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Madras Journal of

Co-operation

Vol. 35.

No. 6.



JL
XMM21, N10M
N42, 35.6
125965

Regd. No. M. 1284.

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THE

Madras Journal of Co-operation

EACH FOR ALL, AND ALL FOR EACH

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

DECEMBER 1943.

No. 6, Vol. XXXV

PRICE 8 AS. NE

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Editorial Notes.

Warless, Wantless World :

In a broadcast to German co-operators on the International Co-operative Day, Mr. R. A. Palmer, Vice-President, *International Co-operative Alliance*, said,

In spite of the spoliation of the German movement and the suppression of the democratic rights of its members, the Nazis have not succeeded in breaking down the spirit of free co-operation and in stamping out the idea of international solidarity among the millions of former co-operators in Germany.

We have not forgotten that before the fatal year 1933, when you lost your freedom and the Nazis hauled down the Rainbow Flag, large masses of German co-operators used to demonstrate their faith in the co-operative idea on International Co-operative Day. Today you are not allowed to speak freely, far less to demonstrate. Nothing is left of the mighty structure you built up before 1933. The Nazi Party, through the Labour

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Front, in which you have no say, has expropriated you. But we have the strong hope that before long you will be given the opportunity to make a new start, to rebuild your movement, and to join the march of co-operative progress which has never been interrupted in the countries that have preserved their liberty and are now fighting for the restoration of freedom throughout the world.

A message in similar terms from Mr. Palmer was broadcast on the same day to the co-operators of occupied places in Norway, Denmark, Holland, Belgium, France, Poland, Czechoslovakia, and Yugoslavia.

I have to thank you for the great contribution you are making to the cause of peace and liberty by your heroic endurance under the tyranny of the Nazi regime, and to express the most fervent hope that you will be able to maintain your fortitude and courage until the hour of your liberation.

Today there is a clearer promise of the victory of the Allied Forces in their fight against Nazism and Fascism, and of the coming of a new era of international collaboration.

Although the activity of the I.C.A. has been greatly limited since the outbreak of the war, its machinery and its vitality have been so maintained that it will be ready immediately hostilities are over to enter upon the historic tasks and the opportunities which await it as an instrument of peace and understanding.

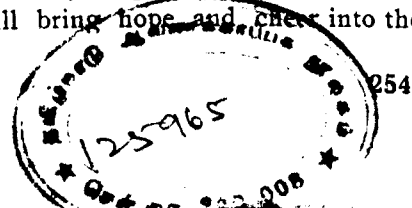
Co-operators in all free lands are demanding that the consumers' interests shall be voiced and safeguarded by the *Alliance* in the coming peace conference, and the I.C.A. is endeavoring, by all the means in its power, to assure that the movement in all States shall have freedom of activity on the basis of its own principles.

Co-operators of—, we salute you, as stalwart defenders of the co-operative faith, and we await the day when the co-operators of all lands, united by the spirit of service and association, will go forward to the goal which lies beyond the armed victory.

Mr. Palmer ended his message in these inspiring words:

We know that stern trials and hard struggles lie ahead before we shall be able to reunite the co-operative movements all over the world in a powerful world movement. But we are convinced that the day will come, and we are preparing for that day: planning for a better world where war and want will be banished and conquered, and all sections of the people and all nations will co-operate in the common aim of raising the material and cultural standard of humanity.

May we pray these words coming from an eminent co-operator will bring hope and cheer into the hearts of those who have seen



with their own eyes the destruction of the co-operative edifice built with hard toil, sweat and tears and look forward to better times and a warless and wantless world.

An International Organisation:

The Committee on International Co-operative Reconstruction of the Co-operative League of the United States of America has submitted a proposal for the organisation of an International Co-operative Trading and Manufacturing Association which would handle consumer goods, petroleum products, agricultural supplies and produce on a world-wide scale. The report declares:

There is only one economic movement on the horizon capable of meeting the threats to world peace and the democratic way of life implied in a return to extreme cartelization, that is the consumer and producer co-operative movement operating on a global basis. The membership of the movement is world-wide; its resources are great; it has had years of successful experience in manufacturing, processing, distribution, and import and export.

The difficulties to be overcome are not to be minimized. They are many. But there are several factors which indicate that now is the time to make a start. We dare not wait until the war ends to begin considering plans. 'Too little and too late' must not characterize the co-operatives as they face post-war emergencies. They must be equally aggressive and equally if not more far-sighted than the leaders of big business in planning on a scale comparable to the size of the problems, that will follow hard and fast on the heels of an armistice. Other factors include the fact that the co-operative movement the world over is moving into production and processing at an accelerating rate, and that leaders of the movement are becoming more and more internationally minded.

The proposal is an interesting suggestion worthy of consideration and support from all co-operators. If it matures and succeeds in warding off "threats to world peace and the democratic way of life," the result achieved will be by no means small.

We await with interest the development of this project which augurs so well for the future peace and happiness of the world. We shall not be accused of indulging in vain criticism if we venture to state that in spite of the suffering through which the world is passing the idea to domineer, largely based on colour and racial prejudice, is not dead. "Idealism is gone. Grab has driven out generosity". Therefore, the sponsors of this movement are up against age-long prejudices which even the democracies wedded to the principles of the Atlantic Charter have not yet shed.

Co-operative Education :

The United States of America are keeping pace with the growing needs of the rapidly growing development of the Movement in regard to co-operative education. A Co-operative Correspondence School has just been opened in Superior, Wisconsin, the home of the *Co-operative Builder*. The School is sponsored jointly by a number of co-operatives, primary and wholesale. The following extract from the prospectus is of interest :

The course opens by answering the question : "What is a co-operative association;" discusses the functions of the board of directors and what they should know to be effective in their work; gives a thorough analysis of the balance sheet and the operating statement; discusses financial ratios and comparisons; administrative policies in co-operatives; committees, management and education, and winds up by asking the student to make an appraisal of his own co-operative.

The Director of the School, Mr. Alanne, explains the objects of the School further in the following words :

"It should be clearly understood that Course I is not intended only for the present directors of our co-operatives, but also for any and all members who are sufficiently interested in the affairs of their co-operative, and in the co-operative movement in general, to be ambitious of informing themselves on the nature of the work of the board of directors, their duties and responsibilities, what the directors should know to be able, as a board, to effectively supervise the affairs of the co-operative, etc."

Whatever may be our growing diary of development, we are slow to realise the importance of co-operative education. It is hoped some enterprising co-operative will come forward to start a Correspondence School.

Another enterprise of equally interesting kind is the opening of a Co-operative Training School where six weeks of intensified training in Co-operative Book-keeping, Co-operative Principles and Methods, Co-operative History, Economics, Co-operative Administration, Management, Merchandising, Commodity Information, English and Arithmetic is arranged, and is intended for all men and women now working in co-operatives or those interested in co-operatives. The trainees are charged a \$ 5.00 registration fee and in return they will all be provided with free meals.

The course of training in our Institutes is longer and the cost to trainees is much greater. It is worth while examining whether the period of training can be lessened so that the same staff may deal with larger number of batches of students and thereby effect the

much-needed savings in the cost of training as well as expenses to the trainees. Incidentally a larger number of trained persons will be available to meet the growing need for trained personnel.

Hot Springs Conference :

It is hardly realised even by co-operators themselves what high place co-operation holds in the programme of re-construction of the world after the war and what credit it has already achieved as the only safe way for the economic salvation of the world. The International Food Conference at Hot Springs, Virginia, which met in May last adopted the following resolution, which will be read with more than ordinary interest.

The United Nations' Conference on Food and Agriculture, held at Hot Springs, Virginia, U. S. A. in the latter part of May, passed a resolution (Resolution XVII, Co-operative Movements) acknowledging the importance of the co-operative movement and recommending that the possibilities of further establishment of co-operative societies be studied by all countries.

The text of the resolution is as follows :

Whereas.

1. The co-operative movement has been of very great importance in many countries, both to urban and rural populations, especially in agricultural districts where farming is based on small units and in urban areas of low income families ;
2. The proper functioning of co-operative societies may facilitate adjustments of agricultural production and distribution, as members have confidence in the recommendations and guidance of their own co-operative organizations, which they know operate in the interests of their members and of society in general ;
3. The democratic control and educational programmes, which are features of the co-operative movement, can play a vital part in the training of good democratic citizens, and assist in inducing a sound conception of economic matters.

The United Nations Conference on Food and Agriculture Recommends.

1. That, in order to make it possible for people to help themselves in lowering costs of production and costs of distribution and marketing ;
- (a) All countries study the possibilities of the further establishment of and consumer co-operative societies in order to render necessary production marketing, purchasing, finance and other services ;

- (b) Each nation examine its laws, regulations, and institutions to determine if legal or institutional obstacles to co-operative development exist, in order to make desirable adjustments ;
- (c) Full information as to the present development of co operatives in different countries be made available through the permanent organisations recommended in Resolution II. (omitted)

—I. L. O. Co-op. Information No. 7/8-XX 1943.

India too must play her part in achieving the objects of the Conference. What part the co-operatives can play not only in solving our own problems but also contribute in some measure to the solution of world problems must from now engage the attention of co-operators.

Co-operative Stores.

The important part the consumers' co-operation has come to play in the life of the community and will play to a greater degree with the introduction of rationing and price control need not be emphasised. The success attending their working will depend largely on the conformity to rules and regulations framed for their working. But we regret to find these rules and regulations are being issued from time to time and often they overlap causing confusion in the minds of those in charge of these stores organisations. Moreover, they are being issued without prior consultation with any body of non-official opinion. We would respectfully suggest that in the body constituted after the Stores Conference held at Madras, the Department has a representative committee whose opinion ought to weigh with them. That committee may as well constitute the Department's Advisory Committee for consultation and necessary action as often the purpose of instructions issued by the Department may appear inscrutable and puzzle the ordinary worker. As we are anxious that the well-meant instructions issued by the Department should be followed after intelligent appreciation of their purpose, we have ventured to offer these suggestions for the consideration of the Department. Whether a manual containing all orders and circulars should be prepared is also a matter for consideration.

Post-war Reconstruction :

It is always refreshing to read the speeches of Mr. W. R. S. Sathianadhan which are characterised by a sense of practical idealism. In the speech before the Rotary Club he has not only affirmed his faith in co-operation but has also envisaged a brighter future for

it in the post-war period. He is emboldened to predict this after observing the phenomenal progress the Movement has made during these few years, all the while carefully planning without allowing enthusiasm to outrun discretion. He and the band of his devoted assistants deserve our gratitude. But we shall be failing in our duty if we fail to state that the amount of Departmental supervision exercised is not sufficient. While the Movement is making rapid strides, the staff, either official or non-official, has not been sufficient to cope with the growing demand for organisation, administration, supervision and audit. We would also venture to suggest that while providing the minimum official staff required to discharge the statutory duties, every effort should be made to strengthen the non-official supervisory staff through the Supervising Unions, as now in view of the prosperity of the growing number of stores organisations, required finance is forthcoming.

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—Commerce, 29th May, '43.

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"Sumathi."

A WOMAN CO-OPERATOR—A SHORT STORY

BY T. S. PANDURANGAM.

Consequent on the stormy weather that prevailed in the day in the month of September 1939, schools, colleges, offices and factories closed before their scheduled time. With the evening rapidly setting in, dark clouds gathered, thunder rolled and lightning flashed. A torrential downpour followed flooding the low-lying areas of the City and increased the difficulties to vehicular and pedestrian traffic.

Popham's Broadway was one plain sheet of water as the result of which tramway service in that route came to a standstill. A strong gale swept across the City rendering it impossible for any one to come out. Some sought shelter under the tops of a few shops that were alongside. Others ran helter-skelter while some others got into the houses that were on either side of the road. The only one who seemed to defy wind and rain was Kuppuswami. He waded through the water with his clothes drenched, for, the umbrella which he carried was rent to pieces by the gale. He was in a state of exhaustion having walked all the way from Mount Road, where he was employed as a Foreman in "Parameswari Printing Press." Finding it difficult to proceed further, he climbed the steps of a house to take shelter. He sat on the pial heaving a long sigh, for such was his exhaustion and began to wring his wet clothes. Kuppuswami heard a babel of voices from inside the house. Curious to know what it was, he slowly pushed the door aside and through the small opening saw a gathering of persons squatted on the floor and engaged in what appeared to him to be a heated discussion. The squeak caused by the door having been pushed in diverted the attention of the speaker and the audience to turn round towards the direction of the door. Kuppuswami realised his folly in having disturbed the meeting and was about to retrace his steps, when he was called in by Thiru. Tindivanam Muthukrishna Mudaliar (for that was the speaker's name) and offered a seat. Mr. Mudaliar having made a lengthy speech and resumed his seat was closely followed by the Chairman, Mr. Meer Hussain Sahib's remarks. Kuppuswami was one of those persons who did not believe in falling in line with his colleagues of the Press Union and attending its meetings. Hence he could not make out what the meeting was about. He gathered from those present that it was a meeting of the Madras District Co-operative Propaganda Committee held in the premises of the Selvavinayagar Koil Co-operative Society. He saw Mr. Govindachari, getting up and thanking

the audience for attending the meeting in spite of the inclement weather. By this time the rains ceased and those present after exchanging namaskaram dispersed except Mr. Chari, who stood behind for the purpose of going through records. Kuppuswami left the house along with the rest and was lying in wait outside.

Half an hour later, Mr. Chari emerged out of the house and saw Kuppuswami trudging along the road. He asked him as to whether he waited for any one. Kuppuswami replied that he desired to talk over some thing to him. Thereupon Mr. Chari excused himself saying that it was too late and he had to catch the last Bus for Mambalam. He however made a note of his name and address in his diary and promised to meet Kuppuswami the day following at his house.

