissitudes of the weather. The honest earnings of the labourer must go only to raise the standard of his living but they must not be exploited to fill the coffers of the rich. If labour is well organised and protected there can be peace, contentment and happiness in the country side. Else, there will be discontent, disaffection and disorder. The sure way of liberating these agricultural labourers is by the co-operative method. Vested interests must be removed ruthlessly. The tiller of the soil must be made to enjoy the fruits of his labour. If collective farming and joint cultivation are promoted and provided through co-operative agency, credit will flow in of its own accord and capital and labour can be linked up and worked with wonderful success. Bold experiments have to be tried and new ventures have to be made by the public as well as by the Government to achieve this object.

An experiment in this direction is being tried in an organised manner at Alamuru and surrounding villages on co-operative basis to ameliorate the condition of agricultural labourers taking one thousand agricultural families as a unit. A thorough economic survey of these families was made to find the real needs and wants of the people and their several problems.

Procurement of food and clothing are really the two problems which the agriculturists have to face every day. If the labourers have work in the fields, they earn their daily bread and live. If there is no work they have no food. What little they earn daily, they spend to feed the hungry mouths at home and have little to save. Agricultural occupation gives employment to labourers only during the agricultural season. There will be tight work for the agricultural labourers for six months in the year; for three months there will be occasional work and for the other three months there will be

no work on the average during the year. It is during these three months that the labourer borrows heavily at usurious rates of interest and becomes a bond slave to his master for life. If provision is made for these three months during the year they need not fall into the hands of the sowcars and barter their lives. Well organised co-operative societies can do this social work and free the labourers from the clutches of the capitalist and liberate them from indentured labour.

The Rural Bank at Alamuru has boldly ventured to admit one thousand agricultural labourers as members of the bank and to supply cloth and rice in accordance with their repaying capacity. Each family is given a bag of rice on credit and the cost is realised daily from their savings. The bank appointed three collection agents to visit the families daily and collect what little they can save by the sale of thrift labels of several denominations from one anna to one rupee.

The labourer purchases cloth from the sowcars twice a year chiefly on two occasions, namely Dasara and Pongal. They supply cloth on credit and collect at the end of the year double the price *i.e.*, 100 per cent., more. What little they save, when they have employment, will be paid away for interest charges for the debts they incur to purchase cloth and foodstuffs during the slack season. It is with a view to put a stop to this sort of exploitation that the Rural Bank has undertaken not only to supply rice but also cloth to these agricultural families who are admitted as members of the bank. Figures are furnished below, showing the progress of sale of rice and cloth to the members for the last three years, by opening cheap grain and cloth depots for the benefit of the members. The figures of their savings invested in thrift labels are also furnished below.

Rice bags sold.				Cloth sold.				Thrift Certificates sold.			
Year.	Bags	Rs.	A. P.	Year.	Rs.	A. P.		Year.	Rs.	A. P.	
1940-41	339	4,011	0 0	1938-39	1,136	1 0		1940-41	3,192	2 0	
1941-42	427	5,551	9 3	1939-40	913	15 3		1941-42	5,284	4 0	
1942-43	778	13,437	0 0	1940-41	575	1 3		1942-43	8,500	0 0	
1943-44	420	10,086	4 0	1941-42	1,083	7 6		1943-44	3,149	10 2	
up to				1942-43	13,062	8 0		up to			
29-9-43				1943-44	527	4 0		29-9-43			
				up to							
				29-9-43							
Total	...	33,085	13 3		17,298	5 0			20,126	0 2	

The labourers are able to pay off their debts which they contracted in the bank for the purchase of rice and cloth without any arrears

by the end of the year. Their payments are regular during the transplantation and harvesting seasons. They are now free from the clutches of the sowcars. Their savings are regularly deposited in the bank. On account of intensive propaganda carried out in villages by magic lantern lectures and other adult educational schemes, the labourers have given up drink and the campaign of thrift has enabled them to save something.

The bank has also undertaken another experiment during the last three years by introducing joint cultivation and collective farming by taking on lease of lanka lands from Government for the benefit of the Harijan members of the bank. Sixty harijan members of the bank in Tatapudi village are given 80 acres of lanka land for joint cultivation and collective farming for a rental of Rs. 1,500. The lands are sub-divided into six plots and in each plot 10 families are employed to raise food crops. Seed, implements, cattle and other requirements of agricultural operations are collectively purchased and distributed to the members for raising the crops. After the crops are harvested the produce is collectively sold and after defraying the charges the proceeds are distributed equally among the members. In another village by name Jonnada, a batch of 60 families were encouraged to take up collective farming and joint cultivation in a similar manner. The members paid regularly the rental fixed by the Government for the lease of lanka lands and the funds advanced by the bank. They could save from the sale proceeds of the crops they raised in the lanka lands annually also food-grains enough to maintain them for three months. Accounts for the cost of agriculture and the income they earned by the sale proceeds of the several crops they raised, are properly maintained and kept for information. One bank employee was specially deputed to help them in their agricultural operations. Annually the cattle required for cultivation are purchased in the season and sold away in the market after the season is over. This collective farming has raised the status of the labourers considerably. They are now independent agriculturists without depending upon the landlords and the capitalist. This lanka cultivation is giving them employment when they have no work in the delta. It is by opening cheap grain and cloth depots and by organisation of joint cultivation and collective farming of by adopting co-operative methods these agricultural labourers be saved from the clutches of the sathukons. If efforts are made on a wider scale to yoke labour with capital, there is scope for saving many a destitute home. If co-operation fails, therein will fail the best hope of rural India.

Economic Development of Rayalaseema.

[In view of the importance of the economic development of Rayalaseema which was till recently again in the grip of famine, we need make no apology to reproduce in full the opening address of Mr. S. V. Ramamurthi, C. I. E., I. C. S., Adviser to His Excellency the Governor, on the occasion of the Rayalaseema Economic Conference recently held at Bellary. Incidentally the address is an admirable summary of the work of the Ceded Districts Economic Development Board—Editor.]

Let me thank the organisers of the Rayalaseema Economic Conference for the honour they have done me in asking me to open it. I readily consented to do so because it would give me an opportunity of telling the people of Rayalaseema what steps the Government have taken and what they propose to take for the economic development of the Ceded Districts.

In 1938 the Famine Code Revision Committee was entrusted with the duty of framing proposals for the economic reconstruction of the specially suffering districts of Rayalaseema. That Committee presented a clear and comprehensive report on the economic needs of the Ceded Districts. As proposed by the Committee, the Ceded Districts Economic Development Board presided over by a member of the Board of Revenue and consisting of other heads of Departments as well as non-official members from the Ceded Districts was appointed in April 1941. In the last 2 years this Board has dealt with almost the whole field of recommendations made by the Famine Code Revision Committee. Let me tell you of the work done under Irrigation, Agriculture and Industry.

When we speak of irrigation in relation to the Ceded Districts, the one scheme that always comes to our minds is the Tungabhadra Scheme. It is true that the Tungabhadra river has flowed by the Ceded Districts for thousands of years with hardly any of it being used for irrigation. The development of irrigation of the major rivers of India is largely the product of British administration. Among the rivers of Southern India, the Cauvery is the only river that was wedded to Chola Nad by the Chola Kings long ago and has been fruitful for a thousand years. Godavary and Kistna were young maidens wedded to the Northern Circars but 7 decades ago and even now, only 5 per cent of their life put to fruitful use and the remaining 90 per cent bursts into the sea with its fertility unused. It is not surprising that Tungabhadra, a smaller river to which there are many more claimants should find difficulty in the consummation of its marriage like Droupadi of old. The hand of Tungabhadra is claimed by Madras, Hyderabad, Mysore as well as Bombay and Sangli like modern Nakula and Sahadeva. This I would say to Rayalaseema, "Hold your heart in patience. Your desire for Tungabhadra is bound to be met. Scientists, engineers, lawyers, doctors and administrators are all busy arranging for the time when the Tungabhadra shall be

wed to Rayalaseema and a new fruitful area of agriculture and industry created in the Deccan."

The Government have got plans and estimates ready for the Tungabhadra scheme. They have started the proceedings for acquiring the bed of the reservoir. Agricultural experiments have shown that it will be economically beneficial to the ryot to take water. Scientific experiments have shown that the use of the Tungabhadra water on the black cotton soil of the Ceded Districts will not render it alkaline but in order to make assurance doubly sure, we are referring the view of our scientific experts for verification by the Chemists of the Government of India. I myself have no doubt that the Government of India chemists will confirm the views of our chemists. Arrangements will be made for the change of the dry land economy of the area proposed to be irrigated into a wet land economy, so that owners of dry land shall be given not the right to water but the right to the use of water. Those who are able to irrigate their land themselves or under their personal supervision will be permitted to keep as much land as they can but the rest will be arranged to be given at dry land rates to others who can put their labour into the land and grow irrigated crops. The defect of the Cuddapah-Kurnool canal system whereby cultivators were given the right but not the obligation to take water will not be repeated under the Tungabhadra Scheme. Officers of the Health Department are investigating measures to prevent the loss of health in the area along with the growth of wealth. There is but one matter to be decided before the Tungabhadra scheme is sanctioned by this Government that is, as regards division of waters to which Madras and Hyderabad may immediately agree, pending the long range settlement of the division of all the waters of the Tungabhadra among all the claimants. We have come to a provisional settlement with Hyderabad but one little matter has remained unsettled. The question is whether while each of us will share half the cost of the reservoir we put up, the water which we are already getting without a reservoir should not be excluded from the division. I venture to hope that by the good offices of the Government of India a reasonable settlement will be arrived at between Madras and Hyderabad in the very near future and I personally feel confident that the Madras Government will be able to sanction the Tungabhadra scheme as soon as the termination of the War makes such action possible. I trust that no feeling will be entertained by Rayalaseema in future that the Madras Government are any the less anxious than Rayalaseema to bring this very desirable scheme to its consummation.

Besides this major work of the Tungabhadra a large number of smaller irrigation works spread all over the Ceded Districts are being steadily sanctioned and executed. In connection with the 'Grow More Food' campaign, 11 schemes costing over 9 lakhs of rupees and bringing 4,000 acres under irrigation have been sanctioned and are under execution.

A sub-division is investigating and executing tank restoration schemes since March 1941. The sanction of a separate sub-division for the investigation of other irrigation projects is under consideration. Among the larger schemes under preliminary investigation, I may mention Gandikota reservoir project in the Jammalamadugu taluk in Cuddapah which is estimated to cost over 3 crores and bring under irrigation a lakh of acres of dry crops and a lakh and a half acres with wet crops. Some 25 other irrigation schemes are also under similar investigation. I may mention in particular the Pennar-Kumudavathi project which is dear to the heart of Anantapur. Its sanction has had to be postponed only till the end of the War.

Many of the projects in the Ceded Districts were dropped in the past mainly for the reason that they did not yield the minimum percentage of return prescribed by the Government. The Ceded Districts Economic Development Board recommended to the Government that irrigation works in famine areas should be considered individually on their own merits irrespective of the return in the shape of interest on outlay that they might bring and that the works should be financed from general revenues as a means of improving the prosperity of the Districts. This recommendation was accepted by the Government in December 1942 and has since been acted on.

Coming next to Agriculture, the main help of the Agricultural Department has been partly through the evolution of improved strains in the crops grown in the Ceded Districts and partly through improvements in the dry farming practices. The use of improved seed of cotton and millets gives a premium over that of local seed. A scheme is in force for spreading pure seed of HI cotton over an area of 2 lakhs of acres in 4 years. A similar scheme for covering an area of 2 lakhs of acres under Jonna is under preparation. Dry farming with the help of small bunds is being demonstrated on an area of 500 acres near Hagari Agricultural Farm and a demonstration on an area of 30 acres where all the improvements evolved at Hagari will be shown is being arranged. About 7,500 acres of land has been bunded to prevent soil erosion.

