

No. 275

MADRAS JOURNAL OF CO-OPERATION

Vol. No. 34. Jan 1943

NO - 10



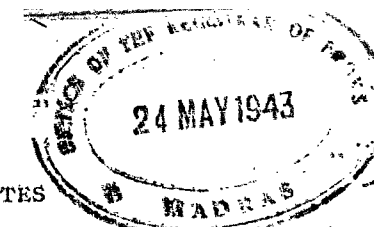
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said there is a pronounced tendency on the part of farmers to hold back stocks of food grains and try to meet all their requirements by selling cash crops which fetch tempting prices. Therefore, the State must formulate a bold policy whereby increased production of food-stuffs must be promoted. This should be done by subsidising production of food crops and by controlling the prices of cash crops without unduly interfering with the increased profits which are his due. These steps aided by a tearing propaganda in regard to 'Grow More Food' campaign may yield fairly satisfactory results. But mere propaganda alone without the necessary assurance to the farmer that it will be made worth his while to grow food crops in preference to cash crops is not likely to succeed in producing the desired results.

Standard Cloth:

Next to food, clothing is the important necessity of the community. For months past the question of standard cloth has been in the air and conferences and committees have sat achieving no definite results. But there appears to be a gleam of hope and the production and sale of standard cloth will soon be accomplished facts. It is understood the Standard Cloth Panel has decided to produce about 100 million yards of standard cloth during the next quarter. This increased production will no doubt provide adequate supply. But the question is whether the price will be within the reach of all. It is true the bazaar quotation is Rs. 2-12-0 per lb. while the agreed price for the standard cloth is said to be Rs. 1-14-0 per lb. Even this reduced price is a jump as the increase is considered to be a rise by four annas per lb. Anyhow we shall wait and see how far the standard cloth offered at that price would ease the cloth situation.

It is understood the Government of Madras propose to encourage the handloom industry to supply as far as possible the needs of the province. We hope the cost of production by handlooms has been carefully worked out and the handloom weaver will not suffer by offering his goods at the prices fixed for the standard cloth. We also trust the Government will not hesitate to commandeer stocks of yarn at reasonable prices, even below panel rates if necessary, if the mill-owners show again signs of recalcitrancy and would not yield to gentle importunities. These are abnormal times and if reason and fairplay fail to guide human relations, the State, as the custodian of the general interests of the community, will be perfectly justified in interfering and regulating the normal channels of trade. We await with interest the details of the scheme of the Madras Government to



meet the clothing requirements of Madras which would be otherwise met by the standard cloth if Madras chooses to come under the Government of India scheme. Perhaps a judicious combination of handloom and standard mill cloth, without depending wholly on the one or the other, would be the best course under the circumstances.

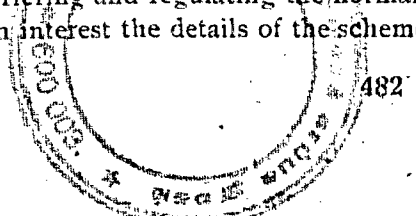
Food Supply:

At long last the scheme of Government for the organisation of distribution of food supplies through the co-operatives has been announced. It will be remembered we have referred to this topic more than once in the *Journal*. A summary of the scheme sanctioned by Government is published elsewhere. We invite the earnest attention of our readers to it, as the scheme, if properly worked,

operation. It through the he first doubt vernment to lesale stores e scheme is east modified not wholly r. It is pre- out not cover- o all the pri- for a period are pleased to n connection the co-opera- t is to be in to guarantee be raised for members' and ers only, any dinarily recoil ability even in Co-operative have a share ation. While no he profits earn- assistance, it make good the

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Author :	
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Year of Publication:	
V. XXIV No. 10.	
Preliminary Pages:	to =
Main Book :	481 to 526 = 46 23
Supplementary pages	to =
Total	
Missing pages	
()	=
Net pages =	46 23
Date sent for Mending:	
Mended by:	
Checked by:	
Date of Return:	

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loss, if incurred, especially as these stores will be run according to directions issued by Government from time to time and they cater to the needs of non-members as well. Stocks purchased and held at a particular price may either deteriorate or require to be sold at below the cost price owing to fall in prices. Such risks are involved in every trade and this factor should not be lost sight of. The guarantee should be extended to all losses incurred in the course of business. There need be no hesitation to give this guarantee as practically the transactions are conducted and supervised by the officers of the Department.

Without dealing at length with the various aspects of the scheme, in answer to criticisms which have appeared in the press we will recapitulate below succinctly some points for the information of our critics and implore them to examine if the extension of the Government scheme would not remedy the existing hardships of consumers without the Government assuming control over the entire supply and distribution, as has been suggested in some influential quarters, relying mainly on the normal channels of trade to ensure that every individual gets a share of the available foodstuffs.

1. Elimination of middlemen is not feasible though it cannot be denied their existence is the cause of profiteering.
2. Price control is not the only effective method of checking profiteering.
3. Starting or recognition of agencies to run shops actuated by service motive and thereby impose indirect check on the rapacity of middlemen appears to be the best method.
4. Government agency is more costly and too slow to move. Red-tapism will play such a great part that often the benefits conferred will be derived long after the need arises.
5. Co-operatives are the best agencies for distribution if they are encouraged to purchase and stock essential foodstuffs. They should be given transport and other facilities. Some of the advantages are :—
 - i. They are actuated by service motive;
 - ii. They are quasi-public bodies subject to supervision, control and audit by the Registrar of Co-operative Societies;
 - iii. Statutory limit is imposed regarding the rate of dividend;
 - iv. Their transactions are 'open' and are constantly subject to public scrutiny;

- v. They will always sell at the prices fixed by Government and quantities laid down if rationing is introduced;
- vi. They will be impartial in the methods of distribution;
- vii. In times of emergency they will not desert their posts of duty especially if they are declared 'Essential Services' as was done in the case of the staff of the T.U.C.S.;
- viii. Co-operatives can secure the funds they require from co-operative financing institutions.

6. The Provincial Co-operative Bank alone has a surplus of about two crores of rupees. The District Banks and some of the Urban Banks have also surpluses. They are anxious to find a safe outlet. If the maximum borrowing power of these co-operatives is raised as a special case they may be able to secure all the funds necessary for their business from co-operative financing institutions. Perhaps to create confidence the Government may guarantee business losses which are not likely to be much as their transactions are subject to close scrutiny by the staff of the Co-operative Department and they will sell at rates fixed by Government and not at competitive prices.

7. The Provincial Co-operative Bank or the Central Banks will lend to Co-operative Stores upto the limit recommended by the Registrar of Co-operative Societies.

8. As large amounts will remain locked up either in business or in stocks of foodstuffs stored as required by Government, the Government should also guarantee repayment of loans to financing banks.

9. The Government should guarantee business losses as already suggested to Co-operative Stores as they will purchase and store articles as required by Government and also sell them both to members and non-members according to prices fixed by the authorities.

10. To enable Stores to entertain additional staff not only to serve the increased number of customers but also to open additional branches or depots as required by the authorities the Government should promise financial assistance as they have done in the case of the T. U. C. S. or provide the necessary staff free of cost.

11. Such safeguards as are necessary may be proposed in the working of Stores both by the financing banks and the Registrar to ensure proper use of funds, safety of stocks and efficient management.

12. Co-operative Stores should be given preference in regard to licences and priority in regard to wagons etc., for the transport of foodstuffs.

13. In districts where there are District Wholesale Stores, they should be recognised as sole distributive agencies especially in regard to articles whose prices are controlled or whose sale is permitted by wholesale dealers.