Next day Mr. Chari called on Kuppuswami at his house. Kuppuswami hastened forward to welcome him with cordiality. They next glided into light commonplace conversation which a man of the world had always ready at his hand. He then broached the topic of his daughter's (Sumathi's) marriage and his wife's eagerness to have it celebrated as early as possible. His wife, Kuppuswami said, thought that it was rather unfair to keep girls unmarried after they attained age. One thing, Kuppuswami added, which was harassing him more than the rest was, as to how best he could secure funds to meet the expenses in that connection. He wished to consult Mr. Chari in the matter and requested him to suggest a way out of the tangle. Kuppuswami's state of helplessness touched Mr. Chari's heart. Being a man of the world and of sympathetic disposition, Mr. Chari assured Kuppuswami that he would do his best to help him under the circumstances. Mr. Chari said, that Kuppuswami should first enrol himself as a member in the Selvavinayagar Koil Co-operative Society of which he was the Hony. Organiser) and thereafter apply for a loan of Rs. 360, repayable in 36 months of Rs. 10 each. A few days later, Mr. Chari took Kuppuswami to Mr. Thirunavukarasu, Secretary of the Society, and put in a word by way of recommendation. Necessary hurdles were crossed and the loan was disbursed.

Kuppuswami called for a Purohit on one auspicious day and a day was duly fixed; intimation in advance was sent by a telegram to Rangoon where the bridegroom's party stayed. Bridegroom Vishnukant was a young man employed as an Accountant in the Rm. Ct. Dk. Ramasanri Chettiar & Co., in Rangoon. Sumathi was a very handsome young girl and educated to the extent that she could make

a good house-wife. (Thanks to the education she had received at the Girls' Mission School.)

The marriage over, the couple left for Rangoon. Sumathi could scarcely keep back her tears as she reflected that within a few hours she would be separated from her near and dear ones, and the scene that took place at the time of leave-taking was touching to the extreme. Sumathi conquered her emotions and got on board the steamer.

They reached Rangoon and set up a home. Three years passed by. In the meantime Japan entered into a Pact with Thailand resulting in evacuation on a large scale. Vishnukant sent Sumathi back to Madras along with his relatives, as he could not accompany her, due to the fact that he was strictly forbidden from leaving the station without the Burma Government's permission. Sumathi reached Madras and stayed with her parents. She could not afford to be a burden on them any longer. Considering the difficult circumstances her parents were placed in, she thought that if she could get a job, it would go a long way to relieve the family's sufferings. While she was struggling in her mind, her father dropped in with the day's *Hindu*, which he borrowed from his neighbour. Sumathi read to her father the news of the day and casually turning through the pages saw an advertisement inviting applications from girls between 18 to 24 years of age for Auxiliary Nursing Service. She thought that she could apply for a job. Remembering what she read at School, of that familiar maxim "Strike while the iron is hot" she coaxed her parents to permit her to apply. Much against his will, he gave in to her wishes. She lost no time in applying for the job and got an appointment order. Sumathi was posted for training in Sri Ramakrishna Mission Hospital at Mylapore. Sumathi's suave manners and pleasing nature won the confidence of the Matron who liked her very much and treated her kindly. The Nurses Co-operative Club attached to the Ramakrishna Mission Hospital was in a dormant condition for want of active and disinterested workers. One day the Matron (as she was the President of the Club) asked Sumathi if she could assist her in bringing back the Club to life. Sumathi at first regretted her inability to shoulder so high a responsibility. She could ill-afford to go against her Matron's wish as she owed so much to her, and later yielded.

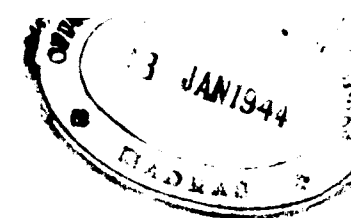
A day was fixed for the Annual General Body Meeting of the Sri Ramakrishna Mission Hospital Nurses Co-operative Club. The Matron presided over the function and Sumathi was requested to say

a few words on the *Co-operative Movement*. Sumathi stood up and made a speech to the admiration of her matron and to the envy of her Sister Nurses.

She began by saying "Sisters, women's work in the co-operative movement is as old as the Movement itself, for an organisation so intimately connected with family and household cannot be built up without the help and enthusiasm of women. Woman has what the man has not; each is complementary to the other: they are in nothing alike, and the happiness and perfection of both depend on each asking and receiving from the other what the other only can give. It was essential for the development of the Movement that those who belonged to it, and, above all, the young girls who would have to take the future responsibility, should gain an insight into social economy. To ensure this, co-operative, instructive and education work (literature, lectures, courses, press, films etc.) should not only aim at strengthening the co-operative spirit among the members but should also provide for a better knowledge of social economic questions both within and outside the movement. Sisters, I tell you that about half a dozen women should be able to take advanced courses of study in teaching and medical lines with the help of their savings in thrift societies. Several women had borne the marriage expenses of their sons or daughters with Rs. 100 or Rs. 200 which they had saved in their societies. They had been thus saved from running into debt". I tell you, as a point in instance, that my marriage was performed by obtaining a loan from a Co-operative Society. Many women had built and others were building houses with their savings, some had bought plots of lands which were being sold at low prices for the sake of members. Thus prosperity had been brought on by these small ways. Some women had saved their husbands from embarrassing situations by paying up from their savings money. The doors of Co-operative Club or Society are wide open to all classes, creeds, and positions. She concluded by appealing to the womenfolk to get acquainted with the co-operative staff who were their friends, philo-sophers and guides in the truest sense and helped and advised them to live on better lines."

Sumathi's speech was cheered. The evening edition of the Madras Dailies reported the proceedings in full under the head lines "Sumathi's appeal to her Sisters."

Vishnukant being a regular reader of the *Hindu* read the report. He could not believe himself. He wondered who could this Sumathi be. He rushed to the table and dashed a few lines off to his wife and posted the letter next day. Scarcely a week had passed by Rangoon fell into the enemy's hands, necessitating his coming back to Madras. Sumathi was overjoyed at her husband's safe return.



Milking three times a day.

By ARTHUR AMOS, Wye, Kent.

Three-times-a-day milking has often been practised with high-yielding cows to obtain exceptionally high yields from a few cows. This was in no sense the purpose of the practice about to be described, but rather to obtain an increased yield from all the very ordinary members of a commercial herd. Previous to the adoption of the practice, the herd was in charge of an oldish cowman, and few cows were producing as much as 800 gallons, and the majority only 600 to 750 gallons. At Michaelmas, 1936, this cowman left and his place was taken by a man who had no previous experience with cows, and only two years of farming. The new cowman was intelligent and willing to learn, and after a short preliminary period milking twice daily was superseded by milking three times daily with a milking machine.

The herd is cross-bred; no high prices have ever been paid either for cows or bulls. The animals at present comprising the herd were bred mainly from Ayrshire or Shorthorn cows crossed with a Guernsey bull to obtain reasonable yields of rich, creamy milk for my local retail round. Originally there was a good deal of disease in the herd, but this has now been practically eliminated and the cows are very healthy.

Theory. It is known that under natural conditions, with the cow sucking a calf, secretion of milk is stimulated as the appetite of the calf increases, since the udder is sucked dry. By twice-a-day milking, the udder is emptied only twice each day, and there are long periods when the udder is relatively full of milk. By three-times-a-day milking, the more frequent empty condition of the udder should stimulate secretion; and, in consequence, a greater development of milk producing tissue and an increased blood supply to the udder should result. If these conditions are obtained during the first milking period, it seems reasonable to expect that the cow would be a more capable producer, during succeeding milking periods.

Management.—The cows are given a dry period of two months, and both cows and heifers are fed before calving, when necessary, so that they calve down in good condition. If necessary, some milk is taken from the udder before calving. The calves are weaned immediately after birth, and the cows milked twice a day for three days and three times a day from the fourth day. The times of milking are 5-30 a.m., 1-30 p.m. and 7-30 p.m. In practice it is found necessary to strip, except with occasional, obstinate cows; at the present time

only two out of twenty cows in milk require stripping; thus some labour is saved in this respect.

Every cow and heifer, without exception, provided she is fit and well, is submitted to three-times-a-day milking. This continues for about six months, that is, two-thirds of the milking period. If effective service is delayed, and the cows are producing sufficient milk to justify it, three-times-a-day milking is continued for a longer period. Milk production generally falls rapidly when twice-a-day milking (at 6-30 a.m. and 1-30 p.m.) is substituted, but at this period it is desirable that the cow should be dried, so that she may nourish the development of embryo-calf and build up her body for the next milking.

High Production Level. High yields have been obtained. During the year 1942, the herd varied between 21 and 25 cows in-milk or dry, and of these, 20 (10 cows and 10 heifers) completed full lactations and averaged 943 gallons of milk.

Perhaps the most outstanding example of increased production due to three-times-a-day was that of a cross-bred Friesian and Short-horn, named *Blue III*. She was milked during her first four lactations on the twice-a-day system and never exceeded 700 gallons. As soon as she was milked three-times-a-day, production jumped up to 1,435 gallons. This was followed in her sixth lactation by 1,800 gallons. Her seventh lactation produced 1,548 gallons, and she produced 507 gallons in her eighth lactation during twelve weeks, when unfortunately she reacted to the tuberculin test and had to be disposed of.

Some cows, and especially heifers, can be brought to a high pitch of production and kept at constant or increasing production for a long periods. The case of two heifers, *Darkie V* and *Browntop III* illustrate this point:

Date of calving	Daily yields.	<i>Darkie V.</i> Nov. 21, 1942. gal. per day.	<i>Browntop III.</i> Feb. 12, 1941. gal. per day.
at the end of 4th week	...	3.20	3.61
" 8th "	...	3.43	3.98
" 12th "	...	3.35	3.94
" 16th "	...	3.27	4.20
" 20th "	...	3.30	3.99
" 24th "	...	3.60	3.58
" 28th "	...	3.75	3.32

MILKING THREE TIMES A DAY

Darkie V started production well below 3 gallons and worked up only to 320 gallons at the end of the fourth week. But production was kept well above this figure for 20 weeks. When the flesh of spring grass came she responded by a considerable increase, and in the 28th week (mid-June) reached her maximum production—3½ gallons per day.

Browntop III shows similar figures. She actually produced a record of 981 gallons with her first calf, calved within eleven months on January 2, 1942, and yielded 1,127 gallons with her second calf.

Initial high yields benefit subsequent Lactations. High yields during the first milking period are followed by increased yields during the second milking period, provided the heifers are properly fed and managed. The case of *Browntop III*, mentioned above, illustrate this point. Generally, the second milk yield exceeds the first by 100 to 200 gallons.

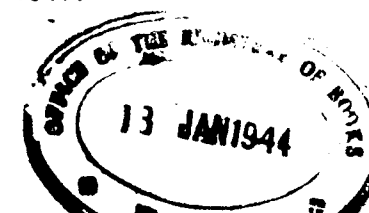
Regular Breeding and Freedom from Disease. No exceptional difficulties have been experienced in getting the cows to breed regularly within twelve months. Mastitis has not given any serious trouble. The herd is very free from this disease and, of course, the usual precautions are taken. The more frequent removal of milk from the udders naturally keeps them in good shape.

It is, of course, necessary to provide adequate holidays and remuneration for the cowman. He must be interested and satisfied with his job, and every opportunity should be taken to facilitate his attention at farm demonstrations and conferences where dairy subjects are under discussion.

Practice worth experimental study. I am satisfied that under my conditions three-times-a-day milking is fully justified and profitable, when applied to a herd of commercial cows which are reasonably free from disease. It is, I think, a practice which might be extended to tuberculin-tested herds of commercial cows, as a response to the increased Government subsidy for T.T. milk.

The practice on my farm has not been carried out under experimental conditions, and I suggest that the effect of three-times-a-day milking, as applied to heifers with their first calf, upon their subsequent milking lives is worth experimental study.

—Agriculture (The Journal of the Ministry of Agriculture), September 1943.



Land Colonisation Schemes.

Press Note.

In the Revenue Department press note on 26th October, 1942, the Government explained briefly the main objects of the land colonisation schemes sponsored by them and gave a short account of the working of some of these schemes in Fasli 1351. In addition to the 16 schemes referred to therein, the Government sanctioned another scheme for the Ahobilan village, Sirvel taluk, Kurnool District in April, 1943. There are thus 17 such schemes in all at present.

The Government have now reviewed the progress of these schemes in the past year (*i.e.* Fasli 1352). Brief particulars pertaining to them are given below :

Salem District.

The scheme at Maganurpatti in Harur taluk designed for ex-toddy tappers and other landless poor has progressed satisfactorily. The scheme comprises an area of 791.42 acres and has 130 members. They reclaimed and made fit for cultivation an extent of 590 acres, showing an increase of 190 acres over last year's extent.

Coimbatore District.

The Andiyur-Athani Scheme in Bhavani taluk covers an area of 1,200 acres to be distributed to 240 colonists. Pending alienation of the lands to the colonisation co-operative society, the lands have been given to the proposed members for temporary cultivation with food crops.

Tanjore District.

There are three schemes in this district managed by four co-operative societies. The Karuvakurichi society and the Thalikottai society hold 306 acres each. The former has 71 members and the latter 49. The area cultivated by these societies showed a decrease in the year under report. But better results are expected in the current fasli.

The Paruthikottai society holds 343 acres and has 83 members. Only a small extent was cultivated due to the fact that the society began to function only in the middle of December, 1942 and the lands required clearing and reclamation. The members of the society were granted an advance of Rs. 1,377 for the purchase of implements.

The Kangayampatti society holds 129.22 acres and has 63 members. An extent of 120 acres was reclaimed by them, but there was no cultivation. A sum of Rs. 1,071 was advanced to the society for the purchase of implements.

North Arcot District.

The scheme at Valkalnatham in Tiruppattur taluk, covers an area of 278.72 acres and has 53 members. They reclaimed 261.81 acres of which 138 acres were cultivated.

LAND COLONISATION SCHEMES

West Godavari District.

There are two schemes in this district managed by three colonisation co-operative societies. The Mutyalapalli society holds 380.50 acres and has 120 members. 130 acres were cultivated in the I crop season and 250 acres in the II crop season. The out-turn of the crop was reported to be poor, partly owing to the saline soil and partly due to lack of interest on the part of some members. Conditions are expected to improve when continued irrigation will reduce the salinity of the soil. The Dayyalthippa society has 1,114.48 acres of land with 354 members. The extent cultivated was 294 acres as against 150 acres in the previous year. Steps will be taken to see that the entire area is brought under cultivation quickly.

The Losarigutlapadu society holds 1685.40 acres and has 540 members. The area cultivated was negligible but better progress is expected hereafter. The society was given an advance of Rs. 1,500 for the purchase of implements.

Kistna District.