The introduction of rubber production from the plant *egptostegia grandiflora* which is already found in Kurnool is likely to prove of great economic benefit to the cultivator. The Agricultural Department has got improved crops ready for use under irrigation. Irrigated cotton and millets yield about 3 times the unirrigated crops. C02 Combodia cotton has been found to do excellently in the Ceded Districts.

In Coimbatore a further improvement of C02 cotton has been evolved which goes by the name of C03 and C04 with a lint length as good as Egyptian and Uganda cotton. It is proposed to start work on evolving suitable variants of C03 and C04 which will be adapted to the conditions of the Ceded Districts. The Ceded Districts is a noted cotton area, but it

could not do its best for lack of irrigation. The Tungabhadra Project will meet this need. The most natural improvement of agriculture in the Ceded Districts is to let the Ceded Districts produce better cotton still than they do. With the evolution of long staple strains suitable for the Ceded Districts, I look forward to this area being the premier area in all India for the production of such cotton. Successful research in the direction of finding long staple strains for the Ceded Districts will add several lakhs of rupees every year to the income of the cotton cultivator in this area. There is every prospect that this will be done.

Coming next to Industries, the recommendations of the Ceded Districts Economic Development Board have dealt with a wide range of cottage industries. The Industries Department has taken up this matter with energy. Demonstrations for the improvement of tanning and leather manufacture have been arranged at Lepakshi in Anantapur and will also be started at Alur in Bellary. A Special Officer has been posted to Cuddapah where a ceramic centre has been started for the training of village potters and improved methods of pottery manufacture. For some years the Government have made a grant for the encouragement of hand spinning and Khadi and it is still being continued in the districts of Bellary and Kurnool. The starting of Spinning Co-operative Societies is also under investigation. Government have appointed a special demonstrator to deal with the manufacture of jaggery from palm juice and demonstrate improved methods of manufacture of such jaggery. The appointment of additional demonstrators to work in other areas in the Ceded Districts is also under consideration. A demonstrator for hand-made paper manufacture was appointed at Cuddapah and Pullampet and Government have recently ordered the setting up of plants for the manufacture of paper on a commercial scale in Cuddapah and Kurnool districts. It is expected that half a ton of paper can be made every day at these centres. Demonstrations for the manufacture of camouflage nets have been held at Sidhapuram and members of the Criminal Tribes settlement are engaged in the production of such nets. Steps have been taken for the improvement of cumbly industry. Special demonstrators to conduct demonstrations in the Ceded Districts for preparing malt from Cholan and Ragi was to have begun when famine conditions started and they will be taken up as soon as the economic conditions return to normal. Increased use of sisal fibre is under demonstration. I may also mention here that the Government have sanctioned four assistants to work under the direction of the Central Government Geologist for a period of 5 years to help with the survey of minerals. The needs of the Ceded Districts will be met.

Apart from these cottage industries, there are possibilities for starting large scale industries in the Ceded Districts—textile mills, sugar factories, and factories for vegetable ghee production as well as the manufacture of

paints. The limiting factor in this matter for the last 2 years has been the absence of machinery. The Economic Development Board proposes to take up this question in connection with post-war reconstruction. I may say now that any responsible efforts by the people of the Ceded Districts to start such factories will receive the wholehearted assistance of the Government both in regard to finance and technical assistance.

You will see thus, gentlemen, that the whole economic development in the Ceded Districts has been under survey and steady progress has been made, which considering that the Economic Development Board has been functioning for only 2 years is not unsatisfactory either in quantity or in quality. The whole tempo of development is now changing. Agriculture and industrial gaps in organisation that the conditions of war have disclosed will be steadily tried to be filled in the years after the war and the people of Rayalaseema may be confident that in planning out economic development in this Presidency the Government of Madras will always give weightage to the needs of the un-developed Ceded Districts.

I ask, while taking advantage of the assistance which the Government are anxious and ready to give, that the people of Rayalaseema should also put their whole weight into the task and mobilise attention and energy all over the area for the development of agriculture, cottage industry and also large scale industry.

I have great pleasure now in declaring this Conference open.

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Co-operation in Madras.

[We have great pleasure in publishing fully the speech of Sri Rao Saheb K. Subrahmanyam, M.A., Additional Joint Registrar of Co-operative Societies, delivered on the occasion of the International Co-operative Day and request our readers to study it carefully as it, besides dealing with the various aspects of the Movement in general, gives an admirable survey of the Movement in the Presidency.]

I am highly thankful to Mr. Viyyanna Pantulu, the Joint Secretary of the Madras Provincial Co-operative Union, for having asked me to speak on the occasion of the celebration of the 21st International Co-operative Day and for having given me an opportunity to participate in to-day's function.

When I accepted the invitation, I felt, I could speak a few general platitudes regarding the co-operative ideals and practices along with other speakers. But when I subsequently found that having asked me to speak, he also requested the present occupant of the chair to preside over to-day's function, I thought he put me in an embarrassing position. It became necessary that apart from general platitudes, I should say something about the war-time co-operative economy in our Province and give you an outline of that picture. I, therefore, hurriedly asked my office to furnish me with some figures which I have attempted to piece together into a narrative account. I have not had time to give shape to a few stray thoughts which I have reduced to writing and if it appears rather long, you will have to thank Mr. Viyyanna Pantulu for it, instead of cursing me.

The world war, the victorious end of which we are all longing to see, and which is in sight, has shattered the political, economic and social life of European countries and in more ways than one, affected the socio-economic life of other countries which are not directly involved in it. It is only natural that co-operative organisations which are essentially economic in their character, should have been equally affected. Co-operative ideals and practices have been professed by people in all countries and climes, and its international character has all through been too obvious to need repetition. Europe has been the worst sufferer. From the scrappy information that one can get,* there is no doubt that the war affected the co-operative movement in Europe most severely. It is seen that on the continent of Europe, the co-operative organisations dealing with food distribution alone (consumers or industrial co-operatives) had in 1935 a membership of 50 million and annual sales of some £ 800 million value. The agricultural co-operative organisations included 40 million independent farmers selling £ 440 million worth of goods. These organisations were a marked business success, and it is on record that in countries with a past history of oppression, they had also been a great specific rallying point of national feeling.

* The Co-operative Movement & Post-war Reconstruction—James McFadyen: Co-operative Information No. 4, 1943.

The war and in the totalitarian countries, the preceding period of autarky, are said to have tried this Movement severely. In the absence of reliable data, it is assumed that in actual battle zones or countries suffering severe oppression, there will have been both destruction of property and scattering of personnel and membership. It is gathered that in Germany and probably in some of the more completely absorbed territories, co-operative premises and organisations may have been alienated and transferred partly to private, partly to State, control. Elsewhere, it would seem as though the occupying power has retained co-operative machinery and used it for provisioning the population or for the collection of produce for export to Germany. What is most tragic is that, it has almost certainly plundered the co-operative banking and other deposits under the guise of investment in German State loans, a system which is said to have also been adopted in the last War. The well-informed co-operative opinion holds that in all countries of Europe, there must have been a severance of national and international ties which bound the Movement together, though it is unlikely that the war will have killed the spirit of the European co-operative movement. But if it is to play the part in relief and reconstruction for which it is well-fitted, its personnel will have to be remobilised and its machinery repaired quickly.

The expert co-operative opinion feels that so far as Europe is concerned, the work of co-operative institutions falls under two categories—first, the work of immediate post-war relief and second, that of reconstruction in general. The immediate post-war relief would consist in the consumers' co-operative movement organising a system of food distribution on a large scale in devastated Europe. This is possible because for one thing, the consumers' societies can rely on the loyalty of their members and for another, they have no interest in exploiting the consumer and would escape any temptation to make profits on relief. It is recognised that the machinery for co-operative distribution will have to be rehabilitated in some of the European countries while in others it may be found intact. When once the co-operatives are organised, they can be recognised as the channel for the distribution of relief. Co-operators in the West also hope that apart from the work of food relief, the consumers' movement is well qualified to make a contribution to post-war social welfare by undertaking a campaign in favour of improved nutrition. They rely upon the consumers' movement not only to carry on popular education in favour of improved diet but also for cheap distribution of food-stuffs of superior quality to the low-income groups. In the period of immediate post-war relief, it is also proposed to utilise the vast net-work of agricultural co-operatives for distributing seed, implements, fertilisers and live-stock. A special problem in the devastated regions in Europe will be the re-equipment of agriculture, and in such places, the only means of getting the harvest in the first year is considered to be large scale tractor ploughing. This would mean organisation and some form of co-operative ownership of the machinery required.

The co-operative credit movement in Europe has also received a rude shock through forced investment. It requires rehabilitation before it can be made an instrument for reconstructing the other aspects of economic life. Plans are also being drawn up to extend the activities of co-operative labour groups for re-housing, road-making, forestry and land reclamation. Whether to schemes of European co-operative reconstruction, India can make any contribution and whether the co-operative movement in this country can be of service in the rebuilding of Europe are questions for the co-operators to consider but much would depend upon the vitality and capacity of the co-operative organisations in this country to rise to such nobler tasks. Whatever it may be, the fact that the co-operative idea seems to play such a large part in the formulation of schemes of European reconstruction, is a tribute to the soundness and strength of the co-operative ideal and practice. It is fool hardy to prophesy but one can venture to say that it is hardly likely that individual enterprise will continue to be the major basis of post-war economic organisation. No totalitarian economic system will suit the post-war period nor will it be consistent with the temper of the time. There is evidence that the faith of the people in the co-operative movement all the world over as the 'chief instrument for obtaining economic and social security and order' is getting stronger and firmer. More so, in highly industrialised countries. Modern industrialism, it is held, has 'dehumanised industry' through bad working conditions, disintegrated family and family life and progressively destroyed the proper balance between urban and rural areas. To an improvement of these unsound conditions created by the profit system, it is claimed that a co-operative economy based as it is on motives of utility instead of profit, can through an evolutionary process following a formal recognition by Government on grounds of public policy that the Movement is the proper instrument to use for solving economic and social problems in a peaceful manner, can make a solid contribution. Whatever one may think of this claim, there is no doubt that in any scheme of post-war economic organisation of production and distribution, or any post-war social plan the co-operative ideology and co-operative machinery will both exert considerable influence. Why should it not, so long as it seeks to serve the society and not to exploit it, so long as it seeks to bring about harmony in economic relations between man and man and between groups of men and so long as it seeks to promote a spirit of brotherhood amongst different peoples and communities, and not to divide them?

There is hardly any country which has not been directly or indirectly affected by the war and we, in this country, are no exception. It has had a very marked effect on the co-operative movement. It has given a new direction to the growth of the co-operative movement in this Province and has had a very marked effect on agricultural credit and co-operative banking, and co-operative trade and production. It is impossible for me within the time allotted, to discuss, in any detailed manner, the effects of the War on the co-operative movement in our Province. I shall content myself with indicating

a few important trends of co-operative development in the recent years. The effect of the war on agricultural credit has been remarkable. During the earlier phases of the war, the prices of agricultural produce were not appreciably affected. Subsequently, however, there was a marked rise in the price levels of all food crops as well as commercial crops and though there has been a rise in the cost of cultivation and of living of agricultural classes, there is no doubt that the improved agricultural prices have placed extra money in the hands of the rural community. This is a blessing in disguise and is very well reflected in the working of our agricultural credit societies. For a demand of about Rs. 290 lakhs from members of rural credit societies in 1942-43, the overdues on 30th June last were about Rs. 102 lakhs. The arrears represent 35 per cent of the demand. If you remember that the percentage of arrears was about 68 at the end of June 1936 and 61 at the end of the pre-war co-operative year 1938-39, the present position of our agricultural credit system, so far as recoveries go, is one on which we can congratulate ourselves. The fact should also be noted that last year coercive measures were sparingly employed and that too, against very recalcitrant defaulters. Concessions were given only in extremely isolated cases. Generally, the borrowers repaid their overdues of their own accord. It is well that the ryots have utilised their increased income for the payment of their debts.