Freedom from want :

Elsewhere we have reproduced a good summary of the Beveridge plan to achieve one of the Freedoms promised in the Atlantic Charter. As was expected the 'plan' has taken the British industrialists by surprise and it is reported they will not rest on their oars till they employ all possible methods to torpedo it. The figures of cost may appear somewhat staggering; but to those who have been watching the trend of events even in Conservative England the proposals contained in the Beveridge Report must appear as a logical sequence to various measures adopted by the State during war-time. A perusal of the publication of the League of Nations on *Food Control in Great Britain* will convince any one that the State has slowly and steadily, though may be unconsciously, drifting to a position when the conditions created by the war necessitated greater assistance to the community to maintain the morale and continue war efforts at a high pitch. When peace comes, it is rightly believed the problems arising as the after-effects of war will be no less serious compelling equal attention for their solution. In India too, we hear people talking glibly of problems of post-war reconstruction. But it is doubtful if these, 'talkers' will lend their support to measures of the kind adumbrated in the Beveridge Report. All sorts of old-world ideas will be trotted out to smother any measure of reform calculated to achieve even in a limited degree, 'Freedom from Want.' A deep and unprejudiced study of the prevailing economic conditions, both in rural and urban areas, is absolutely necessary to formulate far-reaching measures to achieve 'Freedom from Want.' The State should not hesitate to adopt any step necessary for the purpose, however drastic or 'alien' to the genius of the country it may appear to be. The policy of non-interference should be abandoned in the interests of the community. Can we find a Beveridge in India to undertake this Facts Finding Commission, to collect facts and to formulate policies, and a Government bold enough to put them through uninfluenced by other considerations? We have our own doubts based on past experience.

Indebtedness :

We have perused with some interest the Press Note of the Government on the allegation of 'apathy of ryots to take full advantage of the loans offered to them by Co-operative Land Mortgage Banks and their unwillingness to improve their lands.' We have also read the *Mail's* reply to Government. It may be remembered

we have had occasion recently to refer to some defects in the working of land mortgage banking. Our criticism was based on the grounds, similar to those mentioned in the *Mail's* reply. But the *Mail* missed the point in its original criticism when it associated temporary advances provided in the budget with the provision of funds for the Central Mortgage Bank for the purpose of advancing loans. Anyhow we are glad even these matters attract the attention of newspapers and that too in these strenuous days.

The whole question of rural indebtedness and the adequacy or otherwise of the statutory and other measures proposed demand careful investigation. In January last the Government of Madras were pleased to order the dissolution of the then existing debt conciliation boards and reconstitution of boards one for each district on the ground there was a considerable fall in the number of applications under the Debt Conciliation Act. The fall in the number of applications cannot certainly be due to fall in indebtedness. It may be due to the fact that the relief secured under the Conciliation Act is not commensurate with the trouble and expense involved—especially when there is no provision for compulsory settlement without a certain percentage of creditors agreeing to settlement. This Act and the Agriculturists' Debt Relief Act have resulted in increased litigation owing to provisions which compel resort to law courts. Moreover, the Honourable Judges of the High Court have, in their learned judgments on the issues raised before them, pointed out certain lacuna in legislation which should be modified if litigation is to be minimised and the benefits conferred by these Acts are to be real. In view of the increasing importance of relief from indebtedness if the 'Grow More Food' campaign is to produce appreciable results, it is high time the Government undertake investigation into the working of the various Acts of legislature and administrative measures made to afford relief to agriculturists from indebtedness so that the industry of agriculture may prosper unhampered by the disabilities under which it now suffers and thereby contribute materially to the increase in food supplies. What topic, we wonder, is more suited for consideration as a problem of even post-war reconstruction than this important question? Will not the Government face it before it is too late?

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Thus the cost of a pair of dhoties of 50" x 7 yds, is Rs. 3 and 4 respectively.

How is it the consumer is made to pay nearly Rs. 6 per pair? Is it to benefit the cotton-grower, spinner or weaver or middlemen or whom? What is the fate of the consumer, cotton-grower, spinner and weaver in these days of war-time cost of living?

Similarly the cost of a bundle of 10 lbs. of 40s grey mill-spun yarn was costing only below Rs. 7 in pre-war days. Now it has risen to Rs. 35 and is still rising.

This bundle of 10 lbs. contains 10 lbs. of ginned cotton roughly, the present price of which is not more than Rs. 7 even after allowing

THE MADRAS JOURNAL OF CO-OPERATION

for wastages (i.e. at Rs. 16 per maund of 25 lbs. as stated above). The pre-war price of this 10 lbs. cotton was only Rs. 3-8-0 and in depression days perhaps Rs. 1-12-0 only.

This bundle could be converted into 7 or even 8 pairs of dhoties of 50" x 7 yds. or 7 or 8 sarees of the same dimensions.

The cost of weaving the said 10 lbs. of yarn either in pre-war days or at present is between Rs. 7 and 8 by the hand-loom. In some places the wages of the weaver were slightly raised while in yet some other places they were reduced. But even the raised rates do not go beyond Rs. 8 per the said bundle of 10 lbs.

Thus the cost price of the 7—say 8—pairs of dhoties or 7 or 8 sarees of 50" x 7 yds. of 40s grey yarn comes to as follows:—

	Pre-war Rs. A.	Present day. Rs.
Cost of ginned cotton of 10 lbs. ...	3 8	7
Mill's cost of spinning including middlemen's profit ...	4 8	28
Total cost of a bundle of 10 lbs. of grey yarn of 40 counts ...	8 0	35
Cost of weaving the said 10 lbs. yarn into 8 pairs of dhoties or 8 sarees ...	8 0	8
	16 0	43

Thus the cost of a pair of dhoties or a saree is Rs. 2 and 5-6-0 respectively.

Now a pair of 40s 50" x 7 yds. is being sold at Rs. 6.

Why is the consumer taxed 3 times when the weaver gets no increase in his starving wages and when the apparent rise in the cost of cotton is securing greater margin of profits to the middlemen and not to the cotton-grower?

What are the objects and the results achieved in appointing a Yarn Commissioner? Is it to benefit the cotton-grower or the wage-earner in the spinning mill, or the hand-loom weaver or the spinning mill, or the yarn merchant or the master weaver or the Government?

It is not known what other "facts" were "found" by the Facts Finding Committee appointed by the Government of India whose report is in the hands of the Government though not released to the public.

SOME INTERESTING AND ENLIGHTENING FACTS ABOUT HAND-SPINNING AND HAND-LOOM WEAVING

How can the subvention of Rs. 25 lakhs per year granted by the Central Government for the last 7 or 8 years be said to have benefitted the hand-loom weaver when his wage in these days of war-time cost of living is less than that of the pre-war days?

How can the hand-loom weaver be saved from his entire dependence upon the spinning mills for supply of yarn? If he cannot be saved, would not these mills eat up the life germs of the hand-loom weaver by varying the prices of yarn to the detriment of the consumer and the weaver and never to their advantage as demonstrated above?

Some may suggest—in fact eminent nationalists and economists already threw the suggestion—that hand-loom weavers should confine to weaving hand-spun yarn only and if necessary they (weavers) themselves may take to spinning also. But the fate of such Khaddar spinners also is explained in the above paragraphs. There is yet another important aspect which is generally ignored by many. One hand-loom weaver can be given continuous employment only if at least 30 to 50 wholetime spinners supply yarn to him—the finer the yarn, the greater the number of spinners required. At that rate how can thousands of loom in places like Salem, Conjeevaram, Madura etc., be supplied yarn? What are the arrangements to be made for the distribution of cotton to spinners, collection of yarn from them and distribution of the same to the weavers? Khaddar weaving was possible in olden days and is possible in present days in villages where every house-wife was spinning and giving work to the handful of weavers in a particular village. Now who is to return to such villages first? Is it the weaver or the wearer of Khaddar?