There are three schemes in this district managed by four co-operative societies. The Allur society has at its disposal 225.85 acres of land with 130 members, the Chennaraopalem society 134.43 acres with 70 members, the Malkapuram society 60.17 acres with 59 members and the Peddalanka society 778 acres with 391 members. Almost all the lands held by the societies were cultivated by the members. The co-operative societies at Allur, Chennaraopalem and Malkapuram interested themselves also in subsidiary industries such as bee-keeping, hand-paper making, tanning, fibre industry, poultry farming, charcoal industry, leaf-plate making, spinning and weaving, and dairy farming. Advances were given to the societies for the purchase of implements - Rs. 1,141-10-0 to Allur Rs. 619-8-0 to Chennaraopalem, and Rs. 850 to Peddalanka.

All the societies in the Kistna district have made satisfactory progress.

Chingleput District.

There are five land colonisation schemes in this district each managed by a co-operative society, *viz.*, those at Santavelur and Nemalur in Ponneri taluk, Sendivakkam in Madurantakam taluk and Sirusseri and Karanai-puducherry in Chingleput taluk. The total area held by the societies is 597.27 acres and their total membership is 240. None of those schemes, except the one at Sendivakkam, is working really-satisfactorily. Special efforts are being made to improve their condition. An advance of Rs. 625 was given to the Sendivakkam society for purchasing implements.

Kurnool District.

The Scheme at Ahobilan in Sirvel taluk was sanctioned only in April 1943. It covers an area of 578.94 acres. Pending alienations of the lands to the co-operative society the proposed members have been permitted to cultivate the lands.

The colonisation schemes are working at present under the immediate supervision of special co-operative inspectors. The Government have ordered that Agricultural Demonstrators trained in 'co-operation' should be put in charge of the schemes in the place of the co-operative inspectors. The required number of Agricultural Demonstrators are accordingly undergoing training and will replace the co-operative inspectors as soon as they complete the training.

Experience has shown that it takes a lot of time to bring a colonisation scheme of the landless poor into complete working order and that it is, therefore not a quick device to produce more food. The Government have, therefore, decided not to start any more land colonisation schemes for the present.



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Co-operation in War Time.*

"In the medly of man's mind there is a tendency to co-operate" remarks H. G. Wells. Thus even in the midst of international strife we think and speak of co-operation; we honour the co-operators. Co-operation is the keynote of harmony. It is the very essential of any concerted action. The significance of co-operation cannot be over-estimated in time of war, the successful prosecution of which requires co-ordinated and co-operative action.

Since the dawn of the present century the principle of co-operation came to be considered and applied as a remedy for the economic ills of a country. The followers of this creed increased in number during the period of the great depression. The big boom and the heavy slump that followed World War No. I, shattered people's faith in the efficacy of the competitive mechanism of the capitalistic regime. Competition earned the nickname of 'cut throat' because it lead not to the survival of the fittest as expected, but to the survival of the mightiest. In the search for a panacea the co-operative method was found to be the best. Co-operation substituted mutual assistance in the place of mutual rivalry.

Co-operation is again a side growth of democracy. Co-operation grows side by side with democracy. Co-operative societies are organisations of the people, by the people, for the people. Co-operation in other words is the democratisation of the organisations of production and distribution.

If we review the history of the co-operative movement of any country we find that it has been brought to birth to solve some particular economic problem. Similarly in our country the Movement was launched to tackle the problem of rural indebtedness. Accordingly the agricultural credit societies were the first to be established. Now there are four types of co-operative societies, :—agricultural credit societies, agricultural non-credit societies, non-agricultural credit societies, and non-agricultural non-credit societies. Of these only the first type has made some commendable progress. The co-operative credit structuré extends from the primary societies at the basis to the provincial bank at the apex. Nevertheless the societies have not been able to go far in solving the problem of rural credit. It is the Government which has to make advances of loans directly to the ryots for their several needs. The societies being loaded with bad debts and frozen credits are not able to find adequate funds. The ryots also are not keen about approaching the societies because of the officialdom, and the attending slowness prevailing there. However, the strain on the Government to find the finance for agricultural improvements, can be spared if the co-operative credit societies would play a more energetic part. The Reserve Bank by a more liberal policy can help these societies to play their part much more efficiently.

* Speech delivered by Srimathi Saradambal M.A., Professor of Economics, on the International Co-operative Day at Tinnevely.

With the clouds of war gathering over our country with the demon of famine swallowing up hundreds of our country men there is an alarming urgency to increase our supply of foodstuffs and raw materials as well as to conserve the increased stock. The "Grow More Food" campaign has been launched. Co-operative societies are the best vehicles for carrying out the purpose of the campaign. Our petty farmers with their paltry holdings are not able to join forces with the campaign. When fragmentary farming is unproductive and out-of-date, when a large output is the urgent need of the hour, co-operative farming offers the best solution. We do not want to effect compulsory consolidation of holdings and to suffer the evil consequences that would follow. We have already learned the lesson from the agricultural revolution of England which created the problem of the landless proletariat. On the other hand petty farmers should join together and collectively cultivate adjacent fields as a single large estate. The ryots of our country with their fragmented holdings and meagre capital resources are not able to bring about a large increase in the total supply of food. But we have to maintain the thousands fighting in the front and we have also to sustain the millions working at home. The home front is of no lesser importance than the war front. He who turns the jute machine in Calcutta is as much serving the war effort as one who manipulates the machine gun. Therefore, it is that the problem of the famine requires immediate and effective tackling. Not only should we grow more food but make it available in every corner of our country. Hence the need for more producing and distributing societies on co-operative principle.

The growers of every kind of major food crops should organise themselves into producers' societies. Further, these societies can work as an adjunct to the primary credit societies, so that there will be an easy flow of credit into the hands of the cultivators, and at the same time care can be taken that the loans raised are not spent unproductively.

'Grow More Food' does not mean the growing of corn alone. Milk and milkproducts are equally important. To a nation largely vegetarian there can be no overemphasis on the importance of these items of food, the only nutritive elements in their dietary. In the cities we feel an acute shortage of milk. Mal-nutrition has become a common feature, and people are becoming irresistible to epidemics. In the circumstances co-operative dairy farming societies should be established in the cities and in the suburbs and provide an adequate supply of milk and milk products.

Memories of Denmark crowd our minds, how she built up her fortune from the co-operative dairy farming societies. Now is the time for India to leap into the gap left by the loss of Denmark and establish her position in the world market for breakfast products.

Co-operative dairy farming societies are required for not only for increasing the production of nutritive food but also for breeding cattle of better stamina. Apart from cattle forming a substantial part of the ryots' capital, there is also their importance as drought animals. With the excessive strain on mechanical transport caused by war conditions, coupled with the growing scarcity for liquid fuel, our time old bullock carts which never lost their importance to the villager are assuming more and more importance to the urban population as well.

Increased production is of no avail without improvement in distribution. Can we not say that the present shortage that we feel is not so much due to actual shortage of potential supply but due to shortage of actual supply? In other words due to mal-distribution.

At least the controlled commodities should be marketed through the consumers' co-operative stores which could ensure a more even distribution of the essential articles. The price control scheme is a colossal failure. The prices fixed by the Government never prevail in the market, except in the co-operative stores. What we want therefore is a much greater number of consumers' societies, one for almost every locality.

Again we hear a common complaint that the small producer is neglected in the purchase policy of the Government. But we have to remember that what many of the ryots could supply is too small a quantity for the Government to make a direct purchase. Therefore, the purchasing officers enter into contract with the big merchants who collect the produce from various individuals. Of course this merchant and middleman create a wide gulf between the price obtained by the primary producer and the price paid by the consumers or the Government purchasers. In spite of the "military price" offered by the buyers, the ryots are not benefitted to the full extent. Now, if the producers would form themselves into co-operative sale societies they can enjoy benefits more than one. They can eliminate the middleman—merchant, and enjoy the full price paid in the market. As a society, they can undertake to supply in considerable quantities and thus compel the Government to place their orders with them. The societies can again provide good storage facilities and make the stocks available far more number of months, than it is at present. The supreme service that these sale societies can render to the agriculturists is with regard to the post-war days. Mr. Keynes suggests a system of deferred payments for the industrial workers of England. Greater seems to be the need of such a system with regard to the ryots of our country. The improvident agriculturist discounts the future. He does not make hay when the sun shines. He does not take care to save and build up a reserve fund on which he could rely when the prices decline. The co-operative sale societies, however, can set apart a portion of the sale proceeds and thus

build up a fund to be distributed after the war. The ryots will then have something to fall back upon in the big slump that will follow the present boom.

Not this much. The method of co-operative production does not apply to agriculture alone. We must take a leaf from the co-operative movement in China. The industrial co-operatives in that country have rendered remarkable service in the war time. In spite of several years of continuous warfare these societies have carried on production unheeded and maintained the war effort. Here is the admirable lesson for us. When the major industrial concerns cater to the huge war demand, cottage industries organised on co-operative principle should cater to the civilian demand. The only prominent industry organised in this line is the handloom weaving industry. There is much scope for the formation of similar societies in the manufacture of various commodities, e.g.; jaggery manufacture, hand-made paper, etc.

In short there is no limit to the possibilities and potentialities of the co-operative movement. There is no sphere of activity to which the principle cannot be applied. The future 'world order is going to be based on the co-operative virtue of 'Each for all and all for each'. Co-operation leads to unity, unity leads to strength, and strength leads to Victory.? Co-operation is the foundation of enduring peace.

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Post-War Reconstruction and Co-operation.*

The necessity for post-war reconstruction is all too obvious. Every war leads to a certain amount of economic upheaval and one of its aftermaths is a slump in prices. Much more so must it be with this present war, the like of which there has been no other in world-history. Every country in the world has had its economic structure severely strained not only because of the necessity to devise temporary means for filling the shortage caused by the dislocation of transport and foreign markets, but also because of the enormous destruction both of men and of valuable material. The problem is a very wide one: and, within the short time allotted to me, I cannot possibly touch upon even the fringe of it; but, if I might be permitted, I would like to indicate my own personal views on some of the basic principles which should be followed in post-war reconstruction.

First of all, there must be devised a planned policy. In the first place there seems to be no use, in trying to devise schemes for providing employment merely for ex-service men, if such schemes do not fit into a long-term policy for the country as a whole, based upon geographical position, economic resources and trade relations with other countries. In the second place, industries must be developed. India, no doubt, has always been predominantly an agricultural country with 75 per cent of its population engaged in it. But, with an ever increasing pressure of population on the land, we cannot escape a fall in the standard of living, if we do not make up our minds to embark upon a carefully thought-out scheme for industrialisation. Industrialisation in India, however, has its peculiar problems, which are not shared by the West. A few days ago, I heard a speaker foreshadow the eclipse in course of time of all cottage industries by the substitution of machinery especially by the widespread use of cheap electric power. But India is so vast, her people are so scattered and her cottage industries have become so much a part and parcel of her life, largely because of the great skill and artistic taste displayed by the simple villager, that I view with horror an industrial policy that seeks to eliminate cottage industries. As in China, so in India, village economy is a simple one and the standard of living is by no means high. While we should no doubt try to raise this standard, we can take consolation in the fact that wages generally in Indian villages are not so high as to prevent cottage industries from competing effectively with large-scale industries. Moreover, cottage industries afford valuable subsidiary occupations for the ryots who have so much spare time upon their hands after finishing the seasonal operations involved in the cultivation of the land. Finally, I urge that such plans as may be made, while undoubtedly providing for the necessary absorption of ex-service men after the war, should at the same time see that as far as possible the civilians, who have been employed in agriculture, industry and trade during these strained times, should not as a consequence be thrown out of employment. Such a result will create not only a serious new problem, but also cause resentment against our gallant soldiers, sailors and airmen and above all the

*An address at the Rotary Club delivered by Mr. W. R. S. Sattthianathan, M. A., I.C.S., Registrar of Co-operative Societies.

skilled war-technicians, who return to the country legitimately expecting suitable employment as well as the cordial goodwill of their countrymen.

The Government of India and the Provincial Governments are now busy evolving schemes for post-war reconstruction and for rehabilitating India after the war, in agriculture, industry and trade; and the problem that immediately arises concerns the structure, that should be employed for such. There are three obvious agencies: modern capitalism, state socialism and co-operation. I do not wish for a moment to suggest that only one of these methods is feasible, for I am sure that all the three will have to be employed. We will have to encourage those capitalistic concerns with a sound humanitarian outlook to absorb as many ex-service men as possible and produce articles which will find a ready sale not only here, but also abroad in competition with other countries. After all, at present at least, joint-stock companies and similar capitalistic enterprises possess a fund of business experience which cannot in the interests of the country be wasted. There will again be the need, I think, to some extent at least, for the State itself to undertake industry and other enterprises. Finally, co-operative societies will certainly have to be used for the purpose. Mr. C. F. Strickland has something to say about the drawbacks of modern capitalism in its worst form when sympathy and consideration for the worker and consumer are relegated into the background by the profit motive. Modern capitalism, he observes, can seldom produce goods in proper adjustment with the consumers' needs. We find sometimes a glut in the market owing to errors or selfishness on the part of manufacturers and speculators, whose only motive too often is profit. We find in modern capitalism a chain of middle-men who not only absorb a large portion of the legitimate profits of the producer and thereby give him an inadequate return, but also cause consumers to suffer equally by putting up prices. Modern capitalism also, if I may say so, leads to the production of articles of questionable value, because of rivalry and the drugging of the consumer by clever and persistent advertisement. Thus, both producer and consumer are discontented. The former cannot become master of his work and often does not receive a fair return; while the latter pays a high price for what may very often be called faked goods. Then, take state socialism, whereby the state undertakes industrial and other enterprises. This also has its weak points; for while it is undemocratic, it is also often expensive and cumbrous, and the complete absence of the profit motive leads very often to stagnation and indifference. On the other hand, co-operation, in theory at least, strikes one as the ideal method for promoting industrial and agricultural enterprise. "It indicates" as Mr. Strickland says "the association of individuals to secure a common economic end by honest means." It is a voluntary association; and it is truly democratic because the men who join together in co-operative enterprise have an equal voice in the administration, no matter how rich or poor they may be. There is no cleavage between the capitalist and the worker, while

collectivist extravagance and routine are eschewed. It eliminates communistic and socialistic idleness, because the members, by working personally for their association, themselves enjoy thereby the profits and other economic advantages. There is no syndicalist seizure, but a slow collecting and earning of wealth in common for a common economic purpose and to the mutual advantage of all. As a famous economist puts it, "The Co-operative movement is based upon a theory of human conduct, which is a fundamental part of the biological constitution of mankind; it represents a primitive principle in action, which is salutary and upon which the perpetuation of the race depends.....It is the democratic organization of consumers for supplying themselves with commodities and services. It provides control of purchasing power, establishes economy in distribution and production, offers justice to consumers and producers, and preserves individualism in an age of regementation."