Another satisfactory feature of the war-time agricultural credit system in our Province is that some of the agriculturist members and non-members have been able to place in deposit their surplus money with their societies. On 30th June 1943, the deposits of members and non-members in village credit societies were Rs. 37 lakhs as against Rs. 25 lakhs in the pre-war year of 1938-39 and 27 lakhs at the end of June 1942. The loans outstanding against members of rural credit societies on 30th June last fell from Rs. 325 lakhs to Rs. 278 lakhs; in other words, there was a fall of Rs. 47 lakhs. Their borrowings, too, from the Central Banks showed a decrease of Rs. 56 lakhs. These, as well as an increase in deposits, are very gratifying features of the agricultural credit system in its war-time background.

The same phenomena are observable in land mortgage banks as well. The recoveries are exceedingly satisfactory. The arrears of members to the primary banks at the end of the pre-war year (1938-39) were about 15 per cent. and on 30th June last they were about 5 per cent. The repayments in 1942-43 by borrowers in land mortgage banks in advance of due dates (Rs. 24.4 lakhs) are twice as much as in 1941-42 (Rs. 12.1 lakhs) and 5 times as much as in 1938-39 (Rs. 4.4 lakhs.). The loans issued, too, in 1942-43 (Rs. 24.8 lakhs) were about 60 per cent. of the amount disbursed in 1941-42 (Rs. 40.4 lakhs) and about 42 per cent. of that issued in the pre-war year 1938-39. This is also an indication of the desire of the agricultural population to discharge their debts from the increased income they now get and as far as possible, to secure economic freedom.

These have had marked reactions on co-operative central banking as well. There was a shrinkage in their loan business with agricultural credit societies. As I have just stated, their outstanding loans in these societies showed a decline of Rs. 56 lakhs. A pleasing feature, however, is that so far as loans advanced by Central Banks and outstanding on 30th June last are concerned, the reduction is less than Rs. 3 lakhs, the figures on 30-6-1942 being Rs. 408.3 lakhs as against 405.9 lakhs on 30-6-1943. The fact that, though there was a fall of over Rs. 56 lakhs in their lendings to their biggest customers, viz. agricultural credit societies, their outstanding loan business was practically stationary, is an indication of the change of their clientele and of their finance. To the extent to which their business has shrunk in rural credit societies, to that extent new customers, principally in the form of consumers co-operative stores and weavers societies, have borrowed. The Madras Provincial Co-operative Bank had large balances in the last co-operative year. After June last, however, some of the Co-operative Central Banks are becoming its very good customers and have been borrowing large sums to finance the increasing needs of consumers' societies. Incidentally it may be added that the increased deposits in co-operative banks have in some measure found their way into Defence Savings Bonds which now stand in the neighbourhood of Rs. 86 lakhs. This is no mean contribution of co-operative banks to war effort and to the efforts of Government to check inflation.

To summarise the effect of the war on agricultural credit and co-operative banking generally, one may venture the statement that the rural credit societies are borrowing less and less to finance the normal cultivation expenses of their members, (which are met from their increased income) and that Co-operative Central Banks have begun to show signs of financing less and less credit institutions and more and more co-operative production and trade. The co-operative movement instead of being almost a credit or money-lending movement, has now entered the world of business and trade and production and has, by undertaking to finance the rapidly growing co-operative consumers' societies, made some contribution to the problem of equitable distribution of foodstuffs and has helped in the production of cloth and cottage industries. If the present trends continue, there is hope that our agricultural credit institutions may transform themselves gradually into real village banks and instead of giving loans in cash to the ryots, may endeavour more directly to participate in agricultural production by undertaking to supply improved seed, manures, implements, etc. There is no greater role for agricultural credit institutions than that they should be effective instruments of rural savings and direct promoters of agricultural industry.

There is no doubt that some of our Co-operative Central Bankers had something of a psychological struggle to change their methods of orthodox co-operative finance. They were brought up primarily in the traditions of co-operative money-lending and they felt that village credit institutions based

as they are on unlimited liability, were their safest customers. The war, however, has had a very chastening effect on them, and there is now evident a spirit of enterprise amongst our co-operative bankers. Their initial reluctance to finance the newer institutions which have sprung up during the last few years such as co-operative stores, weavers' or other cottage industries' organisations has gradually given place to a desire to accommodate and help these institutions. This is a hopeful sign. It is probable that our agricultural credit societies may, with a new orientation imparted to them, participate in future schemes of agricultural production and development; they may be expected then to absorb in an increasing measure the funds of the central co-operative financing institutions. Until then, however, Central Banks should explore other avenues of profitable employment of their surplus funds. There is no reason why the services of co-operative banks should not be utilised in a much larger measure than has hitherto been the case, for the development and financing of cottage and small scale industries. There is, again, no reason why co-operative banks should not tackle the problems of financing schemes of immediate post-war reconstruction. Plans providing jobs for the demobilised members of the armed forces, and schemes for organisation of useful projects such as road building, irrigation works, land colonisation and settlement, industrial workshops, etc., for the skilled and unskilled men returning from the armed forces are being formulated and more likely than not, planning committees and the Government may apply the principle of co-operation to many of these schemes; and if that be so, it stands to reason that these schemes should be financed by co-operative banks, subject of course to the necessary safeguards. Co-operative banks, if they are to be progressive, will have to be inspired and guided by a new sense of realism and adapt themselves to the changed and the changing needs of our economic and social life brought about by the war.

I have been diverted by these tempting reflections on the effects of the war on our agricultural credit system and co-operative banking and the possible directions of their development in the post-war period. To continue my account, another marked effect of the war has been in the direction of co-operative production. Food and cloth constitute the most essential physical needs of man. Both shortage and high prices of these commodities made the position of the people extremely hard, and it is here that the co-operative movement stepped in. Of all the forms of co-operative production, textiles occupy the most prominent place. The co-operative handloom industry received a great impetus and the co-operative organisation of weavers' societies has proceeded at a rapid pace. It may be of interest to you to learn that the number of weavers' societies rose from 143 in the pre-war year to 228 on 30th June 1943. The handlooms on work in the societies in the pre-war year were a little over 4,000, and on 30.6.1943, the number of handlooms which were put on active work by weavers' societies was about 24,000. The value of yarn supplied to the societies was hardly Rs. 45,000 in the

pre-war year while it exceeded Rs. 55 lakhs in 1942-43. The value of goods produced by them also recorded a remarkable increase. The pre-war year saw production to the value of a little over Rs. 8 lakhs while in the year 1942-43 the societies produced cloth valued at over Rs. 55 lakhs. For the 6 months ended 30.9.1943, about 16,000 looms were put on production of handloom standard or cheap cloth and the total yardage of cloth produced by 221 societies in the Province was over 49 lakhs and their approximate value was Rs. 31 lakhs. During the same period about 7 lakhs of yards of cloth valued at about Rs. 5 lakhs were sold. Apart from this, the co-operative weaving industry has made a valuable contribution to the war effort. It received orders from the Supply Department to the extent of about Rs. 11 lakhs and so far executed orders for about Rs. 5 lakhs. These figures would give one an idea of the very rapid strides the co-operative handloom industry has made in this Province. It is true that it has had to face problems of finance and those arising from the Textile Control Orders and reduction in the panel prices of yarn. It is hardly realised that behind this phenomenal progress lies hidden a great effort of the official heads of the Department concerned and of a band of those non-officials who have been collaborating with them.

Everyday brings new anxieties and new problems and it is indeed difficult for an outsider to visualise the resources brought to bear upon the solution of these problems. Let us hope that the co-operative handloom industry with its new opportunities, will have a hopeful future and will consolidate the ground which it has already covered.

The war has brought about regrettable changes in our food position. Over three years ago we could hardly anticipate that there would be a shortage of foodstuffs. This Province, like the rest of India, has however, been faced with a shortage. The position became worse with the entry of Japan into the war and by the occupation of Burma, all sources of supply from Burma, Siam and Indo-China were cut off. Thank God, the Government have been alive to the gravity of the food problem and have devised measures to grow more food crops by bringing cultivable wastes under effective cultivation, by devising measures of intensive farming and in some degree, by growing food crops on lands which in normal times were growing purely commercial crops. Nevertheless, it is difficult to bring about quick results.

With a shortage in essential commodities, with a lot of cheap money in circulation, with war-time transport difficulties and an increasing demand for consumer goods, the problem of even distribution of available food supplies in the country has become complicated. Hoarding, high prices, profiteering and black-market have characterised the process of distribution and called forth a number of Government measures to deal with these problems. It is because of the prompt measures devised by the Madras Government that the food tragedy of Bengal has been averted here and our

Home Front is much stronger than would have been the case otherwise. One of the positive steps taken by the Co-operative Department and the Government to deal with the situation is the formation of consumers' co-operative stores all over the Province and organisation of food supplies through them. I crave your indulgence to deal with this, for obvious reasons, in some detail.

As you know, with the notable exception of the T.U.C.S. and a few other stores, many of them did not take root and establish themselves. The period of the last Great War and the year immediately following it saw an increase in their number which reached the maximum of 103 in the year 1920-1921. There was a progressive falling off in their number, and on 30th June 1939, there were only 85 consumers' stores. With a soaring rise in the prices of all commodities including food grains after the outbreak of the war, the consuming public turned to co-operative organisations for relief and the Department has ever since been organising the consumers into buying associations. The faith of the public in the efficacy of stores as agencies for an equitable distribution of foodstuffs has become marked and the demand for registration of new stores is widespread in all Districts. On 30th June 1940, there were 237 stores which increased to 354 on 30th June 1941 and the year 1941-42 recorded a further increase of 78 stores. On the 30th June last, there were 938 stores. We have on date a network of 1055 primary stores scattered all over the Province with a membership of over 2,31,000. There is no lack of enthusiasm in running the stores. Leading non-official gentlemen from all walks of life have volunteered their services in manning these institutions. The public have contributed nearly Rs. 25 lakhs towards the share capital of these primary stores. The business is fast developing. Their sales during the year 1942-43 amounted to a little over Rs. 298 lakhs. The monthly sales in September alone went up to Rs. 50 lakhs as against the average monthly sales of Rs. 25 lakhs during the last co-operative year. The war-time conditions have shattered some of our orthodox co-operative principles and the co-operative stores have extended their services to non-members as well. That non-members have taken advantage of this and are making their purchases from the stores in an increasing measure is borne out by the fact that during the year 1942-43, 37 per cent of the total annual sales of all primary stores amounting to Rs. 111 lakhs was accounted for by sales to non-members. Let us hope that a majority of these non-members that now purchase from the stores, will even after the concession of sale to outsiders is withdrawn, continue to patronise the stores by becoming members. This is possible only if the stores societies endeavour to retain the custom of its wartime clientele by courteous service, prompt attention and polite behaviour. Only then they will be assured of their place in the retail trade of the Province.

Government have recognised the usefulness of the stores and have instructed the Collectors to show them preference in the issue of licences

and the allotment of quotas, at the risk of reducing the volume of business handled by private merchants. The eyes of the public have been opened to the malpractices and underhand dealings of the unscrupulous private trader and they have found in the co-operative stores an agency for the impartial and fair distribution of scarce commodities.

A noteworthy feature is the formation of co-operative stores for the social welfare and contentment of the industrial labourers. Almost all the important industrial centres in the Province such as Coimbatore, Madura, Koilpatty, Ambasamudram, Tuticorin have co-operative stores for the benefit of the Mill labourers. They have made very rapid progress. And thanks to the unstinting support and generosity of the employers, many of these stores have already established themselves and there is every hope that they will become permanent adjuncts to all industrial concerns and form an integral part of the schemes of social security of the industrial labour. There are 51 Mills Employees' stores with about 46,000 members on the rolls and with a paid up capital of Rs. 3'70 lakhs. They distributed foodstuffs and other articles to the value of Rs. 57 lakhs among the labourers during 1942-43. It is gratifying that the majority of the labourers have taken advantage of the formation of co-operative stores to extricate themselves from the clutches of petty shopkeepers to whom they were invariably indebted and nearly 62 per cent of them have joined the co-operative stores working in important industrial centres in the Province.