This again pre-supposes the absence of competition between the hand-loom weaver and the weaving mills. Will the mills close their business or the consumers abstain from wearing the cheap and alluring mill-made cloth? Even then, what about foreign cloth or yarn to be imported into this country? Will the Government prohibit all such imports? If so, can India become self-sufficient without spinning and weaving mills? In what time? What are the arrangements for the intervening period—if such a period is allowed? In that case what would be the reactions of other countries in regard to other commodities imported or exported by us—whether raw materials or finished goods?

Any light on the above points is welcome.

There is also a solution which may deserve examination. It is to make the hand-loom weaver completely independent and with regard to the supply of yarn to himself and by himself. In other words the hand-loom weavers must own their own spinning mills for each district or sub-district. One may ask how this is possible in

the economic condition of the hand-loom weavers. It is possible. Cannot the Central Government utilise the subvention of 25 lakhs spent every year of this purpose?— Cannot the amounts claimed to be spent by Provincial Governments every year for the uplift of the hand-loom weaver be diverted to the above object of establishing spinning mills in which the hand-loom weavers alone will be interested?

In this connection, another point also deserves consideration. Why is the subvention of 25 lakhs granted every year and where is it got from? This idea of subvention is a result of the tariff walls raised by the Government to give protection to the Indian textile and spinning mills against foreign competition. By levying heavy import duties, the inflow of foreign cloth and yarn was minimised perhaps with some preferences given to British-made cloth or yarn. The Indian textile (weaving) and spinning mills were practically utilising this protection, not only to exploit the Indian cloth consumer but also to cripple the hand-loom weaver who must necessarily purchase yarn at prices dictated by the spinning mills and sell his hand-woven cloth on a par and in competition with that of Indian or foreign mills. The result is that the weaving wages of the hand-loom weaver have been narrowed down to a starving limit even in a costly war-time price levels—not to speak of his miserable plight of unemployment and under-wages in peace time when the mills devote their entire capacity to crush the hand-loom weaver.

Government do not seem to have paid due attention or this aspect for obvious reasons. On the other hand they seem to hold that the absence of organised marketing facilities for marketing hand-loom fabrics is the 'crux of the problem', and they are, therefore, insisting upon the utilisation of the said subvention of 25 lakhs in schemes invented by them and claimed to be beneficial to the hand-loom weaver. It is for the public to judge how far the Government is correct, in view of the facts given above, and for the weavers to say where the shoe pinches. It is also worth examining if it is true that the marketing of hand-loom fabrics is not as organised as that of mill cloth. The Government too may not deny that export of Indian hand-woven fabrics such as Madras handkerchiefs, lungies, sarees etc., through foreign—mostly British—capitalistic concerns is more organised than the export or internal marketing of Indian mill cloth.

Therefore, it is for disinterested and impartial economists to say whether the above solution of enabling the hand-loom weavers to own their spinning mills is not worth experimenting. If that is done the weaver may not grudge even if his loom is taxed to recover any investments made upon him for his betterment. First make him economically efficient and then tax him to his full capacity.

Co-operative Illiteracy.

Duty of the Field Staff and their Service Conditions.

BY T. V. L. PAPA RAO.

Hasty formation of societies without doing the necessary propaganda work in the beginning is responsible for the slow pace of the progress of the Co-operative Movement in addition to a number of bad societies we are having today. That we have heavily paid for this initial neglect is evident from the number of societies liquidated and from an equal number of them in dormant condition. It is a matter of common knowledge that Co-operators all over the world attach great importance to the value of education of members in co-operative organisations. The Committee on Co-operation has given some suggestions in this direction. No one can foretell how long it will take for implementing those useful suggestions. In the meanwhile, are we to remain silent without doing anything? Why not the Central Banks entrust this work to the field staff. Propaganda to be intensive must be continuous and this can be done by the Central Banks through their field staff.

Aims of Propaganda.

The aim of propaganda is many-sided. It will be of considerable help in stimulating public interest. It will create an intelligent interest among the members in the working of the societies. If the knowledge of correct principles and ideals of co-operation is spread among the members in a village society and if they are made to understand the business principles correctly the whole village acquires a tremendous strength. The members in that village will learn to think in terms of group instead of self. This is surely a healthy sign of their strength which will enable them to shoulder social and civic responsibilities. Unless these things are achieved by removing co-operative illiteracy the progress of the Movement is bound to be slow.

Instances are not wanting where societies were started by roping in a number of persons without explaining to them their responsibilities and privileges. The bad effects that might result due to lack of knowledge in fundamentals are too many to be mentioned here. Where the directors in a society or in any institution big or small, care little for their responsibilities their position almost reduces itself to that of 'Guinea-pigs' and the affairs of that institution will sooner

or later become one man's show which is the very negation of democracy. It may be, in course of time, the directors may not be able to withstand the powerful influence of that one man. Even the staff in such institutions will not be immune. Their loyalty will tend to become stupid and perverted to the extent of self-effacement. Where the society is not well-founded on sound lines the members in such society are not guided by business instincts. They very rarely attend meetings. (A curious thing did occur in a big society recently. The minute book of the society tied to the carrier of a cycle somehow slipped away quietly while being circulated among the members from one village to another village. The very next day a report was given to the S. H. O. of that place. Wide publicity was also given by beat of tom-tom in the neighbouring villages. Of course the book was restored after a week.) They are swayed by sentimentality and they also develop a nasty tendency to deify worthless people though they are enemies of mankind. Sentimentality and deification are often the greatest enemies of Co-operative Movement, for, these two things are responsible for white-washing rotten institutions. If a bad fellow gains a footing in a weak society it will be difficult to dislodge him and he will exploit the society for himself. He might recover his bad and doubtful debts by exploiting the society. Intensive propaganda is the only panacea for all these evils and the supervisory staff is best fitted for this task at present.

Service Conditions of the Non-official employees.

It is not out of place here to refer to the service conditions of the non-official employees. After reading through the whole mass of literature on the origin, development and progress of the Co-operative Movement in this presidency, one is struck by the fact that the fate of the non-official employees, who do the hard spade work, seemed to be the concern of nobody. Or, is their contribution to the Co-operative Movement so small as to keep them in oblivion? It is often said that the progress of any institution depends to a large extent on the honesty, integrity, efficiency and enthusiasm of the workers in its employ. For any worker to be honest in his work minimum scales, dearness allowance and security of tenure are immediate and indispensable requirements. These conditions form the pivot round which every thing revolves. It really pains any thinking man or a true co-operator to find that the service conditions of these band of useful workers are not satisfactory and quite incompatible with the financial position of some institutions.