The United Nations Conference on Food and Agriculture held at Hot Springs in May 1943 advocated that "all countries should study the possibilities of the further establishment of producer and consumer co-operative societies, in order to render necessary production, marketing, purchasing, finance and other services."

I have so far indicated that in theory at least, the co-operative method is best fitted for plans of post-war reconstruction; but I would indeed be failing in my duty this evening if I do not also point out that, not only in theory, but also actually in solid work and in substantial success the co-operative method, so far as the Madras Province at least is concerned, can be expected to yield truly fruitful results.

A section of public opinion in India feels that agriculture has been developed too far. However, the famine in Bengal and the systems of rationing which have been introduced, or which are being introduced, in most Provinces have demonstrated that there is yet more need to develop agriculture. More lands have to be found, more intensive cultivation has to be done on existing lands, and more food has to be grown to feed the millions of this country. Unfortunately, so far as this Province is concerned, nearly all the available cultivable land has been brought under the plough. From now on, it is the concern of Government to find fresh fields for the cultivator; and it is good to notice that schemes are already under consideration, not only for opening up new country in the Wynad and in the Agency Tracts, but also for ridding them of malaria. It behoves Government also to provide wider irrigation facilities and cheaper electric power; while cultivation proper and the marketing of agricultural produce should be the concern of private enterprise. A few capitalists here and there may avail themselves of the opportunities provided by post-war conditions and facilities created by Government to undertake large-scale farming. But, as Madras is largely a Province of small land-owners, the bulk of private enterprise will have to be canalised into co-operative effort, which is the best known method of

improving small holdings all the world over, by the provision of cheap and controlled credit and the opening up of reliable and fair markets without the intervention of parasite middlemen. Co-operative land colonisation societies will have to be organised for compact blocks of land, not with a view to undertake collective farming, but with the object of cultivation according to up-to-date methods, in the portions given to individuals. There are already twenty three land colonisation societies in the province, some of which have made a good beginning and give promise of bright future, providing small landholders with capital, seed, manures, implements and cattle. In areas however, where such societies cannot be organised, the small landholder will have to depend on his rural credit society for all these facilities. There is a tendency in some quarters to point the finger of scorn at the village credit society which has failed here and there; but against some failures—there will be failures in most human effort—there are thousands of successful village co-operatives which, because they do quiet and unostentatious work, have not arrested the public eye. It is on account of such successes that there are today in the Province 10,955 rural credit societies, finding credit to the extent of Rs. 278 lakhs, and providing Rs. 83 lakhs worth of seed, manures and agricultural implements during the year 1942-1943. 71 societies have undertaken the work of seed-multiplication, obtaining initial supply of paddy seed, cotton seed, etc., from the Agricultural Department, and during 1942-1943, the seed produced and sold by them were valued at Rs. 71,000.

In the sphere of industry, the war has been a blessing in disguise to India. Very few of the industries existing in the country have closed down on account of the war. On the other hand, quite a large number and variety of them—large-scale and small-scale—have sprung up all over the country on account of the new demands created by the war. Some of the existing flourishing industries have switched over to providing military requirements in preference to meeting civil needs. Hence, when the war is over, the problem will be to retain war-time progress amid peace-time conditions and to make further headway towards industrialisation. This calls for a bold policy on the part of Government, requiring the framing of suitable tariff policies, the provision of bounties if there be need for them, the regulation of railway freights, where necessary, and the provision of technical training. But, in a land wedded to democracy like ours, it would be idle to leave everything to Government. Private effort must play its own part; and it will be obvious that in industries, more than in agriculture, capitalists will have a larger service to do than men with limited means. Nevertheless, there is sufficient scope even for the small man to contribute towards the development of industries during the post-war period. China provides a magnificent example of the role, which small-scale industries can fill. Small workshops, foundries, weaving centres, carpentry works, pottery centres, etc., have been organised by the thousand on a co-operative basis in China and are reported to be working most efficiently. One great economic advantage of

the multiplication of small-scale industries in preference to large-scale ones is that the fruits of these industries will accrue to a larger number of the population than before. Hence, if only for this reason, concerted effort in the promotion of small-scale industries is very necessary. But, there is yet another reason. The war technicians' schools in this province are said to be training about 10,000 men every year. At the end of the war, not less than 30,000 of them will be available. Some of us have seen these technicians at work when the Defence Service Exhibition train visited the Province. We have seen them operating in mobile work shops; they can, for instance, dismantle a lorry completely in five minutes and re-fit and start it in seven. Should technical knowledge of this variety be allowed to go to waste? Certainly not. On the other hand, it should be harnessed for the best advantage of the country to industrial organisations. The example of China should be followed, and co-operative workshops for leather goods, pottery, cutlery, furniture-making, motor repairs, etc., should be started. The manufacture, on a co-operative basis, of agricultural implements, hurricane lights, water buckets and sanitary equipment for villages, so greatly needed in the province, should alone provide a great possibility. Above all, co-operative weavers' societies are bound to rise in numbers and importance. The Provincial Handloom Weavers' Society at Madras has now under its control 24,000 looms organized in 228 societies. They have supplied till now 5 lakhs of rupees worth of bandage cloth, Mazri cloth, dusters, handkerchiefs, etc., to the Military, while their average production is 222,000 yards of standard cloth per month. In addition, they are constantly engaged in manufacturing normal cloth suited to public demand, such as the delicate saris of Madura, Salem and Coimbatore, and a thousand other specialised products peculiar to handlooms and famous throughout the world. When markets in Burma, Malaya and Africa are reopened for handloom products after the war, their business is bound to expand, especially in lungis and the famous Madras handkerchiefs.

In trade, capitalistic enterprises have long held the field. The profit motive, undoubtedly, at first guided and sustained these endeavours; but the war was revealed the weaknesses of capitalism. Greed for profits gave rise to hoarding, and the development of black-markets. The State had to intervene with control orders, commandeering of stocks, regulation of prices, etc. Luckily, the co-operative principle of mutual help and service was found to be a suitable substitute for the profit motive. Co-operative stores grew in numbers. Stores at the end of June 1943 rose to 938. Their sales during the last ten months amounted to Rs. 365.30 lakhs. Consumers are now getting their provisions at fair prices while the profits do not go to swell dividends, but are preserved by the institutions themselves as reserves to increase their utility to the public in the coming years. An effort, too, has been made to link up producers' organizations of co-operative societies with consumers' organizations of co-operative stores, so as to cut out the chain of middlemen between the producer and the consumer. One striking instance of such linking was found in the South Arcot district, where the co-operative wholesale stores ordered a waggon-load of potatoes from the Potato Growers' Co-operative Society in the Nilgiris and retailed the potatoes at 9 annas a viss, while the market rates were ranging from 12 to 14 annas. This had the immediate effect of bringing down the market price to 9 annas a viss. More and more of such union of producers' and consumers' organisations in co-operatives will bring about an economy, under which the producer will have a fair return for his work and the consumer will have his money's worth.

A great drawback is that there is a real inadequacy of the communications, so necessary for the quick transport of articles. Roads, especially village communications, have to be multiplied and improved as an important item of post-war re-construction, and here the services of ex-military men can be availed of for the economic good of the country. Ex-sepoys and others trained in the art of road-making can be organised into co-operative labour contract societies and entrusted with road-building and maintenance. Such societies are not numerous now, and contracts of this kind executed are worth only about 40,000 rupees a year. But, when ex-military men become available, the discipline to which they have been accustomed will provide excellent material for this type of society; and eventually, when labour contract societies execute road works, there will be a greater guarantee that the bulk of the amounts spent by Government on roads will be put on the roads themselves.

I am, by honest conviction, a staunch advocate of co-operation. Too often the layman scoffs at co-operative enterprise, alleging that it only affords an opportunity to the unscrupulous to misappropriate public money. But this is not at all true. When we have over 15,000 co-operative societies in this province run by the people themselves, on money voluntarily and freely subscribed in millions of rupees, it is remarkable how few defalcations there are and what a high standard of public morality and hard service is maintained. Co-operators, moreover, are learning to be prudent and thrifty. Take, for instance, the hapless worker weavers, slaves of the master-weaver, who live in debt and poverty and have no means or inclination to save. Yet lately, a remarkable instance of forethought was shown by them. In Kalladakurichi, there is a society which earned a profit of about Rs. 30,000 last year. A big slice of it was given in cash as bonus to the poor weavers. But, did they take it? No. It was deeply touching indeed to notice their refusal of it, and their insistence that it should be put back into the society by way of share capital. I can give hundreds of instances like this. It is significant also that co-operative societies alone have subscribed nearly a crore of rupees towards defence loans and certificates, that public confidence in co-operative banks is so high that often deposits come in too much and have actually to be refused, that co-operative saving through thrift certificates and hundi boxes is substantial and that co-operative insurance societies are doing very good business. With such a spirit and such promise, Madras can look ahead with confidence to a post-war world. What is wanted is real understanding, and patient and sympathetic handling of the people and they will surely respond.

If only I have been able to give you a little food for thought regarding the fine part that co-operation can play in the problems of post-war reconstruction, I shall indeed feel happy. It occurs to me that the wheel, which is your emblem can well be taken to symbolise the ideal of co-operation with its great motto of "Each for all and all for each." The wheel, with the necessary agency behind it, rotates and cannot keep still; it gathers speed and momentum as it goes on; thus it spells inevitable progress. Yet, the wheel cannot act by itself; it requires other wheels and axles etc., to help it. In the same way, no individual, however brilliant, can do important service by himself. He requires free co-operation from others. When that is found, great indeed can be his success. It is the same, I can say with confidence, with the co-operative movement.

Working of Societies.

(Contributed.)

**The South Kanara Co-operative Advancement Society, Limited,
Mangalore, for the year 1942-43.**

Membership and Share Capital.

The number of members of the Society remained the same as at the beginning of the year, that is, at 76 including 23 A Class members and 53 B Class members, there being no new admissions during the year. The total share capital was Rs. 175.

Contributions.

Only 3 members paid their contributions, the total collection under this head being Rs. 5 and the arrears of contribution on 30th June 1943 was Rs. 209.

Management.

No general meeting of the Society was held during the year and 3 meetings of the Directors were held. The Directors elected in June 1942 continue their office during the year under report also.

Library.

The Society obtained a government grant of Rs. 200 as in the previous year and the S. C. C. C. Bank was also good enough to make a contribution of Rs. 200 from its Common Good Fund as in the previous year. 250 volumes including 189 Kannada books of the total value of Rs. 423-9-3 were added during the year while 168 volumes including 66 Kannada books of the total value of Rs. 424-6-0 were added during 1941-42. The total number of books in the Library on 30-6-1943 was 907 including 177 Kannada books.

649 volumes were issued to readers during the year and out of these 435 were Kannada books and 214 English books.

Co-operative Training Classes.

The Society conducted a training class for rural welfare workers for 2 months in October and November 1942 and 6 candidates were selected for training. The S. C. C. C. Bank gave a grant of Rs. 100 towards the expenses of the training class and the candidates were paid a monthly stipend of Rs. 8. Rs. 4 was spent for a study excursion to the Kotekar Rural Welfare Centre. Messrs H. Ramaraya Mallya, K. Venkatramana Bhat and C. Mascarenhas conducted the class. The class was inaugurated by Mr. K. Achuthan Nair, Deputy Registrar of Co-operative Societies and Messrs V. R. Nayanar, Member of the Servants of India Society, M. Shiva Rao, President of the South Canara Central Co-operative Bank, and T. A. Ramalingam Chettiar, President of the Madras Provincial Co-operative Bank, visited the class during the course of training. At the end of the course an examination was held and all the 6

candidates passed. Practical training was also given at the South Kanara Agriculturists' Co-operative Wholesale Society, Bunder Branch, Mangalore.

Another training class was organised at the request of the South Kanara Agriculturists' Co-operative Wholesale Society to train Stores Managers and Depot-Keepers to be put in charge of the various Co-operative Stores that might be started in the District and the different Depots of the Society. The S. K. Agriculturists' Co-operative Wholesale Society made a generous grant of Rs. 350 towards the expenses of the class and the Madras Provincial Co-operative Bank also gave a contribution of Rs. 100. Seventeen candidates were selected and the class was inaugurated on the 2nd of January 1943 by Mr. M. Shiva Rao, President of the S. C. C. C. Bank. The training class was conducted for two months by Messrs H. Ramaraya Mallya and K. Venkatramana Bhat. In the forenoon lessons on theory were given and in the afternoon practical training was given in the S. K. Agriculturists' Co-operative Wholesale Society, Bunder Branch, and the Mangalore Central Co-operative Stores and its Branches. At the end of the course an examination was held in which 15 out of 16 students passed, 7 being placed in the first class. One candidate left the training class at the end of the first month as he was selected for service by the Public Services Commission. Stipends were given to the students at Rs. 10 per month.

Mr. W. R. S. Sathianadhan, I. C. S., Registrar of Co-operative Societies, Madras, visited the training class on the 17th February 1943 and was pleased to note that this was a new venture and, if successful, could be copied by other parts of the Province.

There is a balance of Rs. 48-10-0 in the training class fund which is kept as a nucleus for further classes.

District Co-operative Conference.

The Third District Co-operative Conference was held on the 14th and 15th May 1943 at Puttur. Mr. M. Shiva Rao was the Chairman of the Reception Committee and Rao Bahadur M. Giriappa, Retired Joint Registrar of Co-operative Societies, presided over the conference. Fifty two delegates attended the Conference.

The Reception Committee of the Conference collected Rs. 1,280-8-1 and the expenses of the Conference came to Rs. 806-8-3, leaving a net surplus of Rs. 473-15-10, which was handed over to the funds of this Society.