An interesting line of development is the headway that the consumers' movement has made in rural areas. Till recently the stores had no appeal to the villager because his wants are very few and he experienced little difficulty in obtaining them through the village shopkeeper, who was also more often than not, his money-lender. With the introduction of the system of licencing dealers in essential commodities, the rural classes have turned to co-operative stores for the impartial distribution of scarce commodities. Though very great caution is being exercised in their registration, there were 487 rural stores as against a total of 938 stores on 30-6-43 with a membership of about 69,000. Their paid up share capital was nearly Rs. 9 lakhs and goods to the value of about Rs. 65 lakhs were sold by them during 1942-43.

I now turn to an experiment in the structural organisation of consumers' movement, I mean the District Wholesale or Central Stores. The attempts of the increasing number of primary stores at checking the upward trend of prices were isolated and unco-ordinated. So an experiment of federating them into District Wholesale or Central Stores for the purpose of purchasing their requirements in bulk from sources of production in proper seasons at advantageous rates was tried and found successful in Madura, Coimbatore and Tinnevely districts. Other districts soon followed suit and to-day we have 21 Wholesale or Central Stores covering all the districts

except the City of Madras, the stores at Madura, Coimbatore, and Rajahmundry also serving the neighbouring districts of Ramnad, the Nilgiris and West Godavary respectively. Many of them are sturdy infants while some of them appear weaklings. On 30-6-43, there were 4,841 members on their rolls with a paid-up share capital exceeding Rs. 7½ lakhs. The Stores are fast building up their capital. On 30-9-43 their share capital rose to Rs. 9.5 lakhs and the Wholesale Stores at Madura, Coimbatore and Tuticorin have already reached the one lakh limit. During 1942-43, all the Wholesales purchased goods to the value of Rs. 96 lakhs and sold goods for Rs. 80 lakhs. They are enjoying liberal financial accommodation from the Central Banks. Their borrowings from the Banks during the year 1942-43 amounted to Rs. 94 lakhs of which over half a crore of rupees was outstanding on the last day of the year.

It may be incidentally of interest for you to know the contribution which the consumers' movement has been making towards the employment of our educated young men. On 30th June last, the stores societies employed over 4,500 men in all grades of service—Accountants, Salesmen, Clerks etc., and their salary bill in 1942-43 exceeded Rs. 5½ lakhs. I have hardly any doubt that the present position in this regard will be much more encouraging.

That Government should have chosen to run what are commonly known as Emergency Schemes through the agency of co-operative stores in preference to others is a tribute to the great services rendered by the consumers' organisations to the community at large. The part played by the T.U.C.S. in the emergency during April and May 1942, too well known to bear repetition, has strengthened the confidence of Government in co-operative institutions and made them entrust more of their schemes to co-operative societies. The fundamental principle of all Emergency Schemes is that there should be reserve stocks of essential foodstuffs close at hand in all important centres which may be drawn upon in times of stress to feed the essential services and such of the civil population that remain in the place.

Government are assisting these institutions in a variety of ways—by advancing loans for the purchase of stocks, by providing staff free of cost for supervising the scheme, by guaranteeing repayments of loans advanced to these stores, and in some cases by undertaking to make good business losses etc. I will be taking too much of your time if I attempt a description of the several schemes in force.

I may add in passing that the introduction of rationing of food grains in select towns has given the stores another opportunity to serve the public and extend their usefulness. Even earlier, many of the stores introduced a system of voluntary rationing among their members in respect of scarce commodities so that no member might get more than his share and each member may be assured of his quota. Government have also recognised the

usefulness of stores in any system of rationing and have instructed the Collectors to make a wider use of them. Under the rice rationing scheme in the city, the T. U. C. S. and its branches, the city stores, the P. C. M. S. and two others have been recognised as ration shops and allotted 70 retail depots out of 519 in the whole city. Out of a total of 1,98,911 ration card holders, as many as 26,417 have registered their cards with Co-operative agencies which serve nearly 13 per cent of the ration card holders. Other forms of official rationing of food grains are in force in some of the mofussal towns and the co-operative stores have been assigned a leading role.

I have briefly indicated the part played by co-operative stores in the distribution of food grains and controlled commodities and the role assigned to them under the Emergency Schemes of food rationing. You will agree that the progress made by the stores during the last 4 years is remarkable. The very rapidity of the progress has brought in its wake new problems which require thought and attention. The phenomenal growth in the number of consumers' societies is based on and actuated by a new-born faith of the people in the essential social justice which the consumers' movement seeks to render. It represents, if I may say so, a new development in the socio-economic world and is a definite reaction against the inequities of the private distributive system. It should, therefore, be our aim to encourage the formation of as many stores as possible. This should not, however, blind us to the dangers of hasty expansion. To-day, there are over 1,000 primary stores in the Province. The time has come for us to take stock of the progress so far made and consolidate our gains before we expand further. The expansion should not over-run the availability of men of transparent honesty and integrity with business experience or desire for social service. Nor can they be registered without a solid share capital structure or adequate local resources. They should satisfy more rigorous business tests than in the past before they seek registration.

There is need, too, for adequate trained men to work as Managers, Accountants, or Salesmen, in the stores. The rapid expansion has brought the question of trained men to the forefront. We have to create a reserve of men trained in accounts, book-keeping, shop-keeping and salesmanship. This is engaging the anxious attention of the Department and the Educational Inspectors have already been instructed to address themselves to this task of training the employees. Arrangements are also in progress to utilise the services of the staff of the Central Co-operative Institute for this purpose.

The problem of financing a large number of primary stores without prejudice to the interests of the financing banks is one which deserves closest attention. The temptations in stores societies are far too many and the scope for malpractices is far too much. No amount of vigilance on the part of the directors will be an adequate price for the good management of

the stores and the prevention of frauds and malpractices. One must acknowledge with gratitude the liberal manner in which many of the Central Banks have of late been financing the stores; but the measures for ensuring the safety of bank funds are not quite adequate. Thanks to the Government, it has been possible to secure some staff for supervision. But this is not adequate. The supervision of stores should be both intensive and continuous and should involve surprise verification of stocks. The need, therefore, to supplement the supervision now exercised by the very limited Government staff by employment of Supervisors or Inspectors by Central Banks is so insistent that the Banks cannot afford to ignore it any longer. Some banks have already moved in the matter and appointed additional staff for such supervision. Other banks should also tackle the problem of supervision without further loss of time.

The question of establishing satisfactory business relations between the primaries and the Central Stores is one which should tax the resources of both official and non-official agencies. The present relations are in some cases not altogether satisfactory and mutual allegations are often heard. When a central stores points to the lack of loyalty on the part of a primary stores, the latter points to the high prices charged or the inferior quality of the stuff supplied by the Central Stores. One also hears of the vested interests that the employees of primary stores have created or create in the matter of purchases, which seems to stand in the way of the loyalty of the primaries to the wholesales. Whatever it is, this is also a matter which both now and in the immediate future should engage our attention if the central stores should continue to function as an integral part of the co-operative consumers' movement in the Province. I have raised these issues with a view to invite both your attention and suggestions.

Apart from these issues, the post-war reactions in the business world will present us with equally puzzling problems. What will be the position of many of the co-operative stores in the post-war period? How many of them will survive the war? Will the wholesale stores really have a place when controls are removed and the present trade restrictions disappear? These are the questions one often raises. It may be that some of the stores may prove to be *ad hoc* bodies and disappear out of existence after the war. It may be that some of them may become permanent features of the normal distributive machinery of the country. The war, apart from the sufferings which it has imposed upon us, has given us a new social philosophy and a remarkable technique of co-operative distribution of the necessities of life. Co-operation has already democratised credit and banking; it has begun to democratise production and distribution. The democratic way is the co-operative way. Whether we can exploit the new war-given opportunities for the greatest good of the greatest number will depend upon the determination, the practical idealism and faith, the intellectual and material contribution and the spirit of service of the large body of the co-operators engaged in running them. Whether these factors will be forthcoming in the necessary measure is a question which I would like you to answer rather than answering it myself. On this answer would depend the future of the consumers' movement in the Province.

Working of Stores Societies.

(Contributed.)

"Co-ordination of activities of Producers' and Consumers' Societies."

The South Arcot District Co-operative Central Stores placed an order for one wagon of 180 bags of potatoes with the Nilgiris Marketing Society on 20-9-43 but owing to dislocation in the transport, the consignment was actually received only on 15-10-43. Out of the 180 bags 144 bags were disposed of immediately to the local stores societies and other institutions according to their indents. The remaining 36 bags were sent by rail to the stores societies at Chidambaram, Vridachalam, Villupuram, Tindivanam etc., after obtaining the necessary permits from the Collector. The stores has placed orders with the Nilgiris Marketing Society for a second consignment of a small wagon load of 120 bags of potatoes.

2. The Marketing Society supplied the potatoes at the rate of Rs. 22 per bag of 190 lbs. and the total value of the consignment for 180 bags amounting to Rs. 3,960 was sent to the Marketing Society on 18-10-1943 by a draft on the Coimbatore Co-operative Central Bank. The Central Stores incurred a railway freight of Rs. 366-10-0 as against a sum of Rs. 255 normally due for the consignment as the wagon had to come by a circuitous route. The retail price of potatoes in the local market was ranging from 12 annas to 14 annas per viss at the time. The Central Stores fixed the selling price of the potatoes at Rs. 26-4-0 per bag of 190 lbs. and the primary stores were enabled to sell at 8 annas a viss. As a result, the private retail dealers were forced to reduce the price to 8 annas a viss, and it was thus possible to reduce the retail price of potatoes by about 4 annas in Cuddalore Town. The Collector, has, in his letter No. ROC. A. 5. 419, Pdl. 43, dated 16-10-1943 been pleased to observe as follows:—

"It appears the District Co-operative Central Stores got a consignment of potatoes quite recently and the co-operative stores at Manjakkuppam has been selling in retail at eight annas a viss. The market retail price which was 12 annas during the previous week has come down to 10 annas and the Tahsildar of Cuddalore is being asked to enquire the potato merchants, and if there is undue profiteering, action will be taken to see that the merchants responsible for raising the price do not get potatoes at all."

3. As some of the primary stores reported to the Central Stores that the sale of potatoes was slow, the Central Stores has since reduced the original rate of Rs. 26-4-0 per bag fixed by it to Rs. 25-8-0 and has issued credit notes for the sales already made to the stores societies. The consignment was a profitable business to the Central Stores and the primary stores and the retail price of potatoes in the local market was brought down from 12 annas to 8 annas and below a viss.

Organisation of food supplies—mofussal towns—Rationing in Salem.

Rationing was introduced from the 11th August and the Co-operative Wholesale Stores was assigned the position of a sole supplier both to the Salem City Co-operative Stores through its 21 depots and other depots run by merchants 33 in number. The distribution is made once a week. As the stock is not sufficient the food distribution committee fixes the proportion of foodgrains to be issued to the public every week. The total number of units for which ration cards have been issued to the entire public is 1,06,063½ of which 74,934 units are catered to by the 21 depots run by the Salem City Co-operative Stores.

These depots distribute 2,923 bags (45 M.M.) of grains per week, out of total of 6,253 bags fixed by the Collector for distribution per week for the whole town. Thus it will be seen that nearly 50 per cent of the rationing is done by the City Stores. Of the 21 depots 5 are put up in rented buildings, 3 are attached to the local branches of the City Stores and 13 are located in rent free buildings given by local sympathisers. The City Stores is on the look out for separate buildings for the three depots attached to its regular branches. On an average two clerks and two measurers are engaged in each depot. The City Stores has opened two booths in three heavy depots to manage the work. Three supervisors have been appointed separately to supervise the depots. From 11—8—43 to 31—8—43 the Stores purchased foodgrains to the value of Rs. 1,15,468 and sold to the public to the value of Rs. 1,08,487. The bulk of the supply is received from the Co-operative Wholesale Stores. Separate accounts are being maintained by the Stores for foodgrains. Separate goods ledger and invoice ledger have also been opened. The depot clerks maintain the bill books, chitta and a stock register showing the receipts and sales and stock on hand at the close of each day. The sale proceeds of each day according to the chitta are remitted to the head office by the depot clerks. Two Tahsildars, three Deputy Tahsildars and six Revenue Inspectors are supervising the distribution in the town. The work is carried on by the City Stores satisfactorily. After the introduction of identity card system in the town, there is general satisfaction among the public.