CO-OPERATIVE ILLITERACY

Incompatibility should have no place in progressive institutions. I know several Supervisors (fully qualified) who have put in a service of more than a decade drawing as low a salary as Rs. 25 and even the benefit of Provident Fund is unknown to them. It is really a funny thing to find some Supervisors preaching self-help, better-living, and better-farming etc., while they themselves are helpless to improve their conditions. Are not these men, who have enriched this land of co-operation by their sweat and hard labour, entitled for fair treatment? Their share of contribution to the co-operative movement must be recognised. Though they are relegated to a relatively unimportant place in the movement they form the linch-pins to the temple car of Co-operation. It is well known, that the linch-pins prevent the wheels of any carriage from sliding off the axle-tree. The efficiency and enthusiasm of the employees should not be made to suffer on any account. Ethics of co-operation must be made applicable to the workers and who should not be denied justice of minima by the Central Banks by using euphonious word and phrases as convenient cloaks. It is not bad economy to incur any extra expenditure by way of improving the service conditions of the employees. On the other hand, it will result in mutual advantage in the long run and the staff will work with redoubled vigour with their enthusiasm unabated. Will the Co-operative World remain silent and unco-operative over this vital problem?

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Co-operative Institutions and Surplus funds.

BY V. ALAGAPPAN, B.A., B.L.

At present due to causes, aware of, the prices of commodities have soared high. Any attempt to foretell the extent of its possible rise, will liken to the man jumping in front of a running car without a brake. The prices are rising daily abnormally staggering our imagination. Added to this, inflated currency is prevalent in our country. These have culminated in the stagnation of funds in the Banks without an outlet. The prospect of an outlet hitherto familiar to us is far remote. It is straining every nerve of the officials and veteran co-operators in their effort to find out fresh avenues for the utilisation of surplus funds.

The Madras Provincial Co-operative Bank has got a surplus fund to the tune of about two crores. It is highly deplorable to note that on a prolonged deliberation it has resolved to lend at 4 per cent. per annum to Co-operative Wholesale Stores in such of the districts wherein the respective Central Banks have not lent to them at this rate. It deals a damaging blow at the prestige of the Central Banks and the Movement at large. It glares us in the face with a threatening attitude to lend or allow it to lend. The Central Banks are requested to think over seriously before arriving at a final decision on this matter.

The present day conditions afford every possibility for embarking on new enterprises. It is of a daily occurrence to us that many financial institutions and business concerns are springing up with their capital in crores. With the large amount at their command the Co-operative Central Banks can launch new schemes viz., organisation of ginning factories, yarn mills, weaving mills, sugar factory, juice extracting factory, paper manufacturing companies, and match factories etc., on co-operative basis with an ulterior motive of making the finished products available at a cheaper cost to the consumers. As this is a new scheme, alien to the Movement in our country, it will be highly beneficial to us to constitute a committee of representatives of Central Banks and the Registrar of Co-operative Societies to think over this matter deeply and arrive at an early decision to embark on this scheme and rejuvenate our Movement.

Working of Societies.

(Contributed.)

Note on the working of the Atmakur Chenchu Co-operative Purchase and Sale Society Ltd., Atmakur, (Kurnool District)

The Chenchus of Nallamallai forest in Kurnool district are an aboriginal tribe distributed over 40 important Chenchu gudems. The Forest Department has been allowing them free rights over the minor forest produce in the forest area. The Chenchus used to dispose of the produce collected to the contractors who made huge profits out of the transactions. With a view to eliminate the contractors who happen to be the middlemen and to dispose of the minor forest produce collected to the best advantage of the poor Chenchus, a co-operative purchase and sale society was organised with its headquarters at Atmakur.

2. The society was registered on 3-1-40 and started on work on 29-1-1940. There are 456 members on the rolls with a paid-up share capital of Rs. 1,868-8-0. The District Collector and the District Forest Officer are the ex-officio president and vice-president of the society respectively. One of the Forest Range Officers is the ex-officio Secretary and the Deputy Registrar is an ex-officio Director. Besides the above 4, the Board of Directors consists of 12 other elected representatives of the Chenchus.

3. The following are a few of the important items of minor forest produce which the Chenchu members collect from the forest:—

1. Tamarind. 2. Honey. 3. Marking nuts. 4. Galnuts. 5. Ippa-paluku. 6. Sarapappu. 7. Bees wax.

The minor forest produce collected by the members is pooled at different centres for purposes of convenience, and from there conveyed to the main depots at Atmakur and Velgodu, where the produce is sold in lots in public auction. The season for the collection of the minor forest produce is generally from February to July each year. For the minor forest produce collected, the Chenchus are paid at the scheduled rates fixed by the Forest Department and a portion of the profits on account of the sale of produce by the society is distributed as bonus to members. The society has to pay seignorage to the Government which will be fixed by the Forest Department each year. Government have sanctioned a loan of Rs. 10,000 repayable in 6 months to be utilised as working capital and the society makes use of this accommodation to the extent necessary each year.

4. The business transacted by the society from the date of its starting is indicated below :—

Value of minor Forest Produce.				
Year.	At the beginning of the year.	Received during the year.	Sold during the year.	Stock at the end of the year.
	Rs.	Rs.	Rs.	Rs.
1939-40	...	4,752	5,785	734
1940-41	734	3,798	2,779	3,915
1-7-41 to 31-12-41	3,915	385	1,045	1,992
1942	1,992	1,723	4,204	486

For the year 1939-40, the society earned a profit of Rs. 1,278 and the entire amount was set apart towards "Reserve for working expenses." For 1940-41, the society earned a profit of Rs. 1,123 of which Rs. 222 was set apart towards "Reserve for working expenses". During the second half of the calendar year 1941 and the year 1942, the society had to sustain a loss due to heavy depreciation in the stock and the failure of crops. The by-laws of the society provide for setting apart a sum of Rs. 1,500 from out of the profits each year to be credited to a fund called "Reserve for working expenses". The idea is to make the society self-reliant in the matter of finances after a period of 7 years. Dividend at $6\frac{1}{4}$ on the paid-up a share capital and bonus at Re. 0-3-0 on every rupee worth of minor forest produce sold to the society was distributed to members for the year 1940-41. At one of the collection centres the society has built a pucca godown at a cost of Rs. 1,430 to store the minor forest produce received. The society is attempting to bring about socio-economic improvement amongst the Chenchu members who were all along being exploited by the middlemen. By undertaking joint sale of produce of its members, the society has succeeded in putting into the pockets of its members, that small profit which otherwise would have gone to the middlemen. Nature being unfavourable for the last 2 years, there was a drop in the yield of the minor forest produce. Consequently this affected the transactions of the society.

The Quilandy Artisans' Co-operative Society.

The Quilandy Artisans' Co-operative Society Ltd., in the Karumbrand taluk of the Malabar district, was registered as a result of a memorandum submitted to the Government by the artisans or Viswakarmas of Quilandy and its suburbs. The object of the Society is to develop cottage industries by organising the skilled workers on co-operative basis. The Society was started on 26-6-1938. It manufactures artistic wares like hookahs, ash trays, finger bowls, brass toy elephants, photo frames, lamp stands, hunting knives, paper weights, presentation caskets etc. The articles are of a high standard of workmanship and the Society

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has won merit certificates at several exhibitions. Of late it has begun to manufacture desk knives, table knives and scissors. The Superintendent of Stationery, Madras, placed an order for 200 dozen knives in 1941 and for 300 dozen in 1942. The orders were executed promptly. The Society has now undertaken to execute orders for store articles, such as table knives, scissors etc., for war purposes.

Lack of funds and suitable tools and machinery are the handicaps for the working of the Society. In 1939 the Government were pleased to sanction a non-recurring subsidy of Rs. 500 for the purchase of machinery and tools and a recurring subsidy of Rs. 10 per month for one year to meet the establishment charges. The Society has purchased a polishing lathe and a drilling machine for Rs. 233-9-0 out of the non-recurring subsidy and with the balance the Society proposes to buy an oil engine. It is also proposed to depute workmen in batches for training in economic and precision methods at the Industries Departmental Factory section at Calicut. With these developments it is hoped that the Society would be able to expand its business and market its goods at cheaper prices.