The Conference passed resolutions urging the Government to utilise Co-operative Stores as the best agencies for the distribution of controlled articles of food and other essentials and to arrange to distribute better yielding seed to members of rural societies through the Agricultural Department and to attend to the repairs and renewals of old tanks and

water sources in the District with a view to help the "Grow More Food" campaign. The Conference expressed its opinion that the concession of remission of assessment newly granted by Government to encourage the production of food should be extended to at least 8 years and when the land was assigned later, the person who cultivated the land should be given preference. Besides these the Conference passed a number of resolutions suggesting the lines of development of the Co-operative Movement in the District and also appointed a Committee to study the condition of cottage industries in the District. This Committee co-opted five representatives of the South Kanara District Cottage Industries Society and its report is awaited.

Kannada Sahakari.

The Society continued to conduct the Sahakari but during the year under report the printers were changed and the M. T. A. Sharada Press is now doing the printing work of the Journal. Rs. 554 was collected towards subscription and Rs. 200 was received as contribution from the Provincial Co-operative Union. Rs. 560-6-0 was spent during the year. The arrears of subscription stood at Rs. 753 on the 30th of June 1943.

The Registrar of Co-operative Societies, who visited the Society on 17-2-1943, was pleased to note that the Journal was self-sufficient.

Conclusion.

The Society expresses its gratitude to the South Kanara Agriculturists' Co-operative Wholesale Society, the S. C. C. C. Bank, the Madras Provincial Co-operative Bank, the Provincial Co-operative Union and the Government for the contributions made to the Society and is also grateful to the co-operators of Puttur for making the Third District Co-operative Conference a grand success.

The Society, however, feels the need for its own funds as it cannot always look to other institutions for finance and hence a series of amendments to the by-laws are proposed to convert the Society into a Kannada Co-operative Union and with the new alterations the Society hopes to turn out more work during the ensuing years.

South Kanara Central Co-operative Bank, Ltd.

The total number of societies in the district on 30-6-1943 was 462, classified as follows: Agricultural Credit 312, Non Agricultural Credit 57, Agricultural Purchase and Sale 3, Agricultural Production and Sale 5, Other types—Agricultural 7, Stores and Trading Societies 45, Weavers' Societies 7, Other types—Non-Agricultural 13, Supervising Unions 6, the District Advancement Society and the Central Bank. Thirty four

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societies were registered during the year and the registration of 7 societies cancelled. Of the societies registered, 28 were stores including the Central Wholesale Stores.

The number of members in all societies stood at 47,120 on 30-6-1943 against 38,761 on 30-6-1942. The total Reserve Fund of all societies was Rs. 5,05,398 at the close of the year.

The aggregate amount of loans issued by Agricultural Societies in the year was Rs. 54,43,124 (against Rs. 29,49,601 in the previous year). 78.49 per cent of this, *i.e.*, Rs. 42,72,195 was lent out by Non-credit Societies. The collections during the year were good, and there was not only an all-round reduction in the percentage of overdues, but the outstandings under loans in Agricultural Societies decreased from Rs. 28,13,846 to Rs. 25,95,852.

There was an increase in the deposits held by Agricultural Societies from Rs. 3,55,431 to Rs. 6,54,791, *i.e.*, by 84 per cent.

Eleven Grain Banks and 5 Credit Societies issued 3,495 muras of rice by way of loans to members, and this proved particularly useful in the year.

The Keekan Tobacco Growers' Society lent to its members Rs. 26,150, which is nearly double the amount advanced in the previous year.

The South Kanara Agriculturists' Co-operative Wholesale Society, Ltd., issued loans to the extent of Rs. 40,22,900, marketed goods of the value of Rs. 47,93,853, and supplied provisions worth Rs. 12,22,085. The share capital of the society increased from Rs. 16,457 to Rs. 25,424.

The transactions in Weavers' Societies increased, and some of them took up the production of handloom standard cloth. The Provincial Handloom Weavers' Society opened an Emporium at Mangalore for the sale of products of Weavers' Societies.

There were 38 Stores Societies on 30-6-1943, excluding the Central Wholesale Stores started towards the end of the year. These 38 Stores had 7312 members who had put in a share capital of Rs. 72,191. The total purchases made during the year were Rs. 6,25,325 and the sales Rs. 5,64,482. Thirty of the Stores worked at a profit, while 8 incurred a loss. The Mangalore Stores was included in the Food Supply Scheme introduced during the year by the Government in 34 selected towns in the Presidency.

The annual Co-operative Conference was held at Puttur in May 1943 under the president-ship of Rao Bahadur M. Giriappa, Retired Joint Registrar of Co-operative Societies.

WORKING OF SOCIETIES

The Madura Sourashtra Co-operative Bank, Ltd., A. 336.

The Madura Sourashtra Co-operative Bank, Ltd., was registered on 4-11-1918 as a co-operative purchase and sale society on the unlimited liability basis with an authorised capital of Rs. 10,000 in 1,000 shares of Rs. 10 each and started on 8-11-1918. The society purchased Alizarine wholesale thro' the courtesy of the then Collector and the Director of Industries and retailed the same to its members on a nominal profit. The authorised capital was raised to Rs. 50,000 on 9-2-1919 and then to Rs. 1,00,000 on 17-9-1919 on a limited liability. Yarn from Madura Mills Co., Ltd., was also bought wholesale and retailed for sometime. Soon after in 1920 prices fell and no useful business could be done profitably. The society pulled on for some years, buying and selling weavers' productions, piece goods, etc., and could not stand the strain long when on 1-10-1930 it was converted into a Bank to do purely credit work. The Bank had a good welcome and soon made headway. The membership and paid-up share capital rose from 638 to 984 and Rs. 16,660 to Rs. 26,660 respectively in the first nine months of its banking career. Now on 31-10-1943 it has 2960 members with a paid-up share capital of Rs. 69,136 in 7032 shares and a Reserve Fund of Rs. 18,171-10-0. It has a working capital of Rs. 3,32,816 and its average receipts and charges per month works to Rs. 7,67,600. Loans on Security of Deposits, Immovable properties in the City, gold jewels and on personal security are being advanced to members at low rates of interest (5 per cent. per annum on mortgage) and more than 2500 members are benefitted by the bank. Provision is made for small Depositors and there are as many as 1600 savings bank accounts besides a large number of current accounts. No interest is paid on current accounts, while savings bank accounts carry interest at 2 per cent. per annum. The bank is very useful to the middle class people of the community in the City. The bank proposes to grant to members loans on the security of goods and raw materials as soon as necessary by-laws are approved by the department. The bank does all kinds of general banking business—collecting bills and cheques and issue of cheques and drafts on various co-operative banks in the Province. The Bank is administered by a Board of Directors consisting of seven members.

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Stores and Food Problem.

(Contributed)

Co-operative Stores in the Ramnad District.

Before the commencement of the present war, there were only three co-operative stores in the Ramnad District, viz., the Rameswaram Co-operative Stores, the Tiruppattur Stores and the Mandapam Camp Stores. Since the war began the necessity for starting more stores was keenly felt and a number of stores came to be organised, with the result there were 41 stores in the district on 30-6-43. Of course, two stores had not commenced work on June, 30. In the remaining 39 stores there were 10,357 members with a paid-up share capital of Rs. 2,23,560 in June, 30. The sales effected by them during the year 1942-43 amounted to Rs. 15,76,213. In almost all the places where stores are working they command the largest retail trade. The biggest stores in the district is the Virudunagar Co-operative Stores, which is situated in the most important market centre of the south. The quota of Tanjore rice imported in Virudunagar and sold through the stores was 100 tons per month. Under an arrangement approved by the Collector an association of paddy merchants was formed in the town and the paddy required for the town to the value of Rs. 72,000 per month was imported by the association and hulled under its management. The entire retail sale of the rice thus obtained is being made through the co-operative stores through its branch and 4 depots. Under this arrangement about 300 women labourers who are engaged for boiling the paddy are helped with wages. The co-operation and sympathy of the paddy merchants for labourers who would otherwise have been thrown out of their trade are secured. The bran and other rice products are made available to the district. The retail sale of the stores is also considerably increased without the necessity of heavy finance. Fair price is assured as the paddy merchants' association sells at the price fixed by the Collector on payment of the value of the quantities required from time to time. When the rationing of rice was introduced by the Municipal Council in August last, the work of distribution was continued to be made by the stores. The total sales effected by the stores in 1942-43 amounted to Rs. 2,14,818. The average daily sales of the stores in August 43 was Rs. 2,250.

This stores as well as others in the District are growing from strength to strength and serve the public in the most useful manner expected of them during the present difficult days.

Co-operative Stores in the Anantapur District.

In the Anantapur town, co-operative distributive agency has been made use of to the maximum extent in the scheme of rationing of food grains introduced in the town. The entire retail sale of rice is made through co-operative organisations which have opened 10 depots to serve the 12 municipal wards of the town. The Anantapur Swadeshi Stores, the

STORES AND FOOD PROBLEM

Anantapur Old Town Stores, the Anantapur Muslim Stores, the Anantapur District Police Servants' Stores and the Anantapur Public Servants' Society have been entrusted with the work of retail distribution of rice or millets. During the month of August they purchased rice worth Rs. 61,103 and sold rice valued at Rs. 62,644-14-2.

In certain taluk centres such as in Uravakonda and Tadpatri, distribution of rice is done wholly through co-operative stores. Efforts are made to see that all the co-operative stores at least at the taluk centres are made the sole distributors of rice in their areas.

The Anantapur Co-operative Wholesale Stores has also been doing useful work in the stocking and distribution of commodities like ragi, rice, cholan, gram etc. It has been discharging its function of stocking and distribution of articles efficiently and in recognition of its services as it were, the Collector has also enhanced the quota of rice from 400 to 900 tons in September 1943. Within a short period of 10 months it has built up good business and reputation. The following figures will show the progress made by it in the development of its business so far. It purchased Rs. 6.62 lakhs worth of rice and Rs. 2.43 lakhs worth of the essential commodities namely ragi, sugar, wheat, grams, pulses, etc. It supplied 55 bags of wheat, 26 bags of ragi to the Matlagonda famine camp and 400 bags of ragi to the famine camps in Gooty taluk.

Trichy. Urban Co-operative Stores Limited, R. No. 619.

1. The Trichy. Urban Co-operative Stores, Ltd., R. 619 was registered on 30-11-39 to cater to the needs of the townsmen of Trichinopoly and started on its work on 8-12-39 with 228 members and a paid up share capital of Rs. 1453. The number of members and share capital of the stores rose to 2,980 and Rs. 30,837 respectively on 30-6-43. The sales during the year 1942-43 amounted to Rs. 5.44 lakhs. There has been steady growth both in the volume of business and membership and share capital year after year.

2. On 12-4-43, the stores accepted to work the Food Supply Scheme sanctioned in G. O. No. 397 Development dated 26-3-43. Since then a Departmental Senior Inspector has been working as Manager of the Stores and his cost is born by the Government. The Special Co-operative Sub-Registrar is supervising its working. The Stores has been supplying controlled and uncontrolled articles to members and non-members alike in pursuance of the instructions of the Registrar of Co-operative Societies, Madras.

3. By 12-4-43, the stores had opened five Sale Depots in the various important localities of the town, and consequent on its undertaking to work the Food Supply Scheme, the Board of Directors decided to open more depots, and at present there are eight sale depots in the city.

4. During these days of food shortage, the stores has undertaken a most useful work to the public of Trichinopoly. In the months of May and June 1943, the Stores got boiled rice supplied by the Collector through the Central Stores and distributed it to the public through its various depots at 3 Madras measures a rupee and helped to bring down the price of boiled rice in the bazaar. The Stores has in this as well as in other articles of necessity done something tangible to check the upward trend of the general level of the market prices. Even during this short period of 4 months, the Stores undertook new tasks without consideration of profit and has earned the goodwill of the public and its suppliers.

To secure equitable distribution of controlled and other scarce articles the Stores has adopted a voluntary system of rationing and has issued ration cards to its members under which it has been able to distribute these articles at an even rate and at satisfactory prices.

With effect from 12-4-43 a new board is functioning with Mr. P. Ratnavelu Thevar as President and Mr. Hirudiyasamy Reddiyar, M.A., B.L., as Secretary.

The Secretary of the Trichinopoly Urban Co-operative Stores has been nominated as a member of the Trichinopoly Taluk Prices Advisory Committee in pursuance of G. O. No. 631 Development dated 25-4-43 which directed that in taluks where there are one or more large co-operative stores doing an appreciable amount of retail business, the Collector may appoint one representative of the stores to the Committee.

The Moolky Co-operative Stores.

The Moolky co-operative Stores in the South Kanara District was registered and started on work in the year 1941. At present there are 352 share-holders with a paid-up share capital of Rs. 1, 635. As the stores gained popularity and as its transactions increased it found it necessary to open branches at three different places. The stores is now catering to the needs of a population of about 30,000 living in 15 different villages.

The year 1943 *i.e.*, the third year since the stores was registered was a year of great hardship to the consumers in general. The cost of essential commodities went up. The Collector, therefore, found it necessary to requisition rice. The stores applied to the Collector and obtained a good portion of the rice requisitioned in the area of operations of the stores. The quantity of requisitioned rice received by the stores, however, was not sufficient to meet the needs of the poorer people. To secure equitable distribution of rice and to see that each one received his proper share, the stores carried out a census of the poor people in the area, divided them into three categories and issued 1,118 identity cards. The requisitioned rice received by the stores was only 202 mooras and

this quantity had to be supplemented greatly to meet the minimum demands of the people. So the stores issued an appeal to Panchayat Boards, Co-operative Societies and the public and collected a sum of Rs. 561 as donation. The stores purchased rice at the prevailing market rate, and gave it to the poor at a much lower rate than that prevailing in the market, the difference in price being met from the contributions received. To the poorest, 50 per cent. of the rice was given at controlled rates and 50 per cent of the other rice at cheaper price. The next category received only 25 per cent of their requirements of cheap rice and if they wanted more, they had to purchase at the prevailing market rate. As due consideration was given to the income of each family, the number of persons in the family, the possibility of a fraudulent use of the concessions was minimised. The action of the stores not only benefited the poor people very much by enabling them to secure their requirements of rice at a price they could afford, but it checked considerable the upward trend in the price in the local rice markets. The profiteers and unscrupulous rice dealers were compelled to keep down prices, and if to day the price for rice is at a much lower rate than what it otherwise would have been in the area of operations of this stores, the major portion of the credit should go to this stores, and its President who has been a leading figure in this activity, as also the other office-bearers and the staff of the stores.