Extracts from the Administration report of the Madura-Ramnad Co-operative Wholesale Stores, Ltd., Madura, for 1942-43.

This stores was registered on 22—11—1939 and started on work on 17—12—1939. We have very nearly completed 3½ years of working.

1. Number of Members on 30—6—1943: 221.
2. Number of godowns or sales depots: 4.
3. Paid up Share Capital: ... Rs. 1,12,650 0 0
4. Reserve Fund: ... Rs. 12,500 0 0
5. Its borrowings amount to ... Rs. 9,30,263 0 0
6. Total working Capital on 30—6—1943 ... Rs. 10,55,413 0 0

WORKING OF STORES SOCIETIES

Business of the stores. It purchased articles worth Rs. 18'71 lakhs and sold goods to the tune of Rs. 17'76 lakhs. Value of stock on 30—6—43 was Rs. 3'05 lakhs. It earned a gross profit of Rs. 1'10 lakhs and a net profit of Rs. 82,819.

On a perusal of the trading account for this year it will be seen that the total sales effected during the year amount to Rs. 17,76,673 as against a sale of Rs. 8,84,452 in the previous year. Correspondingly the purchases also have increased. The value of stock held at the end of the year is Rs. 3,05,700 as against Rs. 99,965 in last year.

The main feature to be noted is that we have been recognised as a pucca distributing institution of all the controlled articles such as rice, paddy, pulses, millets, sugar, wheat, wheat products and kerosene not only for our primary stores but also to the general public in accordance with the instructions of the Collector. The Civil Supplies Commissioner and the Grain Purchasing Officer have been pleased to give us the maximum quota for the centre for the articles noted above. This special recognition has resulted in our paying every fortnight heavy amounts with the Grain Purchasing Officer, Tanjore or Civil Supplies Commissioner towards quota of paddy, rice, wheat products and other grains for Madura and Ramnad district. We are also purchasing from production centres in bulk, paddy, tamarind, chillies, cholam, ragi etc. for distribution to our primaries. Last year we were required to supply for evacuee camps at 4 centres and this year it has taken a new shape. We have to supply essential food articles to stores in case of an emergency and we are required to reserve two month's requirements for selected stores and a quota is fixed. Select articles are being stored for distribution. The Central Bank has been pleased to grant us a Cash Credit accommodation of Rs. 1,00,000 for this scheme work at a reduced rate of 4 per cent per annum. We have so far drawn only Rs. 50,000. The balance will be drawn as and when purchases for the scheme are made.

At first the affiliated stores were not so much attached and they were evading payment of collections and utilising the same for purchases from the market. But on account of scarcity or exorbitant value of the required commodity in the market they are going to us and to that extent our relationship is strengthened and there is now good business with the stores. There are a number of new stores opened in the interior parts of Madura and Ramnad and we are catering to their needs.

Owing to restrictions imposed on transport of articles we have engaged special godowns at our cost at Paramakudi, Karaikudi and Sivakasi centres. We have purchased an electric rice mill at Paramakudi which is hulling and supplying rice to many of the stores in Ramnad district. Paddy is also purchased locally as and when available at this centre. We have employed our own staff to manage the mills.

At Virudhunagar, the Virudhunagar stores is acting on our behalf for receiving and distributing articles to the stores in that area.

Our thanks are due to the M. R. C. C. Bank, Ltd., for their immediate compliance in respect of all our indents for amounts and the Collectors of Madura and Ramnad for patronising our business and thus enabling us to do what little we can to the stores and the public. We are very much indebted to the Deputy Registrars of Madura and Ramnad for putting us in the way of doing some real service.

Co-operative distributive agencies in the Kurnool District and the part assigned to them in the rationing scheme in the Kurnool Town.

The total monthly quota of rice and millets allotted to Kurnool district is 2,000 tons. Its distribution is entrusted to the Kurnool Co-operative Wholesale Stores and a new approved dealers. A major portion of the total quota allotted to it is 1,163 tons and this is distributed by it through affiliated primaries.

In the Kurnool Town, where rationing in respect of rice and millets has been introduced, co-operative societies are assigned an important role in the distribution of the rationed articles. The scheme is being worked through the Kurnool Hanuman Stores, the Public Servants' Co-operative Stores, The Police Co-operative Stores and the Peta Labourers' Co-operative Stores, besides the 20 depots opened by the Co-operative Wholesale Stores in suitable centres of the town. The last named 3 stores, are generally intended to serve the class of persons signified by their names, while the Hanuman Stores and the depots of the Co-operative Wholesale Stores cater to the needs of the general public. The depots of the Co-operative Wholesale Stores have since been taken over by the Hanuman Stores and the Co-operative Wholesale Stores now confines itself to wholesale business. Co-operative Societies are becoming one of the important agencies in the equitable distribution of foodstuffs in the district.

The Bellary Co-operative (Primary) Stores, Ltd., No. Y. 329.

With the introduction of the rationing of rice and millets for Bellary Municipal area with effect from 15-8-1943 and of kerosene from a later date, the Bellary Primary Co-operative Stores, Ltd., has opened 9 out of forty ration depots all over the municipal area covering 9 out of 22 wards, thus catering to the needs of $\frac{1}{4}$ out of a total population of about 56,000.

2. The rationing system is being worked efficiently through the depots of the stores and they have no doubt gained a reputation for their genuine dealings. The question of shortage of stock has not so far arisen. Due to the fact that the price of cholam is higher than that of rice, the section of the population accustomed to cholam has taken to rice and do not feel satisfied with the rice diet for it does not sustain them in their

hard labour. It is hoped that with the harvest of the bumper millet crops now on fields, the strain on rice also will go down.

3. A regular branch of the stores dealing in controlled and non-controlled articles for Ward No. XVI Gandhinagar and Sathyanarayana-pet has just been opened under the auspices of S. V. Ramamoorthy Esq., M.A., I.C.S., Adviser to H.E. the Governor, who also sold certain articles to the general public at the opening ceremony.

Extracts from the Annual Report of the North Arcot District Central Co-operative Stores, Ltd., No. C. 1435, for the year 1942-43.

The Central Co-operative Stores was registered on 14-12-1942 and started on its work on 27-1-43. The area of operations extends to the whole of North Arcot District.

Members and Share-capital.

There were 27 stores, 46 other societies and 46 Individuals at the end of the year with a total paid up share capital of Rs. 26,800.

Borrowings.

Our Central Stores is working under Emergency Scheme from April last. Consequent on the introduction of the Emergency scheme the Central Bank was approached to give us further financial assistance; and our stores was able to get a cash credit loan of Rs. 1½ lakhs for Emergency Scheme purpose.

Working Capital.

The total working capital of the Central Stores at the end of the year was Rs. 1,89,033-11-0.

Purchases and Sales.

Stock to the value of Rs. 1,50,600-2-0 was purchased and stock for Rs. 1,06,659-10-0 was sold during the year and there was a stock to the extent of Rs. 47,570-1-0 at the end of the year. The stores earned a gross profit of Rs. 3,602-9-0 including the gross profit under gunnies and empties account.

Much business would have been made during the year both under purchases and sales, had we been allotted with sufficient quotas of controlled articles by the District Collector, such as rice, sugar, wheat and wheat products etc. As a matter of fact, the Central Stores has been recognised as one among several wholesale dealers in the matter of distribution of imported rice, millets, sugar, etc. According to the arrangements made by the District Collector in this behalf, our Central Stores was originally allotted a quota of 100 tons of rice, out of a total quota of 2,000 tons allotted to this District. The quota allotted was too inadequate to meet the normal requirements of the affiliated primary stores and societies.

The District Collector was pleased to increase the monthly quota from 100 tons to 450 tons of rice with effect from July 1943 and this will go a long way to satisfy almost all the primaries. The sugar quota allotted to the Central Stores by the District Collector is also inadequate. Out of 1,225 tons of North Indian Sugar allotted to this District under Zoing Scheme, our Central Stores has been allotted with 125 tons, distributable to our primary stores and societies equally in 5 months. As regards millets such as cumbu, ragi etc., our Central Stores is not able to secure the required quantity under the tender system. The Central Stores gets occasional quotas of wheat and wheat products. In none of the commodities, our Central Stores has been given monopoly of distribution.

Meetings.

During the year 4 Board meetings, 7 Executive Committee meetings and 5 Purchase committee meetings were held.

Net Profit.

The Central Stores has earned a net profit of Rs. 1,478-0-0 during the year. According to the Registrar's circular No. 6450/43.S. dated 30-7-1943, we recommend that 40 per cent may be carried to Reserve Fund, and a dividend not exceeding 4 per cent may be paid to members on their paid-up share capital, and the balance carried to Business Reserve fund.

The Central Stores had the business connections with the primaries situated in the centres of production within the district. Thus, in collaboration with the Tiruvannamalai Co-operative Sale Society and the Tirupathur Co-operative Stores, the Central Stores was able to purchase during the year under reference, rice to the extent of Rs. 3,679 from Tiruvannamalai and red gram dhal to the extent of Rs. 6,129 from Tirupathur which are the producing centres for rice and dhal respectively. Attempts are being made to have collaboration between our Central Stores and the District Central Stores of other districts in the matter of seasonal purchases at favourable rates.

Had it not been for the control exercised by the Stores on the retail prices of foodstuffs, the level of the prices would not have gone down. Owing to the facilities given to the primary stores to make their bulk purchases from the Central Stores, they are in a better position to keep down the level of the prices. For example, Tiruvannamalai, Polur and Arcot rice (both raw and boiled) is made available to the public by the primary stores and societies in the Vellore Town—Tirupathur Dhal is also selling at reasonable prices in the primaries. The consignment of salt got from Tuticorin and the Nilgiris coffee seeds from Mettupalayam find a good market at Vellore and are made available at cheaper rates.

During the year under reference, the Guntur chillies were selling at reasonable rates. So the primaries were able to exercise control on the retail prices and in bringing down the prices to a reasonable level.

Though this is the first year of the working of the Central Stores, we are glad to say that even in its infant stage, our stores was able to do business to an appreciable extent, in spite of various difficulties, which came across in the working of the stores and has satisfied the needs of the affiliated stores and societies as far as possible. With the increased quota of rice now sanctioned by the District Collector, Vellore, we may be able to build up a month's requirements of our Central Stores and also be in a better position so as to meet the demands of our primary stores and societies to a greater extent.

Extracts from the First annual report of the Salem Co-operative Wholesale Stores, Limited, S. 715, for 1942—1943.

Registration of the Stores, Membership and Share Capital.

The Stores which was registered on 30—11—42, was inaugurated on 12—12—42 by the Collector, R. M. Sundaram, Esq., I. C. S. and it began to function effectively from February 1943.

The authorised share capital of the Stores is one lakh consisting of 2000 shares of Rs. 50 each. The paid up share of the members, societies, stores, individuals and other institutions, was Rs. 46,300 on 30—6—43.

It is gratifying to record that the number of members on the date of this report has still further increased and the paid up share capital exceeds Rs. 50,000. The Board confidently hopes that 1 lakh limit will be reached before the close of the current year.

Purchase and Sales.

The Stores purchased foodgrains to the extent of Rs. 4,32,975-5-0 and sold them to the value of Rs. 3,87,628-9-0 upto the end of 30—6—43. These transactions could well have increased but for the scarcity of food stuffs in our district and restrictions in the matter of export and import which, perhaps, are inevitable in these days. Due to acute shortage of foodgrains many of the individual members wanted to have their household requirements supplied by the stores, but it has been decided that in view of the existence of the primary stores, the Wholesale should not undertake retail sales even to members. This decision is also in keeping with the Registrar's circular. However, the Board wishes to assure the members that in times of emergency the Stores will certainly do all that is necessary to alleviate the sufferings of the people. Necessary amendment to the by-law is also suggested now to meet such situations in future.