The working of the society in the last 3 years is indicated below :—

Year.	No. of members.	Value of raw materials produced for the market.
1939-40	35	726-11-0
1940-41	35	354-14-0
1941-42	36	645-12-0

The Society is the first of its kind in the district and deserves every encouragement.

The Tanjore Co-operative Marketing Federation Limited, Tiruvavur upto 30-11-42.

The Tanjore Co-operative Marketing Federation Ltd., No. T-893, was registered and started on work on 29-1-41 with the object of securing better price for the produce of its members (*viz.* paddy). It has both the Tanjore and the Trichy. districts for its jurisdiction with Tiruvavur as headquarters. Its operations were till recently confined to the Tanjore district, as conditions there were more favourable for a new institution of the kind taking root. Arrangements have now been made to extend its activities to the Trichy. district also and a new centre has been opened there.

Membership & Capital. The authorised capital of the Federation is Rs. One lakh, made up of 900 "A" class shares of Rs. 100 each and 1000 "B" class shares of Rs. 10 each. The "A" class shares are available for individuals and institutions other than co-operative societies. "B" class shares are allotted to co-operative societies. There are 62 "A"

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and 79 "B" class members, with a total paid-up share capital class members of Rs. 26,160. Of the "B" class members, 14 are sale societies. The maximum number of individuals that can be admitted is limited to 250.

Funds. The Federation borrows the bulk of the funds required for its business. The Tanjore Co-operative Central Bank has sanctioned a cash credit accommodation of Rs. 45,000 and the Kumbakonam Co-operative Central Bank Rs. 50,000. Application has been made for another cash credit loan of Rs. 50,000 from the Trichy District Co-operative Central Bank. Fixed deposits have also been raised from members and non-members to the total extent of Rs. 47,500. Most of the deposits were returned since, when the Federation had surplus cash during the recent off season.

Transactions. The following statements show the progress of business since the starting:—

	Purchases.		Sales.	
	Quantity. Bags.	Value. Rs.	Quantity. Bags.	Value. Rs.
(a) Paddy—				
29-1-41 to 30-6-41 outright.	9,515	41,058	5,553	25,133
1-7-41 to 30-6-42 outright.	1,56,796	7,51,438	1,34,795	6,43,026
Consignment ...	15,061	...	...	...
1-7-42 to 30-11-42 outright	61,983	4,06,337	82,044	5,22,380
Total outright	... 2,28,294	11,98,833	2,22,392	11,90,539
Consignment	... 15,061	...	...	...
(b) Rice—				
29-1-41 to 30-6-41	...	...	...	...
1-7-41 to 30-6-42	... 20,551	2,61,458	18,505	2,50,378
1-7-42 to 30-11-42	... 19,448	2,80,312	21,259	3,21,297
Total	... 39,999	5,41,770	39,764	5,71,675

Total turn over :—Purchases Rs. 17,40,603.
Sales Rs. 17,62,214.

Mode of Business. Purchases from members are made outright or on consignment basis or Nelliruppu basis. Outright system is most popular with the ryots of the Tanjore district. Therefore, by far the largest portion of the purchases made was outright.

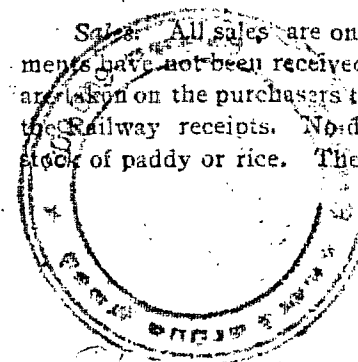
According to the consignment system as understood and worked in the Federation, the produce of the member is handed over to the Federation shortly after the harvest. The consignments so handed over are pooled and sold at the discretion of the Federation along with the stock purchased outright. At the end of the season, the cost payable to the

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members is worked out at the *average selling price* realised by the Federation for the particular variety of paddy. The Federation appropriates a commission of one anna per bag of paddy sold. Advances are given to the members, when required, against the value of the stocks delivered. Interest is charged on the advances at the Bank rate. The advances are recovered at the time of the final settlement of accounts. 7,390 bags of paddy were taken under this system from 5 members and accounts settled in respect of 4,485 bags. The accounts relating to the remaining 2,905 bags have to be settled as soon as the balance of stock of Korangusamba paddy on hand is disposed of. The Registrar has commended this as the most co-operative system deserving of encouragement. Steps are being taken to popularise it further.

Under the Nelliruppu system also, the paddy of the member is handed over to the Federation shortly after the harvest for being pooled and sold at its discretion along with the stock purchased outright. The price payable to the member is to be calculated at the rate prevailing on a future date when the member desires his account to be settled. He must at the time of delivering the stock specify a period of 15 days within which he expects to have his account settled. It is open to him to call on the Federation any day during the specified period to work out the cost adopting the rate then prevailing. Advances are given under this system also and interest is charged. A total stock of 7,900 bags was taken from 7 members under the Nelliruppu system. The accounts were settled in all cases in due time. The members were paid at Rs. 2-7-0 to Rs. 3-8-0 per kalam with reference to the rates ruling from time to time. The rates prevailing at the time of the delivery of these stocks, ranged from Rs. 2-0-0 to 2-8-0. The members, therefore, stood to gain 8as. to Re. 1 per kalam. As the price was continually rising and as the Federation was purchasing all through the period, the Federation found itself under no disadvantage. But market conditions cannot always be expected to be so favourable. Undoubtedly, this is a sort of speculative business. Therefore, as a safeguard against possible risks attendant on this system, the Federation had to keep on a sufficient reserve stock to cover the quantity remaining unsettled under the Nelliruppu agreements. Several members prefer this system to the outright or the consignment method as outlined above. But in view of its speculative nature, the Registrar has suggested the discontinuance of this system.

Sales. All sales are on ready cash system. Where advance payments have not been received in full, demand drafts for the balances due are taken on the purchasers through the Imperial Bank of India enclosing the Railway receipts. No difficulty is experienced in disposing of the stock of paddy or rice. The Federation has earned a reputation for fair



dealings and financial strength and has secured customers at all important consumers' centres e.g. Trichur, Erode, Pollachi, Karur, Dindigul, Madura, Tinnevely, Tuticorin, Ambasamudram etc. The bulk of the orders are booked by correspondence or wire. Several dealers book their orders in person at Tiruvarur, after comparing our rates with the quotations of other merchants.

Attempts are made to minimise the number of middlemen by establishing direct connection with the primary co-operative stores, wherever possible. This being an organization of producers, direct dealings with the consumers' stores result in the virtual meeting of the producer and the consumer to the elimination of all middlemen, narrowing down the marginal difference between the producers' price and the consumers' cost to the absolute minimum.

Following the increasing demand on the Federation for the supply of rice, the Federation engaged on sole contract a mill for converting the members' paddy into rice. When it was found impossible to meet all the requirements of rice through this one mill, the services of three more were secured on short contracts. As rice is the ultimate form in which the produce reaches the consumer, it is essential that the Federation should always have under its control one or more mills if it should aim at cutting down the middlemen's profit in the process of conversion, which very often proves a substantially fruitful source for them. As the term of the contract for the Rice mill expires shortly, proposals are afoot for renewing the contract for a further term or for securing a fresh mill.