The Coimbatore Central Co-operative Stores, Ltd., for the year 1942-43.

1. The Coimbatore Central Co-operative Stores was registered on 9-2-41. It started work on 21-2-41. This is the 3rd year of its working. Its jurisdiction extends to the Revenue Districts of Coimbatore and the Nilgiris. On account of regional restriction in movements of food grains, their availability is restricted. Besides these, the area has been restricted for supply of rice and paddy to Coimbatore taluk only. Under these circumstances the proposal for opening of a branch in the Nilgiris District was dropped.

2. At the end of the year, there were 140 members, consisting of 51 primary Stores, 34 co-operative societies, 6 other institutions and 49 individuals with a paid-up share capital of Rs. 47,850. By the special endeavours of the Central Stores and the strenuous efforts of the departmental officers the paid-up share capital was enhanced to Rs. 93,800 on date.

3. *Funds.* The Coimbatore Nilgiris Co-operative Central Bank was pleased to sanction a cash credit accommodation of Rs. 2 lakhs and a short term loan of Rs. 1, 70,000 to make advances to the Grain Purchase Officer, Tanjore, for purchase of rice and paddy. Fixed Deposits to the extent of Rs. 10,000 were raised.

4. *Business.* In the year under review the Central Stores purchased stock to the value of Rs. 11,88,975-6-0 and sold goods to the value of Rs. 11,87,832,4-0. The value of stock at the end of the year was Rs. 1,03,801. A sum of Rs. 35,913-9-0 was due from the primaries on credit sales as against 66,741-6-0 on 30-6-42. The bulk of its business is in rice and other controlled articles. Many of the primaries in and around Coimbatore which were reluctant at the beginning have now begun to cultivate cordial business relations with the Central Stores on account of the supply of controlled articles which they are not able to procure easily. No doubt there has been an all round progress in the year in spite of restrictions and lack of facilities to expand business. This is mainly due to the fact that bulk purchases were made from centres of production. But the loyalty of the constituents was not to the expectations.

With a view to be more popular and useful the Central Stores proposes to specialise in important articles to ensure quality and competitive rates, by getting into touch with places of production through important co-operative institutions for making purchase and also securing agencies for popular products. The Central Stores worked at a loss of Rs. 2,466-2-0 in 1941. This was reduced to Rs. 2,239-14-0 in 1942. In 1943 it realised a gross profit of Rs. 43,989, and earned a net profit of Rs. 11,110-11-0 after meeting its establishment and contingencies charges of Rs. 13,450-13-0 and setting apart a reserve towards price fluctuation and other doubtful items to the extent of Rs. 7,456-1-0.

5. *Meetings.* During the year 3 meetings of the Board of Management 6 meetings of the Executive Committee and 6 meetings of the Purchase Committee were held.

6. *General.* The Central Stores and 20 other primaries in the Coimbatore District and 3 primary stores in the Nilgiri District were selected to work the special scheme for food supplies sanctioned by Government and they were pleased to lend the free services of a Co-operative Sub-Registrar to help the administration of the Central Stores.

The Tanjore Central Co-operative Society Stores Ltd., for 1942-43. No. 918.

The Tanjore Central Co-operative Stores was started on 3-6-43.

Members and Share Capital.

At the end of the year there were 77 B class, and 68 A class Members on the rolls with a paid-up share capital of Rs. 21,740. Of the 77 B class Members 43 are primary Co-operative Stores and 32 are Co-operative Credit Societies and 2 are other institutions.

Business.

During the period of twelve months ending 30-6-43 purchases both in the Head Office and Branches were made from different sources to the

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extent of Rs. 3, 10,970-13-0 and sales were effected to the extent of Rs. 2,71,397, leaving a stock of Rs. 57,049, on 30-6-43.

(a) During the year 1942-43 there was not much collaboration between other Central Stores and this in the matter of purchases. Purchases were made from the centres of production through the Karur Loan and Sale Society and Ramnad Loan & Sale Society.

(b) The percentage of sales to the primaries to the total sales come to 42 per cent. The percentage would have been greater if all the affiliated stores had been loyal to the Central Stores. Only very few stores such as Koradachari, Peralam, Mutupet, Tanjore, Kodavasal and Tiruvapur Stores make regular purchases from the Central Stores and the rest are making only haphazard purchases in spite of repeated appeals.

(c) Apart from want of loyalty on the part of the primaries there are other difficulties also in the matter of purchase and sale. Things could not be brought in time when they were wanted on account of restrictions on booking on the railways.

(d) Besides the difficulties in booking, there were also other handicaps in the matter of sales such as competition from other wholesale dealers in this District.

Retail Branch.

As there was no Co-operative Stores for retail sales in the Bazaar street, the Central Stores was running a retail branch for a period of six months in the Vijayapuram Bazaar. It was closed on 1-5-43. During the period of six months sales to the extent of Rs. 36,340 were effected in the retail branch and a gross profit of Rs. 695 was earned.

Working Capital.

The working Capital of the Central Stores as on 30-6-1943 amounted to Rs. 95,337.

Till the end of June 1943 the Central Stores was enjoying a cash credit accommodation to the extent of Rs. 70,000 in the Kumbakonam Central Bank. As it was not sufficient to purchase goods to keep in reserve as per food supply scheme it was subsequently raised to Rs. 1,20,000 i.e. Rs. 50,000 for essential and Rs. 70,000 for non-essentials.

Other Business done.

Besides the sale of provisions the Central Stores was also dealing in cloth on consignment basis received from several weavers' societies. During 1942-43 cloths were sold to the extent of Rs. 5,270-11-0 and a commission of Rs. 213 was earned.

Profit and Loss.

For the year 1942-43, being the first year of its working the Central Stores earned a gross profit of Rs. 7,814-10-0 and a net profit of Rs. 927-6-0.

Supply of Controlled Articles.

Sugar the next controlled article was not adequately supplied to the Central Stores by Messrs. Parry & Co. It was not treated in any way better than the merchants. Repeated requests to the Collector and the Parry & Co., were of no avail.

(a) The Collector is supplying in plenty only wheat and wheat products and for disposing them of the Central Stores depends only on his instructions as the primaries do not require the entire stock allotted by the Collector.

(b) The supply of kerosene, another controlled article, is totally refused by the Collector on the ground that by supplying kerosene through Central Stores the primaries will be incurring additional incidental charges.

General.

In spite of the difficulties confronting the Central Stores, it is really doing good service at least to the members and non-members who are purchasing their requirements from the primaries who in turn purchase goods from the Central Stores. The Central Stores is charging only 2 per cent. commission over cost price, whereas private merchants are charging commission up to 6½ per cent over their cost price. It has proved to the public that it can without any loss to it sell things below market rate by purchasing in bulk at seasonal times from producing centres. For example in the month of June 1943 it purchased chillies in bulk from Ramnad and Virudunagar and sold Rs. 22-8-0 per bag including 2 per cent. commission when the merchants were selling Rs. 24 to 24-8-0 per bag. It has also impressed on the public that goods can be had from it at correct price with correct weight.

The Godavari Central Co-operative Stores, Ltd., Rajahmundry.

The Godavari Central Co-operative Stores Ltd., Rajahmundry, completed its second year of working by the 30th June, 1943.

2. *Membership and Share Capital* :—There were 299 members with paid up capital of Rs. 40,820 at the end of the year.

3. *Finances* :—During the year, an amount of Rs. 1,06,569 was borrowed by the Central Stores from the Rajahmundry Co-operative Central Bank, out of which an amount of Rs. 23,893 was outstanding at the end of the year under report. The Central Stores worked during the second year with a working capital of Rs. 64,730 while its working capital during the first year was Rs. 8,910.

(i) The Food Supply Scheme under G. O. No. 397 Dev. dated 26-3-43, was taken up by this Central Stores and the scheme worked up

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from 1-4-43. The amount borrowed under this account was Rs. 23,644 up to the end of June, 1943, and the amount outstanding under the head was Rs. 13,599.

Business.

4. (a) *Purchases* :—Foodstuffs and other necessities of life both essential and non-essential were purchased during the year for an amount of Rs. 1,31,605.

(ii) The Central Stores took up business on consignment system with a rice merchant at Penugonda by name Mr. Siddireddi Gangaraju on commission basis. A similar commission account was taken up with M/s. Ambati Subbanna & Co., of Samalkot, who supplies gingelly oil on consignment system, as the consignment system of business was found advantageous to the Central Stores.

(b) *Sales* :—The Central Stores had a business of Rs. 99,611 by way of sales during the year to both primary stores societies and individuals. With regard to the controlled commodities, such as sugar, matches and wheat and wheat products, there were instances where retail sales had to be made to both members and non-members. But these transactions did not cover an appreciable amount because it had been arranged that the local primary stores should take up the retail business without conflict with the Central Stores. Only in unavoidable instances the Central Stores sold these articles in retail. The amount of sales made to individuals during the year amounted to Rs. 24,212 while the sales that were made to primary stores total Rs. 75,400.

(c) *Loyalty of the primary stores* :—It should be said that the primary stores had not all given their full support by making their purchases at the Central Stores, though a little improvement is observed now. There was a complaint that the rates charged by the Central Stores were higher than the prevailing market rates, and for that reason, only such of the things which were convenient of purchase were made at the Central Stores. It was no doubt a weighty argument. The Central Stores, therefore, decided to call for the market reports from day to day, and keep its rates on the same level as the local wholesale market rates. This procedure has, of course, improved the position.

(d) *Sales Depot* :—There was a complaint that the primary stores of the West Godavari District were made to incur considerable trade charges if they had to go to Rajahmundry and make their purchases. On the suggestion of the Deputy Registrars, Ellore and Rajahmundry, the Central Stores opened a Sales Depot at Nidadavole in the month of April, 1943, which is a centre for the West Godavari District. The sales effected at the Depot during the months of April, May and June totaled an amount of Rs. 6,234-12-0. Since all the commodities available at the Central Stores were supplied to the Depot instead of separately purchasing them

for the Nidadavole Depot, the Central Stores incurred Rs. 300 to 400 transport charges and additional contingent expenditure on account of the Nidadavole Depot during the year. We are of the opinion that, if all the West Godavari primary stores had been loyal to the Depot, the expenditure of Rs. 300 to 400 would have been met even during the year. Attempts are however being made to make the Depot more useful to the primaries of the West Godavari District by stocking all the food-stuffs etc., required by them. We hope that the Nidadavole Depot will be self-supporting in course of time.

(e) There was also a complaint by the primary stores around Cocanada and in the taluks of Pithapuram, Peddapuram and Tuni, that it would be advantageous for them to make their purchases at Cocanada market instead of all the way going to Rajahmundry, and to the Central Stores. This is receiving the serious attention of the members of the Board and early attempts will be made to open another Depot at Cocanada soon after the Nidadavole Depot gets into the groove.

(f) The general complaint made by the primary stores is with regard to the controlled commodities and mainly in regard to sugar, and that their full requirements of sugar and writing paper have not been met. The Registrar of Co-operative Societies has done his best to improve the position, and to arrange full supplies through the Central Stores, and the Collector of the district was pleased to make a re-distribution of sugar according to taluk. It had been promised by the Collector that the primary stores of each taluk will be linked to some wholesale dealer of the taluk, so as to regulate supplies. As regards white writing paper, the local Paper Mills had supplied us with 250 reams which were distributed equitably to the primary stores giving preference to the Students' Co-operative Stores, since the requirements of the primary stores for Account books etc., have been met otherwise. The Central Stores hopes to be able to serve satisfactorily all the primary stores in this direction also in course of time.

5. *Help to other Central Stores*:—The Central Stores takes credit in that it had been very serviceable in these days of food scarcity to the Coimbatore Central Stores and the Anantapur District Wholesale Stores which are sister institutions by purchasing for them cholam and rice respectively from the month of June onwards. 15,224 mds. of cholam was purchased for the Coimbatore Central Stores for an amount of about Rs. 1,20,000 and the commission agreed to by the aforesaid Central Stores was 1 per cent. The Anantapur District Wholesale Stores offered us a commission of 4 annas per cent on the purchases of rice made through the G.P.O. The two transactions fall during the current year though the commencement of purchases was made in the latter part of the year under report, i.e., June, 1943.

6. The Central Stores had the full support of the local Revenue authorities and the Collector of the district in all matters where their help was needed.

7. *General*:—The Central Stores earned a sum of Rs. 5,590 under gross profit during the year in the business transacted. The net profit at the end of the year amounted to Rs. 895.

Conference.

Proceedings of the 15th North Arcot Co-operative Conference held on Sunday the 31st October 1943 at 9 a. m. at the Government Muhamadan High School.

A large gathering of more than 300 representatives of societies and about 50 other co-operators attended the Conference. The Deputy Registrar of Co-operative Societies, Vellore, the Special Development Officer, Vellore, the District Agricultural Officer, the Headmaster, of the Government Muhamadan High School and officers of the Co-operative Department were also present.

Sri A. S. P. Ayyar, M.A., I.C.S., Bar-at-law District Judge and Sri N. Krishnamachariar, B.A., were met at the gate on their arrival with music and conducted to the Hall.

The proceedings of the Conference was commenced with a prayer by one of the staff of the Central Bank.

Sri Rao Sahib M. S. Seshachalam Iyer, the Chairman of the Reception Committee read his Welcome Address in which he touched on the following important matters.

1. That Co-operative Stores and Societies are the best agents for the distribution of Controlled articles of food and other necessities of life and that the Government should utilise their services to the best possible extent and thus prevent profiteering.

2. That the Marketing Act should be introduced in the district for groundnut and paddy in order to enable the poor ryots getting fair prices for their produce.

3. That in view of abnormal rise in prices of commodities and especially of the articles required by the ryots for agricultural operations arrangements should be made to supply the articles required by the agriculturists like fodder, manure etc. at controlled rates.

4. That action should be taken to prevent the sale of agricultural land to non-cultivating sowcars and merchants who tempt the poor ryot by high prices from the enormous profits derived by them owing to war conditions.