Loyalty of Stores and Societies.

Many of the primary stores were and are found to make purchases in the local market when most of the articles they purchased, were available with the Wholesale Stores. It is hoped the primary stores and societies will realise the significance and advantages of making their purchases only through the wholesale stores, which should have, for the benefit of its constituent members, the buying monopoly. They purchase goods at less than the wholesale market rates and they get bonus on their purchases at the end of the year. These benefits are denied to them if they purchase elsewhere.

The Board owes an explanation to the members (societies and stores) with regard to its policy governing the distribution of the controlled articles like rice, ragi, sugar, etc. So far as these articles are concerned they are received through Government agency and as per their orders we are prohibited from selling them to rural and non-urban stores. It is however possible to have some supplies of these articles from the Wholesale Stores if the Revenue authorities recommend such supply after satisfying themselves that needs of the said stores or societies cannot be satisfied by requisitioning local stocks or by any other means. The Wholesale Stores did its best to help all its members but considering the circumstances under which it gets its supply of essential and controlled articles, it feels it cannot go further at present.

Borrowings.

The total borrowings from the Salem Co-operative Central Bank, Ltd. amounted to Rs. 5,46,157 including over-draft during the year under report. The Board wishes to place on record its sincere thanks to the Co-operative Central Bank, Ltd., Salem for financial accommodation.

Profits.

The Wholesale Stores earned a net profit of Rs. 16,389-13-0. The Deputy Registrar had, in the best interests of the stores, reserved Rs. 6,000 to meet any possible business loss and has made available the balance of Rs. 10,389-13-0 for distribution.

General.

The Board wishes to record, with great satisfaction, the very cordial and helpful relationship which exists between the Stores and the several Government Departments in the district.

The Board feels that in spite of all difficulties and handicaps the Stores will continue to serve the people of this district to the best of its ability and capacity and shortly attain a stature, sound and strong, far beyond its age. It also desires the members to realise the truth of the following quotation and carry on the work with hope and determination to vindicate the principle that co-operation is the healer of all evils.

Reviews.

Soviet Asia by Violet Conolly; published by the Oxford University Press. Price 4d. nett.

This is No. 62 in the well-known series, "Oxford Pamphlets On World Affairs," written by one who has direct and first-hand knowledge of what she writes about, the information given is bound to be accurate and reliable.

First there is a brief account of the geographical features, the subdivisions of the Soviet Asia with the natural divisions of the tundra, the taiga (forest region) grass-steppe, semi-desert and desert and the territorial sub-division into Siberia, the Far Eastern Provinces and the five Soviet Central Asian Republics formerly known as the Russian Turkistan.

After giving an account of the expansion of Russia into Siberia, the author very briefly refers to the Anglo-Russian problems and there gives a detailed account of the three territorial divisions. Resources in men and materials, means of communication and the anthropological make-up of each unit and other items of useful information are given. Actual development effected and possibilities for further industrial and agricultural expansion are described. The Soviet Asia cannot be sufficient by itself; but U.S.S.R. can with its territories in Asia and Europe taken together is the lesson the book teaches us.

S. K. Y.

Report (Seventeenth) of the Hubli Urban Co-operative Bank, Ltd., for 1942-43.

The Bombay Presidency is notable for its Co-operative Urban Banks and the Hubli Urban Bank is one of its premier banks. On 30-6-1943, it had a share capital of Rs. 1'12 lakhs, Reserve Fund of Rs. 1'04 lakhs, other Funds Rs. 25,000, and Deposits Rs. 4'31 lakhs. Its working capital was Rs. 7'24 lakhs. The Bank has always commanded a good amount of deposits—the maximum held was Rs. 6'86 lakhs on 30-6-1932. During the year the Bank paid interest on Fixed Deposits at $2\frac{1}{2}$ per cent for 2 years and $2\frac{1}{4}$ per cent for one year; on Savings Banks at $1\frac{1}{2}$ per cent, and current at $\frac{1}{2}$ per cent. These are about the rates which big Joint Stock Banks offer, and it is a tribute to the credit of the Bank that it has been able to attract deposits at these rates.

2. The loans outstanding against members were Rs. 3'51 lakhs, of which Rs. 2'01 lakhs were on produce, and Rs. 1'50 lakhs on other securities. The Bank lent during the year Rs. 13'30 lakhs, of which Rs. 12'97 lakhs were for trade and industrial purpose. The rates of interest were $9\frac{3}{4}$ per cent for loans upto Rs. 3,000, and $7\frac{1}{2}$ per cent for sums above Rs. 3,000. Loans on produce and manufactured goods carried interest at 5 per cent, and those on gold jewellery and Fixed Deposits $4\frac{1}{2}$ per cent. The difference between gross interest received and paid was Rs. 23,500. It made a net profit of Rs. 11,076.

3. The Bank had cash on hand and at Bank Rs. 53,784, and held Government securities for Rs. 2'58 lakhs, and shares and debentures for Rs. 26,000. It owns a building valued at Rs. 16,250. Cash and securities together total 3'11 lakhs which is about 72 per cent of the Deposits (Rs. 4'31 lakhs). This is far more than the standard of liquidity suggested for Central Banks by the Reserve Bank of India.

4. Nine General Meetings and 79 Directors meetings were held during the year. The number of members was 2,270, and it is a pleasure to note that a large number of General Meetings were held. "The Directors have pleasure to observe that the Co-operative character of the Bank was well maintained and that every endeavour has been made by them to make the members understand and realise the numerous benefits of Co-operation".

5. The Bank was audited by a firm of Auditors, and the Report promptly brought out on 5-7-1943.

T.R.N.

Report of the Anantapur District Wholesale Co-operative Stores, Ltd., for 1942-'43.

The Anantapur District Wholesale Co-operative Stores has made a good beginning. It commenced business on 10-12-1942, and the progress for six months is very satisfactory. It collected a share capital of Rs. 10,675, bought goods for Rs. 1,74,175, and sold goods for Rs. 1,05,106, and made a gross and net profit of Rs. 3,101 and Rs. 55 respectively. It deals in staple commodities : paddy, rice, wheat, chillies, sugar, jaggery, and pulses. Sales to Primary Stores which numbered 20 were for Rs. 61,293, working out to 58'26 per cent of the total sales.

2. Some clarification of the accounts *as printed* is necessary. Almost the whole of the share capital it has collected is invested in the District Bank as share capital. It depends almost entirely on the Bank for its working capital. It has been granted an overdraft accommodation upto Rs. 78,000. Not only was that drawn upon thrice over, it obtained short term loans for Rs. 3,23,000, on the pledge of stock, out of which Rs. 2,94,656 was outstanding on 30-6-'43. The stock on hand on that date was Rs. 78,882 only. Why Rs. 3'23 lakhs were borrowed while the purchases were only for Rs. 1'74 lakhs requires clearing up. And then the stock on hand was far far less than the loan due to the bank on 30-6-'43.

3. The Wholesale Stores should collect more share capital. It hopes to collect Rs. 50,000 by the end of the year. The target must be Rs. 1 lakh for the size of its business. The Central Bank is at present the financing partner. On the date of the report (7-10-'43), the share capital was Rs. 13,125. It must endeavour to be more self-sufficient financially, if its good work should abide.

T. R. N.

Report of the Co-operative Department, Cochin State for 1941-42.

The Report is a matter-of-fact document, but gives a good deal of information about the working of societies in the State. There were 113 agricultural, and 199 non-agricultural societies, with a membership and working capital of 9,210 and 25,223, and Rs. 7'80 lakhs and Rs. 16'69 lakhs respectively. There were 14 societies classed as Central of which Financing Institutions were two; Central Co-operative Bank and Co-operative Land Mortgage Bank. The total working capital of all societies in the State was Rs. 53'91 lakhs, of which the owned capital was Rs. 11'17 lakhs.

2. *Financing Banks—Cochin Central Co-operative Bank.*—It had a membership of 165 societies, of which 85 were agricultural societies. There are no individual members. The paid-up Capital was Rs. 60,930. Reserve and other Funds Rs. 1'19 lakhs and the working capital Rs. 10'26 lakhs. Deposits from individuals were Rs. 7'17 lakhs, and from societies Rs. 1'27 lakhs. The loans outstanding were Rs. 4'36 lakhs against societies, and Rs. 54,743 against individuals. Cash and investments were Rs. 4'99 lakhs. The amount of ordinary loans disbursed was Rs. 1'26 lakhs, Gold loans Rs. 8,569, and key loans Rs. 31,727. It would appear from the Balance Sheet that the Bank lends to individuals also. The amount overdue Rs. 1'68 lakhs from societies, and Rs. 1,398 from individuals. The net profit was Rs. 4'08.

Cochin Co-operative Land Mortgage Bank.—It had a membership of 2,575 and a paid-up capital of Rs. 83,190. Debentures outstanding were Rs. 15 lakhs, and the Government overdraft account was Rs. 2'32 lakhs. Loans outstanding were Rs. 18'56 lakhs, of which Rs. 26,665 was overdue. Loan applications to the value of Rs. 3'66 lakhs were disposed of during the year, and the loan applications pending disposal were Rs. 3'68 lakhs. The profit was Rs. 18,450 and the Bank made good progress in the year.

3. *Agricultural Societies.*—The 113 societies had a membership of 9,210, and a working capital of Rs. 7'80 lakhs. Deposits from Members were Rs. 1'03 lakhs, from non-members Rs. 45,000, and loans from the Central Bank Rs. 2'76 lakhs. The share capital was Rs. 61,000, and the Reserve Fund Rs. 2'54 lakhs. Loans due by members were 2'60 lakhs, of which Rs. 1'78 lakhs, were overdue. Loans made during the year were Rs. 2'08 lakhs, and it is gratifying to note that Rs. 1'57 lakhs were lent on personal security, the bulk of them being for less than Rs. 50. While the working capital was Rs. 7'80 lakhs, the loans due from members Rs. 2'60 lakhs. The difference between them is as large as Rs. 5'20 lakhs and requires clarification.

4. *Non-agricultural societies.*—There were 53 Urban Credit Societies with a membership of 12,291, and working capital of Rs. 14'84 lakhs. The Reserve Fund was Rs. 1'96 lakhs. Particulars of share capital and deposits,

are not separately shown for this important class of societies. Loan outstanding at the end of the year were Rs. 8'91 lakhs, of which Rs. 1'67 lakhs (18'79 per cent) were overdue. Loans issued were Rs. 10'03 lakhs. Net profit Rs. 30,524. The societies are making steady progress.

5. *Non-Credit Societies—Stores.*—There were 15 societies with a membership of 2,156, but the value of goods bought and sold is not stated. (Three stores were liquidated during the year). These societies did good service in distributing the necessities of life for fair prices at controlled rates fixed by Government. They made a net profit of Rs. 2,797. It is desirable to have more information about this class of societies that we are now trying to encourage.

Industrial Societies.—There were 8 weavers' societies with a membership of 478. All the Societies worked well. There were 19 other Industrial societies and 11 of them worked profitably.

6. *General.*—There were 33 Rural Development Societies and 7 Model Panchayat Societies. All activities intended to promote the welfare of the villagers engaged the attention of these societies. The information furnished about their working is, however, meagre.

The Government in their Review observe, "Of late it is found that more societies go into liquidation than those registered during a year". It is stated that arrangements are in progress for a co-operative enquiry. The Registrar says that "the Co-operative Movement in the State is growing on correct lines, and that there is nothing in its activities which is not encouraging to the social worker".

T.R.N.

The Psychology of Economic Co-operation: By V. Rajagopal, M. A., Secretary, Salem Provident Society, Ltd.