The Travancore Government placed 4 successive orders with the Federation for the supply of a total quantity of 17,000 bags of rice and the entire contract has been fulfilled. The Government have found the dealings of the Federation quite satisfactory and they shall be only too glad to take all their requirements through the Federation, but for the restrictions recently introduced in regard to the movement of rice out of the Province.

Considerable difficulty was met with in securing wagons for the despatch of paddy and rice. But for this handicap, it would have been possible to increase the transactions of 1941-42 by at least 50 per cent. Several references to the Railway department failed to evoke a satisfactory response. Far from enjoying any concession by reason of the bulk dealings carried out, the Federation is definitely at a disadvantage waiting for its turn for each wagon as one amongst the smallest dealers at each station.

Management. The entire management vests in a Board of 15 members. According to the by-laws of the Federation, the first set of members for the Board stand nominated by the Registrar for a term of 3 years.

Subject to the control of and delegation from the Board, the Executive management is attended to by a committee of 7 members.

Establishment. The day-to-day administration is carried out by a paid Secretary who, for the present, is a Co-operative Sub-Registrar on foreign service. He is assisted by a staff of 11 clerks. Of these, 4 are attending to indoor work and the rest to executive functions, being either in charge of the purchasing centres or of the mills run by the Federation. Purchases are made at the various centres by the clerks concerned, subject to the rates communicated by the Secretary from time to time. But all sales are concluded at the Head office and goods despatched from convenient centres under instructions from the office. All cash dealings are confined to the Head office, the clerks-in-charge of the purchasing centres being given sufficient imprest cash to meet cooly, carthire, loading etc. charges.

Profit. The Federation earned a gross profit of Rs. 43,363-4-0 for the year 1941-42. The net divisible profit as declared by the Registrar was Rs. 32,515-1-0. One fourth of this, viz., Rs. 8,128-13-0, shall be carried to the Reserve Fund. Dividend payable on the share capital at the statutory maximum rate of 6½ per cent. works out to Rs. 1,519-9-0. The Executive Committee have proposed that a sum of Rs. 1,300 be carried to propaganda fund. The balance of Rs. 21,566-11-0 will be available for distribution as bonus in accordance with by-law 39, as proposed to be amended. The rate of bonus will work out to 0-2-9 per bag of paddy sold by the members through the Federation. The bonus calculated with reference to the sales by non-members will have to be carried to a special reserve, called Price Fluctuation Reserve, to be drawn upon for meeting unforeseen losses arising from any abnormal fall in price.

General. In spite of best endeavours, it has not always been possible to confine purchases to members. Frequently, resort had to be made to non-members for purchasing the requirements of the Federation to meet heavy and urgent orders. In a rapidly rising market the members are reluctant to part with their stock and, if at all they decide to sell then, they release it piecemeal. With orders on hand for prompt acceptance or rejection, in most cases by wire, the Federation could not be going about scrupulously looking for members' paddy, unless it be prepared to lose the particular transaction or face a possible loss. Losing a particular transaction may sometimes mean losing a good customer for ever.

With a view to ensure a steady and sufficient inflow of produce to the Federation from the several centres, it is suggested that all loan and sale Societies, now commonly styled as Marketing Societies, should be linked to the Federation as feeder societies. The sale societies are to serve as pooling agents for the produce of the members of the primary

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societies in their respective areas. The primary societies are to advance loans under the controlled credit system and pass on the produce of their members, when ready, to the concerned Loan and Sale society. The controlled credit loans issued by the primary societies will be repaid out of the produce loans from the sale society, when it collects the produce from the individuals. The produce loans will in turn be cleared out of the sale proceeds, when the produce is taken over by the Federation for sale under the instructions of the individual member concerned. The scheme as thus briefly outlined by the Joint Registrar at a meeting of the Board of Management of the Federation is to be worked out during the ensuing Samba season. The benefit of the services of the Federation will become available to an increasing section of the poor and middle-class ryots as this scheme proves more and more popular.

The Mambalam Co-operators' Club Ltd.

The Directors have great pleasure in submitting their fifth annual report on the working of the society for the year ended 30-6-42.

Comparative Progress.

Year.	Mem- bers.	Turnover.	Surplus.
		Rs.	Rs.
1937-38	152	11,901	584
1938-39	219	18,020	615
1939-40	325	25,976	1,248
1940-41	415	34,480	1,510
1941-42	478	29,236	1,532

The net profits of the year are recommended to be distributed as follows:—

	Rs.	A.	P.
Reserve Fund	383	2	0
Common Good Fund	76	10	0
Dividend	59	6	0
Bonus to Staff	100	0	0
„ Members	913	4	0
	1,532	6	0

The close of the year under report was marred by the scare and the consequent exodus that overtook Madras which, by the way, took two of the Directors, Messrs. S. Krishnamachari and A. Viswanatha Iyer, out of the station but it is comforting to chronicle that the Club, like other co-operative institutions in the city stuck to its post of duty and relieved the tension of its members and the public who cared to remain behind. It had not recovered fully from the shock, when the putting forward of the hands of the clock created difficulty of another kind. Adjustment to new conditions is being made and the Directors are thankful to members for their continued loyalty and co-operation.

“Freedom From Want” In Great Britain.

The Beveridge Report on Social Insurance and Allied Services.

On 10th June, 1941, it was announced in the House of Commons by Mr. Arthur Greenwood, Minister without Portfolio, that a comprehensive survey of the existing system of social insurance and allied services would be undertaken by an Interdepartmental Committee under the Chairmanship of Sir William Beveridge, the suggestions of which would be considered in due course by the Ministerial Committee on Reconstruction Problems. Apart from the Chairman, the Committee was composed of officials representing Government Departments who, however, acted in an advisory capacity only, so that the Report, which was issued on 1st December, 1942, as a result of the Committee's studies, was signed by Sir William Beveridge alone.

The suggestions contained in the Report envisage far-reaching changes in the system of social insurance and the establishment of children's allowances, with the ultimate goal of realising one of the four freedoms of the Atlantic Charter: “Freedom from Want”. The changes contemplated in the Report are designed to give a unified social security system on a contributory basis which would include all citizens without upper income limit and would be administered by a Ministry of Social Security. This new Ministry would be “responsible for social insurance, national assistance, and encouragement and supervision of voluntary insurance” and it would take over the present work of other Government Departments and Local Authorities in these fields.

Contributions and Cost.

The plan, though covering all citizens, is classified in application dividing the population in six main classes: I. Employees; II. Others gainfully employed, including employers and independent workers of all kinds; III. Housewives; IV. Others of working age not gainfully employed; V. Below working age; VI. Retired above working age. All persons in Classes I, II and IV would pay a single security contribution covering all benefits. The contributions in Class I, in which the employer would also contribute, vary from 2s. 6d. to 4s. 6d. for male insured, from 2s. to 3s. 6d. for female insured, and from 2s. to 3s. 3d. for employers. In the other classes they are somewhat lower. The cost of children's allowances would be paid by the National Exchequer.

The total cost of the Social Security Budget is estimated to amount to £697 million in 1945, the first full year of the application of the plan, which it is proposed should begin on 1st July, 1944, compared with £432 million, the annual cost of the present schemes. Of the increase, £86 million would be borne by the State. Of the expenditure of £697 million, £194 million would come from contributions of insured persons, £137 million from employers' contributions, £15 million from interest on funds, and £351 million from the State. In 1965 the expenditure, mainly as a result of an increase in retirement pensions, would rise to an estimated total of £858 million, of which £519 million would be borne by the State.

The Benefits Offered Compared with the Pre-War Position.