5. That the period of long term loans should be raised to 10 years to enable the ryots to repay his loan in easy instalments.

The next requested Sri A. S. P. Ayyar to open the Conference.

In opening the Conference Mr. A. S. P. Ayyar said that there should be real co-operation among the members and not merely in theory. He stressed on the fact that freedom from want should be object of all co-operators. The Land Mortgage Banks should lower their rates if they are to be really-useful to the agriculturists who can not expect more than 4% from the agricultural industry. He pointed out that instead of co-operation being confined to mere borrowing and lending as at present they should launch out in various other non-credit activities. In conclusion he appealed to the

co-operators to work the societies with goodwill and make them really useful to the largest number possible. He declared the Conference open.

The Chairman of the Reception Committee then requested Sri N. Krishnamachariar to preside over the conference.

The president thanked the reception committee for having honoured him in asking him to preside over the District Conference and in the opening speech said that he will reserve his remarks at present and give out his views during his closing speech. He requested the delegates to Co-operate with him in conducting the Conference successfully.

The following resolutions were then discussed and passed by the Conference.

A resolution expressing the sorrow of the Conference at the deaths of Messrs. K. V. Reddi Naidu Garu, Dewan Bahadur K. Deivasigamani Mudaliar, K. Narayanaswami Mudaliar and C. Samundi Goundar was passed all standing.

1. This Conference requests the Government to exempt Co-operative Stores and Sale Societies from the operation of the Madras Sales Act.
2. This Conference resolves to request the Registrar of Co-operative Societies and the Government to cancel the Government order which prohibits the issue of loans by co-operative credit organisations for periods exceeding 3 years and to revise the minimum period of such loans to at least 5 years.
3. This Conference resolves to request the Registrar of Co-operative Societies to institute a rule enabling the inclusion of subsequent mortgagees or alienees as parties in arbitration references and their disposal.
4. This Conference resolves to request the Government to amend the rules with a view to enable the Central Banks to attach the properties of the individual members of societies indebted to them and which are on the verge of liquidation in anticipation of their liquidation.
5. This Conference resolves to request that Sale Officers should be authorised to arrange for delivery of possession of immovable properties brought to auction in the course of execution proceedings taken through the Co-operative Department and the sale whereof has been confirmed.
6. This Conference resolves to request the Registrar of Co-operative Societies, Secretary to the Government in the Development Department, the Public Service Commission and the Provincial and Language Federations to make it possible for the appointment of supervisors and other non-official employees for the vacancies arising in the Inspectors' cadre of the Department and for their confirmation in such posts treating it as a promotion to such employees.
7. This Conference recommends to the Collector that Co-operative Stores and Sale Societies may be utilised as the best agencies for the

distribution of controlled articles of food and other essentials of life to the public at reasonable prices.

8. This Conference requests the Tamil Nadu Federation to convert the fortnightly *Kootturavu* into a weekly and to increase the number of pages allotting a few pages for general news.

9. This conference resolves to request all co-operative organisations to strengthen the Tamil Nadu Federation by becoming its members and to assist in converting the journal into a weekly.

10. This conference resolves to request the Central Bank to bear the remittance charges incurred in disbursing loans to societies as the Central Land Mortgage Bank does in the case of its primary Land Mortgage Banks.

11. This Conference resolves to request the Government to introduce the Marketing Act to this district in the case of groundnut and paddy in order that the cultivating ryots may enjoy the benefit of high prices.

12. This Conference resolves that the proposals to repeal the Prohibition Act are not in the best interests of the common people and the repeal will make the economic conditions of the district considerably worse and to request the Government to take effective steps to carry out the provisions of the Act successfully.

13. This Conference resolves to request the Government to make necessary laws for the prohibition of sale of cultivable lands to non-cultivating persons.

14. This Conference resolves to request the Government to repeal the Sales Tax Act also if the Government decide to allow toddy shops by amending the Prohibition Act.

15. This Conference resolves to address the Government of Madras that in the interests of the agriculturists, there must be a uniform fixation of prices at least in every district and that the present practice of fixing prices from taluk to taluk be given up as being too narrow and impracticable and that to ensure a uniform fixation of prices a Central District Committee be constituted; and further that steps be taken to see that no restriction is placed on the movement of grains within any particular district.

16. This Conference resolves to request the Government to remove the restriction of export of jaggary from this province.

17. This Conference resolves to request the Government to cancel the order prohibiting the export of groundnut and groundnut oil from this province.

The president in his concluding speech spoke about the beneficial objects of the whole co-operative movement, about the necessity of paying more attention to non-credit activities and the development of cottage industries. He exhorted the assembled co-operators to conduct the work of their societies in a manner most beneficial to their members and to extend the benefit of co-operation to every family in their area of operations.

Mr. N. Varadaraja Reddiar proposed a vote of thanks to the president of the Conference, to the District Judge who opened the Conference, to the Reception Committee members, to the departmental officials, to the assembled co-operators and to the authorities of the High School for lending their Hall for the function.

Things We Should Know.

¶ **UNRRA:** This stands for an organisation of the United Nations brought into existence mainly by the U. S. A. Government for administering relief to countries liberated from Axis occupation. Neutral States with goods to supply will be invited to join the Council of the United Nations. The countries supplying the materials for relief will be organised in a Committee on Supplies, and in addition Regional Committees have been formed for Europe and the Far East. These Committees will do preparatory work, while the Director-General of the Administration and a Central Committee—formed by representatives of the four great powers as *ex-officio* members and attended by the Chairman of the Committee on Supplies and by any country whose relief position is under discussion—will have executive authority. The Director-General will also be the President of the Central Committee.

¶ **Lower yield of Indian Rice Crop:** Although the area sown with rice in India increased from 73,579,000 acres in 1941-42 to 74,919,000 acres in 1942-43, or by about 2 per cent, the yield decreased by 3 per cent, according to the final official fore-cast, which puts the 1942-1943 crop at 24,535,000 tons, compared with 25,351,000 tons in the preceding year. We wonder if this is as a result of the 'Grow More Food' campaign.

¶ **Indian Cotton Production:** The final estimate of the cotton area in India for the 1942-43 season shows a reduction by 20 per cent. to 18,716,000 acres compared with the preceding season. Exports during the first half of the season—September, 1942, to February, 1943—fell to 271,789 bales, against 585,601 bales in the corresponding period of the 1941-42 season. Consumption of Indian Cotton Mills, however, rose considerably and caused sharp increases in prices of raw cotton and cotton yarn. But has all the area not sown with cotton been used for growing food crops?

¶ **Indian Railways:** There are 40,477 miles of railways in India. They carried in 1941-42, 623,000,000 passengers and 97,000,000 tons of goods; and earned a gross income of Rs. 144,69,00,000. About 758,000 persons are employed by the Indian Railways, the annual payroll amounting to Rs. 39,14,00,000.

¶ **Savings Bank:** The rate of interest payable on ordinary Post Office Savings Bank accounts has been raised from October 1, 1943, to 2 per cent. per annum provided that the balance in such accounts does not fall, on any day, below Rs. 200.

¶ **Currency Notes:** On July 30, 1943, currency notes in circulation stood at Rs. 740 crores as against Rs. 172 crores on September 1, 1939.

¶ **Sterling Securities:** Sterling Securities held in the Issue Department of the Reserve Bank of India have increased from Rs. 59.50 crores on September 1, 1939, to Rs. 582.87 crores on July 30, 1943.

¶ **Importance of Paper:** A ton of paper will make (a) 8,000 copies of a "Digest" magazine, or (b) 100 anti-aircraft shell boxes, or (c) 800 small shell cases, or (d) 47,000 boxes for small arms ammunition.

¶ **The Mettur Dam:** The Mettur Dam contains enough masonry to build a wall 10 feet high and 700 miles long, as far as from New York to Chicago.

¶ **Britain's Population:** Out of a population of 45,000,000 Britain has over 25,000,000 people in the Forces, or employed in national service in some capacity or another.

¶ **Indian Census:** The first census of India was taken in 1872, when the population was 265,000,000. The present population according to 1941 Census was (exclusive of Burma) 388,800,000.

¶ **Daring Venture:** The first troops to go ashore in Sicily were Bangalore engineers and sappers carrying torpedoes.

International Co-operative Day.

Velur (Salem).

Under the joint auspices of the Velur Co-operative Urban Bank, Velur Co-operative Land Mortgage Bank, Velur Co-operative Stores and the Mohanur Co-operative Union, the International Co-operative Day was celebrated. Mr. V. N. Gupta, M. A., Deputy Tahsildar, presided over the function. Messrs. S. V. Ramaswamy, K. Thangavelu Pillai, the Co-operative Sub-Registrar for Land Mortgage Banks, Rasipuram, T. M. Natarajam Pillai and many others spoke about the value of the co-operative movement. The President in his concluding remarks stressed upon the importance of 'Grow More Food.'

Razole.

Under the Presidentship of Sri S. Subrahmanya Chowdary, M.A. B.L., District Munsiff, Razole, the Day was celebrated in the premises of the Razole Co-operative Land Mortgage Bank. The Convener Mr. Vadrevu V. Ramamurty Pantulu traced the history of the Movement at length. He then moved the resolution of the I.C.A. which was duly seconded and unanimously carried. Many distinguished co-operators spoke on the occasion.

Guntur.

The Day was celebrated in many important centres in the Guntur district. The celebrations in all the places were made under the auspices of the local co-operative stores societies with the help of the local Inspectors. The programme included (a) procession (b) distribution of pamphlets exhorting the public to partake in co-operative activities, particularly in the consumers' societies by freely joining them and purchasing all their requirements therefrom, (c) door to door collection of share capital for the stores societies and (d) holding of public meetings etc.

Rajahmundry.

Under the joint auspices of the Andhra Desa Co-operative Union and the Rajahmundry Co-operative Central Bank, the Day was celebrated in a fitting manner. In the evening after procession a well-attended public meeting was held under the presidentship of Janab Mir Akramali Saheb Bahadur, M. L. A. Sri S. Ramachandra Rao Naidu, the local Deputy Registrar hoisted the Co-operative Flag.

Sri M. Narasanna, the Hon. General Secretary of the Andhra Co-operative Union moved the resolution of the I.C.A. which was unanimously adopted by the audience. The students of the Ramadas Co-operative Institute staged an one-act play on the consumers' side of the Movement.

Salem.

The Day was celebrated by the Salem Co-operative Central Bank. All the local leading co-operative institutions participated in the function. There was a procession. A cow bedecked with silver jewels and velvet dress with a plough carried by a ryot headed the procession. Handbills explaining the object of the celebration were distributed to the public. Sri A. Ramasami Gounder, M.A.L.T., Principal of the Salem Municipal College, presided over the function. Nawab Zada Sadaat Ullah Khan, Deputy Director of Agriculture, spoke about the food problem and co-operative movement. The Deputy Registrar of Co-operative Societies, Salem and Rao Bahadur T. M. Chinnaiya Pillai, President of the Salem Central Bank also spoke on the occasion. The resolution of the I.C.A. was moved from the Chair and carried unanimously.

Circulars.

Rules for the grant of State loans to Co-operative Societies for the construction of godowns.

1. Only societies which are registered under the Co-operative Societies act, and which

(a) issue loans on the security of agricultural produce or the manufactured goods of their members or

(b) undertake to sell either as owners or agents, the agricultural produce or the manufactured goods of their members or the produce or the manufactured goods of the members of their affiliated societies.

Will be eligible for loans. The question whether a particular society will be eligible for a loan under this rule will be decided in each case by the Registrar of Co-operative Societies and his decision shall be final.

2. No society shall be ordinarily eligible for a loan from Government exceeding 50 per cent if it is a rural credit society and 75 per cent if it is a loan and sale society, of the total cost of construction of a godown including the cost of the site. No society shall be given a loan except for the construction of new godowns or for extensions to the godowns already owned by it. The loan given by Government shall be utilised for the construction of a pucca godown, and shall be drawn only after the society has spent its contribution.

3. Plans and estimates for the godown or extensions, which a society proposes to construct and for which it requires a loan from Government and must be submitted to the Registrar of Co-operative Societies for his previous approval. The plans and estimates shall be certified by a technically qualified person not lower in rank than a draftsman of the Public Works Department. Such plans and estimates once approved shall not be deviated from without the permission of the Registrar.

4. No society shall use money borrowed from sources other than Government in the construction of a godown for the construction of which Government have given a loan.

5. A loan sanctioned to a society under these rules shall be disbursed in instalments as the work of construction progresses. The second and subsequent instalments shall be paid only on receipt of a certificate to the satisfaction of the Registrar that the instalment or instalments already drawn have been properly utilised and that the work already done together with the value of the land bought, represents expenditure exceeding (*three times the amount already drawn*) If, in any case the Registrar considers that an independent certificate is necessary, the society shall arrange to get such a certificate from a qualified Engineer of rank not lower than that of a Supervisor of the Public Works Department. The officers of the Public Works Department shall arrange to inspect the construction and give the necessary certificate on a requisition from the society concerned.

If for any reason the whole amount sanctioned to a society cannot be drawn before the close of the financial year in which it is sanctioned, the society shall with the permission of the Registrar be entitled to draw the balance from the loan allotments in subsequent years, at the rates of interest and subject to the conditions in force when the first instalment of the loan was drawn.

6. Loans given under these rules shall bear interest for the entire period of the loan at the rate which is in force at the time of sanction of the loan. The period of repayment, shall be fixed by the Registrar and shall

not exceed 20 years when the instalments are within the society's repaying capacity. In no case shall the period of repayment exceed 30 years. In the first five years of the loan or such shorter period as the Registrar of co-operative societies thinks suitable in any particular case, simple interest alone on the amount of loan drawn and outstanding, at the rate at which the loan was sanctioned, need be paid, and thereafter the loan shall be repaid in equated annual instalments. Nothing shall prevent or debar a society from repaying a larger sum than the annual instalment or from discharging the whole loan in a single payment. On all overdue instalments a penal interest of $7\frac{1}{2}$ per cent will be charged from the date of default to the date of payment.