This booklet has for its sub-title "An essay on reconstruction," and commends the co-operative method for that purpose. The theme of the book is somewhat as follows. The early society was a happy community. Ancient economic society was a family and groups of families. The girls, matrons, old women and men, worked in the house, in leisure and in peace, working on the loom and spindles, lads and men worked on the farms and fields. In such an organization, none went hungry or naked. That society was not based on profiteering basis, and people were happy. Later in the Middle Ages, slightly larger groups like the Manor in agriculture, and Guilds in industry were evolved. These did not destroy family life and individual happiness. The seventeenth century and later, was an age of inventors who invented Machines and gave them into the hands of Capital. Capital engaged the labour of men, women, and children on wages based on supply and demand. The doctrines of the survival of the fittest, and *Laissez faire* were preached and practised. In the fine of language of Frederic Harrison, the result was "Where quiet individual industry had been the habit

of generations, home work was turned into factory work, hand work into machine work, man's work into child's work, country life into town life." To give one illustration in his own language. "For twenty thousand years, every fabric in use has been twisted into thread by human fingers, and woven into stuff by the human hand. Machines and steam engines now make ten thousand shirts in the time that was formerly occupied for making one". Industries came to be organised on the capitalist basis. The load of failures that capitalism carries has been abundantly discoursed upon. Then evolved collectivism, communism, socialism, or state socialism. Whatever the "ism", that organises the whole State for production and distribution, the State owns all the instruments of production, transport, and the service. All the adults are utilised in keeping up the State. A state bureaucracy supervises this labour. The idea is it is all for the State that the individual has to labour, and the State will keep him fed, clothed, housed, educated, and amused. These plans of reform are in various stages of trial and success. This method also destroys individuality and family life, though they have some good features. However, here is CO-OPERATION as a *via media* to "rehumanise the dehumanised members of society" (Frederic Harrison). The merits of co-operation as a reconstructive agency are set forth in detail.

Mrs. Margaret Cousins contributes an interesting foreword. She says, "If the identity of the interest of one person with the interest of another person were held in mind by each, then the injustices and the difficulties of life would disappear, and a new social and economic system would arise of itself. Such is the message of this study of 'Economic Co-operation' analysed psychologically."

But the greatest difficulty is to make the people co-operative-minded. Co-operation is *both* thought and action, unless it is followed by *action*, all the rosy pictures of a happy co-operative society are mere illusions. In India, we are sorry to say, co-operative action, whether in rural or urban life, has not had much practical success. Co-operation, in spite of our best efforts, has not become a habit, even in the simple sphere of buying together.

The book can have only a limited circle of readers, as it is written in English, and the arguments, illustrations, and quotations can be appreciated only by a few. Books in local languages which the common man can understand, are necessary. The author may usefully bring out a Tamil version of his book for the benefit of a wider circle of readers.

The publication was helped financially by Rao Saheb D. P. Chenna-krishna Chettiar, a prominent citizen and co-operator of Salem. Such generosity is becoming rarer now-a-days. The profits of the book (priced at Re. 1) will be spent in digging up a well for the use of slum population in Salem Town. Co-operators will be helping a good cause by buying a copy.

T. R. N.

Order & Circulars.

G. O. Ms. No. 2702 Development dated 21-10-1943.

Co-operative Societies—Registration fees—Payment by scheduled class members on applications for loans on security of immovable property—Exemption—Sanctioned.

In exercise of the powers conferred by clause (b) of sub-section (2) of section 30 of the Madras Co-operative Societies Act, 1932 (VI of 1932), His Excellency the Governor of Madras is hereby pleased to remit in full all fees payable under the law of registration for the time being in force for the registration of documents and for obtaining encumbrance certificates in respect of applications for loans on the security of immovable property from members of the scheduled classes who are members of co-operative societies (including land mortgage banks) for the time being registered or deemed to be registered under the Madras Co-operative Societies Act, 1932.

2. This notification shall be deemed to have taken effect on and from the 1st April 1943 and shall remain in force for a period of two years from that date.

CIRCULARS.

D. 9276/43.

19th October 1943.

Subject :—Conference—holding of periodical conferences of stores societies.

There are at present over 1,000 primary stores in the Province and 21 Co-operative Wholesale Stores. There has not, however, been much co-ordination of activities between these two. For the successful working of these two institutions, there is need for proper understanding and satisfactory business relations between them. They should try to find out what exactly their difficulties are, which hinder or interfere with their collaboration, discuss them and devise ways and means to overcome them. Towards this end, it is very desirable that they should meet together periodically, discuss matters of common interest and attempt a solution of their problems. There have been such conferences of stores in the districts of Tinnevely, Cuddapah, Kurnool, Godavari East, Guntur and Nellore and a Provincial Conference at Madras. These conferences have proved to be of great benefit to the stores societies. They enable them to exchange their business experiences, to ascertain each other's purchase and sale policies, to know their pitfalls and steps taken to steer clear of them, etc. The very youthful stores will be benefitted by the advice and experience of the more elderly ones. Through discussions and frank exchange of views, the stores may stand to gain and devise measures to develop their business and to run them on sound lines.

2. It is, therefore, suggested that conferences of stores societies may be held in each district to formulate ways and means to improve their business and to ensure the loyalty of the primaries to the central stores. The Co-operative Wholesale Stores which is the district central trading organisation for the primaries and which is expected to guide them on sound business lines, will be the proper agency to convene such conferences. The Co-operative Wholesale Stores are, therefore, requested to hold periodical business meetings or conferences of the representatives of stores societies in their jurisdiction, say, once in 6 months. A copy of the proceedings of the conference and the resolutions passed may be sent to the Registrar, through the Deputy Registrar concerned and to the *Madras Journal of Co-operation*.

3. The Collectors and other Revenue Officers were invited by some of the Deputy Registrars and the Wholesale Stores, to open or to preside at such business conferences, and advantage was taken of the occasion to represent the difficulties experienced in obtaining quotas of controlled commodities, transport etc., and to enlist the support and sympathy of the Collector and his subordinate officers. This practice is commended to all Wholesale Stores and Deputy Registrars.

4. A suggestion made to popularise the stores and to bring the advantages which they confer upon the consumers is to celebrate the anniversary of the stores or the "Stores Day". On such occasions popular lectures on the consumers' co-operative movement, its ideals and achievements may be arranged, and the "Stores Day" celebrated in a fitting manner. The International Co-operative Day will be celebrated in the first week of November and advantage may be taken of this occasion and steps devised to organise popular lectures and meetings to bring to the notice of the general public the progress of the consumers' co-operative movement and the services rendered by it in the Province and to utilise the occasion for increasing membership and capital of stores societies.

R. C. 3021/43-S.

23rd October 1943.

Subject :—Co-operative Wholesale Stores—Subsidiary rules—framing of—instructions issued.

The Co-operative Wholesale Stores in the Province have begun to assume an important role in the distributive system of the Province. As they are essentially trading concerns, it is necessary that they should conduct their business with the utmost promptitude and speed and that the officers and the employees should each know his duties and responsibilities and carry them out most efficiently. For this purpose, the Registrar considers that the Central or Wholesale Stores should frame suitable subsidiary rules for the

satisfactory conduct of their business with particular reference to internal check and the duties and responsibilities of their employees. Such rules would help the employees to know their job thoroughly and also facilitate the work of the higher officers, in supervising and controlling the work, of accountants, salesmen, godown keepers, etc. whose number has been on the increase along with the development of the business of the stores. The bye-laws of the Co-operative Wholesale Stores usually contain provision for delegation by the Board of its powers to the Executive Committee and for framing subsidiary rules for the conduct of business.

2. A uniform set of model subsidiary rules may not be applicable, in practice, to all the Co-operative Wholesale Stores in view of the differences in local conditions. The Registrar, therefore, considers that the requirements of the case will be met, if the broad lines, on which subsidiary rules should be framed, are indicated, leaving it to the wholesale stores to adopt suitable rules in this behalf. It is suggested that subsidiary rules may be framed dealing with the following among other matters :—

- (1) Hours of business of the stores and the attendance of the staff ;
- (2) Procedure for receipt of money, passing of vouchers, payment of bills, persons competent to sign receipts, sale chits and the person responsible for the custody of cash till it is handed over to the treasurer after the close of the day's transactions; (duties of Accountants, cashiers, etc., should be defined) ;
- (3) Person or persons responsible for the maintenance of stocks in godowns and the nature of the responsibility—joint or several etc., (duties of store-keepers, or godown-keepers, secretary, etc. in this matter should be defined clearly).
- (4) Procedure for operating on the overdrafts or other accounts and the person or persons competent to issue or sign cheques, and the maximum limits upto which each can operate on the accounts ; (provision for the discharge of these functions in the absence from Headquarters, etc. of the person or persons entrusted with this, should also be made ;
- (5) Purposes for which overdrafts may be utilised and the manner of recouping it by loans taken on the pledge of stock purchased, etc. (In respect of Co-operative Wholesale Stores working emergency schemes the amount set apart for ordinary business and for emergency business should be shown separately) ;
- (6) Maintenance of separate accounts and registers relating to emergency schemes ;
- (7) Officers responsible for carrying on correspondence and for the safety of records and books or properties (other than stocks of goods) ;
- (8) Powers of the paid Secretary or Manager in respect of office management, etc., (distribution of work and discipline and conduct of the

staff during office hours, disciplinary powers against the members of the staff, etc.) ;

(9) Scale and nature of security to be taken from employees of all grades of service ;

(10) Leave rules for the staff (casual leave and other kinds of leaves —Officers competent to sanction leave for employees including Manager or paid Secretary ;

(11) Scale of Travelling Allowance admissible to the officers and other employees of the stores ;

(12) Arrangements for carrying on the routine business of the stores in the absence of the Secretary or the executive head of the stores ;

(13) Nature and extent of credit facilities to affiliated societies—procedure and terms governing them—officers competent to sanction credit sales to affiliated societies ;

(14) Officers competent to effect or renew war risks or fire insurance of goods ;

(15) Provision for taking up agency work by the wholesales and for appointment of sub-agencies, if any, by them.

Executive Committee.

Delegation and definition of powers and duties of the Executive Committee for the conduct of business of the stores.

Appointment of Purchase and other Committees.

Powers and duties of the purchase or other *ad hoc* committees, method of purchases, sales, fixation of selling prices, etc.

N. B.—In respect of purchases and sales, it may be necessary in urgent cases and for business reasons, to entrust an officer of the stores with the duty of making purchases, of fixing selling prices of articles subject, of course, to certain guiding principles to be prescribed by the Purchase Committee. Provision for this may be made in the subsidiary rules, wherever necessary.

The above are the broad lines on which subsidiary rules may be framed by the wholesale stores. They are not intended to be exhaustive or to cover all possible matters concerning the business of the wholesales. Deputy Registrars are requested to see that the wholesale stores frame subsidiary rules with due regard to the points noted above as well as local conditions. They themselves should scrutinise them carefully before they are adopted by the wholesales. In cases where subsidiary rules have already been drawn up by the wholesales, the officers may examine them with reference to the suggestions and indicate suitable amendments, if necessary. This work should be taken up and completed at once. The rules should, as far as possible be flexible and should have, as their main purpose, quick despatch

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of business and wholesome lines of policy. 'Red tape' should have no place in a trading organisation like the wholesale stores.

3. It is equally important that the wholesale stores should introduce an efficient system of internal check to ensure effective supervision over the staff, correct maintenance of accounts, prompt detection of mistakes, etc. This should engage the special attention of the Departmental Officers and Wholesale Stores. Deputy Registrars should also satisfy themselves through personal examination, about the efficiency of the system of internal check adopted by each wholesale stores.

The Tirupati Co-operative Town Bank, Ltd.

The Tirupati Co-operative Town Bank has completed another successful year of working. The number of members at the end of the year was 1901 with a paid-up share capital of Rs. 98,210. The deposits and borrowings at the end of the year amounted to Rs. 5,51,798-12-0 as against Rs. 4,88,944-4-0 at the end of the last year. A sum of Rs. 3,11,438-10-0 was outstanding as loan at the end of the year. The Bank earned during the year a net profit of Rs. 7,456-2-0. It has got a reserve fund to the extent of Rs. 49,290-15-0.