A comparison of the benefits to which a contributor with family responsibilities within the present unemployment insurance scheme was entitled before the war on the basis of a contribution of 1s. 7d. a week, with the benefits to which he would be entitled under the plan on the basis of a contribution of 4s. 3d. a week, shows the great advance in social security which an application of the plan would mean :—

1. *Unemployment*.—Instead of 36s. per week for a period of 26 weeks, followed by assistance on means test—56s. per week for an unlimited time without a means test, subject only to attendance at a training centre if unemployment were prolonged.

2. *Industrial Disability*.—Instead of half-earnings up to a maximum of 30s. per week 56s. per week for 13 weeks, followed by a pension of two-thirds of earnings up to a maximum of 76s. per week but not less than 59s. per week.

3. *Disability other than Industrial*.—Instead of 15s. per week for 26 weeks, followed by 7s. 6d. per week in case of disablement—56s. per week for an unlimited time.

4. *Medical Treatment*, would not be limited to the man only but would cover the whole family, and would be more comprehensive, including hospital, dental, ophthalmic, nursing and convalescent homes' treatment, and postmedical rehabilitation.

5. *Old Age*.—The insured would receive 40s. per week instead of 20s., and an increase of 2s. for each year of postponement of retirement (retirement age 65 for men and 60 for women). There would, however, be a transition period of 20 years during which the pension for a married man would gradually rise from 25s. to the full rate.

Widowhood.—The widow would receive 53s. per week for the first 13 weeks, then 40s. per week, reduced by a part of any earnings.

Maternity.—The grant would be £4 instead of £2 and an additional 36s. per week for 13 weeks if the wife was working, instead of an additional £2 which is now paid to a working wife.

Funerals.—The plan provides for a grant of £20 for adults with less for younger persons, while at present funerals are not covered by social insurance.

In addition to these benefits, which are covered in part by insurance contributions, children's allowances are suggested at the rate of 8s. per week for every child, the first excluded, except in cases where the responsible parent is in receipt of insurance benefit or pension, when the allowances would be paid for all children.

These are the main features of the scheme which the Report itself claims to be "in some ways a revolution, but in most important ways a natural development from the past—a British revolution."

India—Village Co-operative Industries in the war and post-war economy.

What the small scale Chinese industrial co-operatives are doing to combat unemployment and for war production¹ is emulated in India by the co-operative societies of cottage workers.

That is shown in an illustrated pamphlet received at the International Labour Office.² In the United Provinces more than 700,000 hand-loom workers were threatened with unemployment through lack of mill-spun yarn and art silk yarn imported from Japan. In order to meet this situation, the U. P. Director of Industries was asked to collect the relevant data and the Government called a conference of mill interests and hand-loom workers. It was finally recognised that, if it were properly organised, the hand-loom industry could do much to augment supplies of cloth and other materials for war purposes.

On the advice of the Industries Department, the Co-operative Department organised co-operative societies for the manufacture of army blankets: it was decided that yarns should be supplied to these societies, arrangements made for marketing their products and a Central Marketing Board established which would deal directly with the Supply Department. On the same co-operative basis, "Tatpattis" (matting used also for screens) camouflage nets, clothing, cloth, rope, towels, etc., were manufactured. In less than a year orders to the value of Rs. 5,000,000 rupees were complied with. Similar schemes have been started in a number of other provinces. During 1941-42, nearly two million army blankets alone were produced in different provinces and states for the Supply Department. These schemes are important not only because of their value in present conditions, but also on account of their usefulness for the future.

Of all the village handicraft industries (metal-work, wood-work, the manufacture of paper, tannery and leather work, soap making, etc.) the hand-loom industry (for the weaving of fabrics of cotton, silk, wool, coir, sisal, hemp, jute, cane, bamboo, etc.) is by far the most important and provided a means of livelihood for millions of men, women and children in numerous rural and some urban communities.

Through many vicissitudes and in spite of the advent of mill-made cloth, both imported and indigenous, hand-looms have strikingly held their own. The total value of their annual production is estimated at nearly 280,000,000 rupees. In 1939-40 they supplied as much as 1,600,000,000 yards of cloth, or 29 per cent. of the country's total output.³

Notwithstanding such vitality, the position of hand-loom weavers has steadily deteriorated, largely as a result of the economic depression and during the period 1928-38, unemployment among them increased and their

¹ Cf. *International Labour Review*, Vol. XLIV, No. 6, 1941, pp. 660-667.

² United Provinces Co-operative Industrial Federation, "We weave to Victory". Foreword by the Governor of United Provinces, Lucknow, 1942, pp. 28.

³ *The Hindu*, (Madras), 27th May 1941.

wages (on the average declined from 50 per cent. to 75 per cent.⁴ It was rendered worse by the tension preceding the outbreak of, and during the initial stages of the war. The hand-loom industry generally suffered from a shortage of yarn owing to increased consumption of yarn in the textile mills and the fall in the imports of yarn. The price of yarn for the hand-loom weavers rose as a result by nearly 300 per cent. above the prewar level, while the prices of hand-loom cloth increased by barely 100 per cent.⁵

Meanwhile the whole problem of the small scale and cottage industries had forced itself on public opinion, the press and the public authorities. In 1935 the Government of India granted to these industries a subsidy of 500,000 rupees to be spread over the quinquennium, 1936-37 to 1940-41. This grant-in-aid has been continued at the same rate until 31st March 1942 and till 31st March 1943.

Reference may also be made in this connection to the All-India Village Industries Association which was established in 1935 with the support of the Governments of difference provinces. It undertakes research, issues publications and organises exhibitions. More recently, in January, 1941, a "Hand-loom Fact Finding Committee" was appointed by the Government of India to make an extensive survey of the situation and submit recommendations. The committee is in close contact with co-operative organisations interested in the problem of manufacture and marketing of hand-loom products in the British Indian Provinces and Indian States. A Village Industries Training Centre has also been established in Hyderabad and similar institutes have been opened in different centres, including Bombay and Baroda. Other steps for the organisation of cottage industries and provision of systematic assistance to them have been taken by Provincial Governments, notably those of Bombay and Madras.

In a study on weavers' societies in Madras,⁶ which throws a good deal of light on some of the problems of the weavers and on the way in which co-operative organisations can deal with them, Professor K. C. Ramakrishnan (of the University of Madras) describes the activity of the Hand-loom Weavers' Provincial Co-operative Society:

"...The Provincial Hand-loom Weavers' Society", he remarks, "claims that members of primary societies receive better wages than what master-weavers generally pay... The more important benefit conferred by the co-operative system is that even at slack times it is open to a member to go to the society, get a supply of yarn, weave it and deliver the cloth to the society and claim his wage for weaving, while the master-weaver may not care to engage any one at such time or engage only at a very low wage.

⁴ *Idem.*

⁵ *Idem*, 7th December 1941.

⁶ *Indian Co-operative Review* July-September 1941.

In this connection it must be noted that the nature of help rendered by weavers' societies to members since the reorganisation in 1935 is different from the earlier one. Every member is paid a wage for weaving the yarn supplied to him by the society which takes the risks of investment in yarn and in sale of goods. These risks are not to be borne by individual members, though they are entitled to share in profits later on. Formerly most of the members of societies were treated as independent weavers and were supplied with yarn, and very often with cash for the purchase of yarn, and there was no supervision worth mentioning over the use of cash or yarn and its disposal, with the result that default in repayment of dues was too common. The society now takes the place of the master-weaver without his exploitation. The loss of the so-called independence of weavers in production and sale is but illusory. For such weavers were always in a minority and their earnings were seldom appreciably larger than of dependent workers for all the time, trouble, and risk they had to take in buying and selling. The weavers' societies at present do not get finance for any other purpose than production: in their turn they purchase and supply yarn and pay wages and meet incidental charges but do not attempt to clear off any prior debts of weavers or meet their credit needs for maintenance of families, much less for any ceremonial expenses."