7. The Registrar shall have power to suspend the payment of instalment in any year for which the net profit earned by the society is less than the amount of that instalment, but such suspended instalments shall be paid before the expiry of period to be specified by him, which shall not exceed 5 years. Further when the instalment is once suspended by the Registrar under this rule, the profit, if any, of the society in succeeding years over and above the amounts necessary to meet the instalments due, shall, notwithstanding anything contained in the by-laws of society, be liable to a maximum of 50 per cent of such profits, to make good the instalment in respect of which the society was in default.

8. Repayments other than the payment made on the due date of the prescribed annual instalment shall be classified as follows:—

(a) *Payment on the due date of a sum in excess of the amount due:*

Such excess payment should at once be credited in reduction of the principal, the amount of each future instalment being correspondingly reduced; but no postponement of future instalments will be allowed, nor will the number of subsequent instalments be reduced.

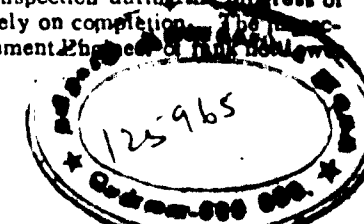
(b) *Payment before the due date:—*Any sum paid before the due date shall first be credited towards the interest which has accrued upto the date of payment and the balance if any, shall be credited towards the principal, the society being required to pay on the due date the balance of interest due for the year and also the balance of principal, if any, due for the year. If the amount paid before the due date is in excess of the annual instalment the amount of each future instalment, should be correspondingly reduced thereafter, but no postponement of such instalment will be allowed nor the number of subsequent instalments reduced.

When a society is in default either in respect of an instalment or principal or of interest any sum paid shall be appropriated in the following order:—

1. Penalty levied under Rule 6 of the Rules.
2. Interest.
3. Principal.

9. The godown or godown for which a Government loan has been obtained shall be completed within 12 months from the date of disbursement of the first instalment of loan to the society.

10. Every society receiving a loan from Government under these rules shall agree to an annual inspection and valuation of the building constructed out of the Government loan and also to an inspection during the progress of construction and valuation thereof immediately on completion. The inspection and valuation will be made by a Government Engineer of rank not below



than that of an upper subordinate of the Public Works Department free of cost to the society.

11. The Registrar shall have power to insist on the godown, for the construction of which a loan has been obtained from Government, being insured adequately against risk by fire.

12. Every society receiving a loan from Government shall furnish such information and submit such returns as the Government or the registrar may call for from time to time.

13. Every society receiving a loan from Government shall transfer to Government its interest in the building or building constructed out of the Government loan. If the registration of the society is cancelled, the sale proceeds of the buildings will be utilised in the first instance towards the repayment of the Government loan.

14. Every loan made by Government to a society, shall be a first charge on the society's assets.

15. If a society fails to fulfil any of the conditions on which the loan from Government was given, the Registrar will be at liberty to fore-close the loan and recover the whole amount outstanding and the interest accrued thereon without reference to the period for which the loan was given.

R.C.5665/43—S

2nd December 1943.

Sub :—Primary Co-operative Stores.—purchases of their requirements from Central Stores—Co-ordination of activities between the two institutions.

The Co-operative Central or Wholesale Stores have been organised with the primary object of co-ordinating the activities of the affiliated primaries by arranging for the purchase, at production centres, of the commodities required by the primaries and for their distribution at reasonable and competitive rates. But, in practice it is found that the primary stores rarely purchase their requirements from the wholesales. During the year 1942-43, out of total purchases of Rs. 247.52 lakhs by the primaries, only Rs. 49.48 lakhs worth of articles were from the wholesales. This works out to only 19 per cent. In certain districts, *e.g.*, Chittoor and Malabar, the purchases made from the Central Stores were very insignificant. It is also seen that there has not been much harmony between the two institutions; rather, some degree of conflict is often noticed.

2. A study of the business relations between the wholesales and the primaries has disclosed that many causes have been operating against a closer collaboration between them. The more important of them briefly are :—

(i) Many of the Central Stores are of recent origin and have not established themselves so well as to be of great use to the primaries.

(ii) The prices charged by the wholesales are not competitive; on the other hand, the prices are said to be exorbitant. Primaries, therefore, prefer to purchase from merchants.

(iii) Wholesales, being still in their infancy, are unable to supply all the requirements of the primaries, who have necessarily to go to merchants for articles not dealt in by the wholesales.

(iv) Wholesale Stores situated in surplus districts or production centres that is, paddy-growing areas etc., find it advantageous to purchase paddy or rice locally. The primary stores in production centres also prefer to

purchase their requirements locally. Hence the percentage of purchases made by the primaries in the surplus districts from the wholesales is generally low.

(v) Primaries situated in corners of the district and at long distances from the headquarters of the wholesales find it more economical to purchase from nearer places.

3. Further, the conditions created by the war have placed some more difficulties in the way of a closer collaboration between the primaries and the wholesales. They are :—

(i) On account of shortage of essential commodities, food grains and other essential articles are controlled and dealers are licenced. Owing to lack of adequate quotas, some of the wholesales find it very difficult to supply the increasing requirements of the primaries. This forces the primaries to make their purchases from other quotaholders who generally induce them to purchase their other requirement also from them.

(ii) In some districts, under the arrangements made by the Collectors for the distribution of controlled articles, primaries in one or two taluk alone are attached to the Co-operative Wholesale Stores and the others have to get their supplies from private wholesalers. This is said to undermine their loyalty to some extent.

(iii) Transport difficulties and inter-taluk restrictions, in some cases, seem to interfere with the services which the wholesales can render to the primaries.

4. If better co-ordination is to be ensured, these difficulties should be solved or got over. Loyalty is not a thing to be forced on the primaries. The wholesales should endeavour to satisfy the primaries in supplying their requirements at competitive prices. Only then can the primaries be attracted to the wholesales. Primary Stores are independent business institutions and they should, therefore, necessarily purchase at the cheapest market and sell at reasonable rates. It is un-business-like to compel them to purchase at high rate from the wholesales, when they can obtain their requirements cheaper elsewhere. Primaries, too, should have reasonable margin to enable them to carry on their business.

5. The solution of the difficulties described depends upon a number of factors the resources and the business efficiency of the wholesales, the loyalty of the primaries, the sympathy and support of the Revenue Authorities etc., and these factors vary from place to place. It is extremely difficult to prescribe a readymade solution. It is, however, possible to indicate, in a general way, how the existing relations between the wholesales and the primaries can, in, some measure, be improved.

(i) Government have recently instructed all Collectors to give liberal quotas to co-operative societies and also to recognise the Central Stores as important distributing agencies for the primaries. As Government have laid down a definite policy in the matter, it may not now be difficult for the co-operative stores to play their part in the equitable distribution of food-stuffs. The central stores may get all the quotas of the primaries allotted to them as far as possible, purchase them in bulk and distribute them to the affiliated societies.

(ii) To get over the transport difficulties, the central stores may consider the feasibility of opening depots in important centres of the district, in the neighbourhood of which there is a fairly good number of primaries and supply the needs of the primaries in that area through the depots. This

decentralisation of their business will enable even the distant stores to purchase their requirements from the wholesales. Wherever necessary, Collectors may also be requested to relax the inter-taluk restrictions in favour of the stores if it is possible.

(iii) Further, if the primaries are to purchase from the wholesales, the prices charged by the latter must be on a par with if not less than, those of the private wholesalers, and the wholesales should as far as possible, also supply all the essential requirements of the societies. The societies should not be forced to go to merchants for some of the essential articles. Towards this end, wholesales may call for information as to the requirements of the primaries, obtain the commodities from production centres, stock and sell them. By judicious purchases and prompt deliveries the wholesales can ensure the loyalty of the primaries. In fact, the future of the Co-operative Central Stores depends on the ability and business skill displayed by them in making seasonal purchases and supplying all articles at reasonable prices. Detailed instructions in the matter of purchases in bulk and in proper season etc. have already been issued in the Registrar's Circular No. 10634-4-S, dated 17-11-43. The wholesales should plan their purchase in the light of these instructions, purchase stocks in the proper season from production centres and see that the primaries are supplied with articles of good quality at reasonable prices.

(iv) The Deputy Registrars and Special Co-operative Sub-Registrars are requested to exhort the primaries to make their purchases, as far as possible, from the wholesales. The primaries can have no justification for purchasing their requirements elsewhere if the wholesales are in a position to supply office of the same quality at the same rates as any other wholesaler. The representatives of primaries and the wholesales may also meet periodically, discuss matters, and see how best they can co-ordinate their activities. The need for such periodical business meetings has been emphasised in the Registrar's circular No. 9276/43 S dated 19-10-43. The special Co-operative Sub Registrars for stores and other officers of the Department should in their tours, explain to the primaries the advantages of, and the need for purchasing their requirements from the wholesales and try to ensure their loyalty to the wholesales.

6. If these instructions are followed, better progress can be expected. To watch the progress in this regard, the Deputy Registrars are requested to submit a report in the following form for the period from 1-7-'43 to 31-12-'43 so as to reach the Registrar by 31-1-'44.

1. Name of the District.
2. (a) Number of primary stores on 31-12-'43 in the District
(b) " " affiliated to the Co-operative Wholesale Stores
3. Amount of purchases made by the primaries from 1-7-'43 to 31-12-'43.
4. Of the amount in column (3)
 - (a) Amount of purchases from local production centres or direct from ryots.
 - (b) Amount of purchases from merchants
 - (c) From Co-operative Wholesale Stores
5. Percentage of (a), (b) and (c) in column 4 to the total in column 3

6. Special reasons for purchases from merchants in preference to Co-operative Wholesale Stores

7. In surplus districts, the central stores have not been able to make much headway. The most important of the reasons given is that many of the articles are available locally and the real necessity for an organisation like the central stores has been questioned by a few. Some of the wholesales have been feeling that, unless they undertake retail distribution, they will not be able to pay their way. The general opinion on this point is that central stores should not ordinarily undertake retail distribution, which is the function of primaries. There is also a general unanimity of opinion that the central stores are necessary in the co-operative distributive structure. Even as regards surplus districts, all the commodities required by the consumers are not found within the districts. The requirements not produced locally have to be imported from outside. Within the district itself, there are some deficit areas. In such cases, the central stores may tap the local resources, import goods not available in the district from other centres of production and have them distributed to the primaries. In the chain of distribution, a wholesaler is necessary, and the central stores is the wholesaler for the district. A wholesale stores in a surplus district may not be able to do as much business as that in a deficit district but still there is need for one. These central stores in surplus districts may also act as the agents of the central stores in deficit districts in procuring and supplying them the surplus products in their districts.

8. The success of a central stores, therefore, depends not so much on its location in a surplus or in a deficit district, as on its ability to cater fully and efficiently to the needs of the primaries. More Particularly, the success of a co-operative Stores depends upon the business acumen, foresight and absolute fairness of its purchasing committees which should never attempt to take the line of resistance by buying in dribbles from local merchants and by falling into the clutches by parties who are dominated by the motive of private gain.

9. The central stores may also educate the primaries in "market" intelligence and guide them on proper and sound lines. Weekly or fortnightly price lists may be communicated to them. Further, the central stores have been organised only recently, and it is too soon to judge their work. Many of them have done exceedingly well even within the short period of their existence and if they satisfactorily discharge the functions expected of them, there is no reason why they should not have a good future. They should not feel discouraged because of the moral and material obstacles which they have had to encounter and which they have been endeavouring, to the best of their ability, to surmount. They should go ahead, serve the primaries in a much larger degree than has been the case hitherto and establish for themselves solid and permanent place in the wholesale trade.

R. C. 10872/43 C.

25th Nov. 1943.

Sub :—Manures—Societies dealing in manures—Taking licences under the Manure Dealers Licensing Order 1943—Instructions issued.

The attention of Deputy Registrars and the Assistant Registrar, the Nilgiris is drawn to the Madras Manure Dealers Licensing order 1943, published at pages 11-13 of the Rules Supplement to Part I of the Fort St. George Gazette dated 9-11-'43. According to this order no dealer in manures selling manure in quantities of not less than one maund at a time shall

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carry on business in manures except under and in accordance with a licence issued in that behalf by the Director of Agriculture or by an officer authorised by him in this behalf. All sale societies, manure supply societies, agricultural improvement societies and credit societies dealing in manures shall take licences under this order. The attention of the officers is also drawn to the Advertisement appearing in the Hindu dated 25-11-'43 by the Director of Agriculture, giving the names of officers to whom dealers in districts should apply for their licences, and the particulars the applicants should furnish in their applications. As the Licensing Order comes into force from 1-12-'43 it is necessary that all co-operative societies dealing in manures should take licences before that date. The officers are requested to give the necessary instructions to societies and see that licences are obtained in time in all necessary cases.

No. 2433 43-G.

Sub :—Co-operative Societies—Exemption of members of Schedule Castes from payment of fees for registration of documents and for obtaining Encumbrance Certificates—Extended from 1-4-'43 to 31-3-'43.

Ref :—Paragraphs 1 and 1 of G. O. Ms. No. 2702 Development dated 21-10-1943.

Government in their orders cited above have been pleased to remit in full the 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 properties from members of the scheduled classes who are members of the Co-operative societies (including land mortgage banks). This G. O. 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.

To ensure that only members of scheduled classes get the benefit, it is necessary that the secretaries of the societies concerned should furnish a certificate along with the application that the members on whose behalf application is made for registration of document or for an encumbrance certificate, are members of the scheduled classes. The application together with the certificate of the secretaries should be sent to the Deputy Registrar, Madras, for transmission to the Registration Department.

The amount spent by the members of the scheduled classes in obtaining Encumbrance Certificate and in the registration of documents from 1-4-'43 upto this date should be intimated to this office before 20-12-'43 in the prescribed form noted below (omitted) with the necessary certificate by the secretary. On receipt of the particulars steps will be taken to refund the amounts to the members.

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18. Alwarpet Firewood Depot ... Mowbray's Road, Alwarpet.
19. Chintadripet Firewood Depot ... No. 10, Mangapathi Naicken Street, Chintadripet.
20. Purasawalkam Firewood Depot ... Gangadeswaran Koil Street, Purasawalkam.

Edited by Sri R. Suryanarayana Rao, B.A., and published by Sri V. Viyyanna, B.A., B.L., at M. P. C. Bank Buildings, Esplanade, Madras. Printed by Sri R. Krishnamachari, B.A., at the Central Co-operative Printing Works, Ltd., 1/17, Mount Road, Madras.