The Hospet Sugar Cane Growers' Co-operative Union, Ltd.

P. H. Rama Reddi Esq., I.A.S., Director of Agriculture, Madras, presiding over the prize distribution day held under the auspices of the Sugar Cane Growers' Co-operative Union, Hospet, spoke highly about the working of the Union. A small exhibition was also arranged on the occasion where important posters on "Grow More Food" were prominently displayed. Improved ploughs and Madras Ridgers were presented to 41 members at a cost of Rs. 1,797-3-0 for growing the improved varieties of cane and obtain highest yields during the 5 years of the scheme. The Chairman hoped that more allotments for the Union to carry on intensive research work will be made when the Central Sugar Cane Board is constituted.

Training Class for employees of Co-operative Stores.

With the growth of Co-operative Stores Movement in Madura District the necessity for training men for employment in the stores was felt and a training class to spread co-operative education, practical and theoretical, on stores' movement was opened on 4-10-43 under the auspices of the Madura-Ramnad Co-operative Wholesale Stores, Ltd. Mr. Sarvothama Rao (Deputy Registrar of Co-operative Societies on leave) presided over the function and Mr. W. Gnanasambandam, Deputy Registrar of Co-operative Societies, Madura, opened the class in a short speech. Out of 84 candidates selected for the training, 70 only joined the class. The period of training was three weeks. Lectures were delivered both by officials and non-officials and an examination was held on 23-10-43. The session concluded under the presidency of Sri S. Parthasarathy Naidu, President of the Stores.

The West Coimbatore Co-operative Building Society, Ltd.

The West Coimbatore Co-operative Building Society has addressed a letter to the Registrar of Co-operative Societies, requesting him to move the Government to reduce the rate of interest charged on Government loans to building societies to at least 3½ per cent. so that the society may be able after having a margin of 1 per cent. for working expenses to advance to its members at 4½ per cent. instead of at the present rate of 5½ per cent., considering the cheap money available in the open market and the high cost of materials.

Burma-Shell Employees' Co-operative Society, Ltd.

This Society has completed another year of useful working. The Society had 475 members on the rolls at the beginning of the year and 458 at the end of the year. The paid-up share capital was Rs. 16,166 on 30-6-43 as against Rs. 16,529, on 1-7-42. The loans granted and collected during the year amounted to Rs. 1,06,393 and Rs. 1,20,924-2-0 respectively. The joint purchases were undertaken by the society. The Society registered itself as dealers and obtained license for distribution of food commodities like, sugar, rice etc. The total value of all purchases during the year amounted to Rs. 24,565-11-6 and the net profit earned on this account was Rs. 288-12-0. The net profits for the year amounted to Rs. 335-4-0. The Society has to be congratulated for its useful help to its members especially for distribution of foodstuffs to them.



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The International Co-operative Day.

Madras.

Under the auspices of the Madras Provincial Co-operative Union, the Twenty-first International Co-operative Day was celebrated at a meeting held in the premises of the Provincial Co-operative Bank, Esplanade, Mr. W. R. S. Sathianathan, I.C.S., Registrar of Co-operative Societies presided.

Sri V. Viyyanna, Honorary Joint Secretary of the Union welcomed the gathering and stressed the importance of the celebration of the Day.

In his presidential address Mr. Sathianathan said that international co-operation was a thing worth striving for. Though there might be difficulties at present in the way of its full realisation, at least after the war they should certainly be able to form international co-operative committees. The members of such committees, he added, must necessarily have made some definite contribution to the world at large; and it was common knowledge, that no nation would be in a position to contribute anything substantial to the world in the field of co-operation if its people did not take to it in a missionary spirit. He would not like people joining the co-operative movement to serve their own personal ends, or to further the interests of a particular party.

Mr. Sathianathan suggested to the authorities of the Provincial Co-operative Union that they might carry on a 'propaganda campaign' by means of drama, cinema and newspapers and through educational institutions in favour of co-operation so that more people could join the movement.

In the speaker's view co-operation was a better system than capitalism; for the former had all the advantages, which the rich and poor alike required.

Sri Rao Bahadur M. Giriappa was the first speaker. He spoke of the importance of co-operation in the post-war world and pleaded for drawing up a plan for the development of industries on co-operative lines. It was his opinion that there should be greater interchange of views between co-operators in the world and suggested the deputation of one of the non-official co-operators to the International School of Co-operation proposed to be started in America.

Mr. K. Subramaniam, Joint Registrar of Co-operative Societies, claimed that the co-operative movement in the Presidency had received a great stimulus from the war and had developed considerably. Especially in the matter of producing and distributing food and cloth, the movement had played a prominent and useful part. Mr. Subramaniam hoped that co-operative endeavours would facilitate the growth of agricultural industry and cottage and small-scale industries. He also suggested that instead of money, agricultural implements might be supplied to the agriculturists. (His full speech is published elsewhere.)

Mr. R. Suryanarayana Rao spoke of the part co-operation is destined to play in post-war reconstruction of society. The war had demonstrated the

THE INTERNATIONAL CO-OPERATIVE DAY

utter futility of the old social and economic system and brought into prominence more and more the advantages and potentialities of the co-operative economic system. He quoted the resolution of the Hot Springs Conference which recognised the important place of co-operation in the new economic system now and after the war. Speaking of social security, he quoted Sir William Beveridge who had himself declared that his social insurance plan was only a medicant but not a preventive measure for unemployment, squalor and war and it was his opinion that the co-operatives had important contribution to make in employment stability. Referring to consumers' co-operation, he expressed his gratitude to the Registrar and his devoted assistants for their work in connection with the organisation and working of stores in the province. He then referred to the attempts made to keep producers and consumers apart as though their interests were opposed. He strongly pleaded for a judicious blending of both which alone could avoid compartmentalism and assist in bringing about economic democracy.

The meeting then passed a resolution (framed for the occasion by the *International Co-operative Alliance*) reaffirming their faith in the principles of co-operation, declaring them before the whole world to offer a sure foundation for a new social and economic order calculated to realise the promises embodied in the Atlantic Charter and expressing their desire to help in building a new and better world upon the basis of true and free international co-operation.

Tirupati.

A largely attended meeting of Co-operators was held under the auspices of the Tirumalai Tirupati Devasthanams Co-operative Stores at 6 p.m. on 6-11-1943. Sri Rao Saheb K. Rangaiya Nayudu, B.A., B.L., Peishkar, Tirumalai Tirupati Devasthanams and Treasurer of the Stores presided on the occasion.

The draft Resolution commended by the *International Co-operative Alliance* was moved by Sri V. Seshachariar, B.A., Asst. Peishkar, Tirumalai Tirupati Devasthanams, seconded by Sri S. Narayana Rao and passed unanimously.

Ellore.

The 21st International Co-operators' Day was celebrated under the Presidency of Srimati Ayyagari Seeta Vizaya Lakshamma, President of the Women's Thrift and Cottage Industries Co-operative Society, Ltd., Ellore. Messrs. M. Ramakrishna Reddi, T. V. R. Krishna Rao and S. Ramanatha Rao, Deputy Registrar of Co-operative Societies, spoke on the occasion on various aspects of the Movement. The resolution circulated by the I.C.A. was then adopted.

Tenali.

Under the auspices of the Tenali Co-operative Stores, the Day was celebrated with Sri M. Radhakrishna Patnaik, Subordinate Judge, Tenali, in the chair. The Directors and the staff of the Stores and the Bank launched

a house to house drive for increasing the membership. Leaflets exhorting the citizens to become members and to purchase their requirements in the Stores were distributed during the procession. Prof. M. Venkatarangayya of the Andhra University hoisted the Co-operative Flag. Messrs. A. Ramachandra Rao, Chintamaneni Sivaramiah Chowday, M. Venkataramiah, M. Lakmiah and K. K. Viswanatham spoke on the occasion on various aspects of the Movement. The resolution was unanimously adopted at the meeting.

Palani.

The Co-operators of Palani met together under the rainbow banner to celebrate the Co-operative Day. The Commissioner of Palani Municipality, Sri R. Purushothama Sastriar presided. Sri S. Sundaraswami Aiyar, explained the importance of the Day.

Dharmapuri.

The Day was celebrated with great éclat jointly by all the local co-operative institutions viz. Dharmapuri Local Union, Co-operative Land Mortgage Bank, Co-operative Town Bank, Co-operative Stores, Co-operative Wholesale Society, Handloom Weavers' Co-operative Society, Public Servants Co-operative Society and Dharmapuri Board High School Students' Co-operative Stores. Prior to the procession, printed handbills in Tamil recounting the various achievements in the field of co-operation were distributed. The procession was headed by a bull and an improved iron-plough. Sri P. K. Pushparaj, Dt. Munsiff, presided over the meeting. Speeches were made by various co-operators on all aspects of co-operation and by the Co-operative Sub-Registrar for Land Mortgage Banks, Salem. The resolution of the I.C.A. was moved by the President and carried unanimously.

Rasipuram.

Sri S. S. K. Vasudeva Chettiar, President of the Rasipuram Co-operative Marketing Society, presided on the occasion of the celebration of the Day when the draft resolution of the I.C.A. was adopted.

Mangalore.

Under the auspices of the South Kanara Dt. Co-operative Advancement Society, the I. C. Day was celebrated with Mr. K. Sarvothama Rao, Deputy Registrar of Co-operative Societies presiding. Mr. S. Narasappaya, while moving the resolution spoke about distribution of foodstuffs. The resolution was seconded by Mr. S. Mukunda Rao.

Cuddalore.

Under the joint auspices of the South Arcot Co-operative Central Bank, Ltd., and the South Arcot Dt. Co-operative Central Stores, the Day was celebrated. Sri L. K. Govindarajulu Naidu, District Organiser, the National War Front, S. Arcot, presiding. The celebration began with a procession. The resolution proposed by the I.C.A. was moved by Sri C. S. Nataraja Iyer and seconded by Sri M. Venkataswami Reddiar. Messrs. G. Devananthaswami Naidu, A. Palaniappa Mudaliar, Deputy Registrar, Rao Bahadur T. R. Chakrapani Iyengar spoke in support of the resolution. They also dwelt on the various phases of the co-operative movement with special reference to the remarkable growth of the consumers' movement in the district. The resolution was then adopted.

A Prominent Co-operator Passes away.

Sri Rao Sahib T. Nataraja Pillai was born in 1868. The title of "Rao Sahib" was conferred on him in 1933 in appreciation of his services to the Co-operative Movement. He was the first Honorary Assistant Registrar to be appointed by the Co-operative Department and had continued as such till 1925. He worked hand in hand with the late Diwan Bahadur K. Deivasikamani Mudaliar. He started the Lalgudi Rural Bank, the oldest co-operative institution in the Trichinopoly District and the Lalgudi Union which had celebrated its Silver Jubilee in 1941. He continued to be their President for a long time. It was only at his instance that the Trichy Central Bank admitted the rural co-operative societies as members and in 1921 when the first Board of Management of the Central Bank consisting of both individuals and co-operative societies was constituted, Mr. Pillai was elected as the Union representative. He was the first President of the Trichinopoly District Co-operative Federation which came into existence in 1925. He was a good administrator and a selfless worker who had really set up a model for other honorary workers to follow. He was of a highly pious and charitable disposition, leaves behind him 3 sons, a daughter and two grandsons to bemoan his loss. Sri Rao Sahib L. N. Paramasivam Pillai, President of the Trichy District Co-operative Central Bank is his second son.

Besides the co-operative activities he contributed much to the rural uplift through the Lalgudi Panchayat Board. He was the founder and patron of the Lalgudi Hindu Girls' School in 1899 and enabled girls of all communities to receive elementary education through that institution. He was also the founder of the Peoples' Association, Indian Youth League and Mirasdars' Association at Lalgudi. His services to the people at the time of the heavy floods in the Trichy. district and during the last war are of a memorable character. His services to the Movement were eulogised by one and all on the occasion of the Silver Jubilee of the Lalgudi Co-operative Union which was started by him.

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