The broader implications of the problems of village industries in general are discussed from time to time in the press, in conference and at public meetings. While it is generally admitted that the demographic situation of India and the need for a more balanced economy call for increased industrialisation, the importance of rehabilitating rural life and bringing prosperity to the villages is fully recognised.

It is generally agreed that co-operative organisation with financial and technical assistance from the Government is the best method of providing cottage industries with raw materials under favourable conditions as regards quality and price, of helping them to improve their production and of organising the sale of their products.

This view is not confined to co-operators. Dr. John Mathai, former President of the Indian Tariff Board, in the course of a speech which he broadcast from New Delhi remarked:

"Where public assistance is provided for an industry as a whole, large industries are generally in a better position to take advantage of them. Since they are better organised and have more financial resources their competitive power is greater than small industries engaged in the same line of production. Where small industries are engaged in carrying out the preparatory and finishing work required by larger industries situated in adjacent area, the benefit of public assistance goes almost entirely to the large industries who stand in this respect in the position of middle man or employer to the small industries. In order to remedy the unequal position in which small industries are placed, it is necessary in

cases where State assistance is required by them, to provide it with reference to their special circumstances. The most important directions in which small industries, particularly those run on cottage lines, require assistance are those of working finance and of marketing facilities. By reason of their weak organisation and inadequate resources, they are not able to secure the finance required by them by methods which obtain in the capital market. For the same reason they are unable to market their products as promptly nor as advantageously as large industries. The most suitable method by which the State can assist small industries is to organise Co-operative Societies for them and to place at the disposal of such Co-operative Societies the finance and marketing facilities required. Individual assistance to small industries will be neither effective nor administratively feasible. The formation of Co-operative Societies has so often been prescribed as a remedy for the difficulties of cottage industries that it has now almost lost its appeal and its importance is overlooked. Nevertheless, for the small industrialist as well as the small agriculturalist, co-operation still remains the only effective road to salvation."

* Problems of Industrial Reconstruction, Large and Small Industries, by Dr. John Mathai, C.I.E. in the *Journal of the Indian Merchants Chamber*, Vol. XXXV, No. 6, June 1942, pp. 278-9.

THE INDIAN CO-OPERATIVE REVIEW

(Journal of the All India Co-operative Institutes' Association.)

Published Quarterly

January, April, July and October

Edited by SRI V. RAMADAS PANTULU.

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FOOD PROBLEM & CO-OPERATIVE SOCIETIES*

By W. R. S. SATHIANATHAN, M.A., I.C.S.

I consider it a great honour to be privileged to address you today. The subject chosen is "The Food Problem and Co-operative Societies." As this meeting is under the auspices of the Madras District War Committee, I shall confine myself naturally to those aspects of the food problem and co-operative societies which are connected with the war effort.

Just because we have fortunately been spared any direct contact with the horrors of actual fighting, except for a few sporadic air attacks, some of us, perhaps, are inclined to place this great problem of the war rather in the background. But the fact remains that we are now in the midst of the biggest and most exhausting war of all time embracing most of the countries on this earth.

There are two ways of helping the war effort. One is the direct method of supplying men and money and munitions for the front; the other way is to maintain the home front. This presents to my mind as many problems as are involved in the supply of men and material. Unless we have a happy and contented people, especially labour, the home front becomes jeopardised. It is not enough merely to carry on propaganda about the progress of the war without at the same time trying effectively to combat the economic problems arising out of such a war, such as the shortage of food stuffs, the equitable distribution of food and the keeping down of prices to a fair level.

The Co-operative movement is, perhaps, the biggest and most powerful agency for tackling the economic problems relating to food production and distribution. It is a movement of the people run by the people themselves for their own common benefit and as such, if efficiently run, should naturally be the main agency through which the numerous economic problems which have arisen out of this war can be effectively tackled.

The food problem can probably be divided into three main headings: (1) the problem of growing sufficient food grains, vegetables, etc, to meet the situation; (2) the problem of seeing that the grower gets a proper price for his produce and is not exploited by unscrupulous middlemen; and (3) the problem of supplying the consumer with foodstuffs and other essential necessities at reasonable prices which he can afford to pay. In all these three aspects of the food problem, I believe that co-operative societies have a major part to play.

Take the "Grow more food" campaign. In order to get the ryot to grow food grains upon the land, we will have to supply him with credit. He himself is generally too poor to finance agricultural operations. He

*Lecture delivered at the Ranade Hall, Mylapore on 11th March, 1943.

gets money largely from the money lender and the trader, and to some extent from co-operative societies. But when he gets it from the money lender and the trader, he has generally to accept very onerous conditions. He will have to pay, to start with, a high rate of interest and he generally has to agree to part with his produce to the trader at a price which is often far less than the prevailing market rates. While the role of the middleman is no doubt an important and essential one at any time, there are individuals throughout the world who take advantage of a situation like this to earn enormous profits for themselves without any thought of the suffering they thus cause to others. Co-operative societies are here not so much to eliminate the middleman entirely as to see that the unscrupulous middleman is eliminated. We have now over 10,000 village credit societies with a membership of $6\frac{1}{2}$ lakhs. In 1941-42, a sum of over 16 Million Rupees was lent to the members for agricultural operations. Special stress is being laid on short term loans and as far as possible, loans for periods exceeding three years are being discouraged except for the specific purpose of discharging old debts and for the permanent improvement of lands. Experience has shown that, in order to get a member of a village society to spend the whole amount of his loan upon the land, the loan has to be disbursed not in lump to be wasted but in instalments depending upon the success with which the previous instalments have been utilised. In other words, unless credit is controlled, it cannot really serve the purpose for which it is primarily intended, namely to raise an effective crop upon the land. But controlled credit goes farther than this. It insists upon the villager agreeing to take his produce to the nearest loan and sale society for sale. In this way the ignorant villager is protected and is able to get the maximum return for his crop while the loan he has taken from his credit society is discharged for him through the sale society. We have 185 sale societies with a membership of nearly 55,000 and I am glad to say that not only have loans on produce shown a gratifying increase but the sales effected through sale societies are also steadily going up. This is due to the vigorous prosecution of the controlled credit scheme. During 1941-42 nearly 55,000 acres were brought under it through 838 village societies. Detailed plans have been drawn up to work the controlled credit scheme on a large scale in twelve selected districts and fruitful results are expected in the next harvest season.

But village credit societies can do much more than merely giving credit. They can arrange for the supply of good seed and manure to the ryots after consolidating their requirements and obtaining the necessary money from the local Central banks, which have a large surplus at present. This, I am glad to say, they are increasingly doing. In co-operation with the Agricultural Department, co-operative societies will play the major part in the distribution of groundnut cake as manure to

the extent of about Rs. 10 lakhs. Intensive cultivation by the use of improved strains of paddy seed is an important item in the 'Grow More Food' campaign. Government have recently sanctioned a sum of Rs. 1 lakh for the purchase of improved seeds by the Agricultural department in the Kistna district alone. The distribution will mostly rest in the hands of co-operative societies. Village societies can also purchase improved implements etc. for their members on indent or hire them out after buying them from the Common Good Fund. These societies are now taking a prominent part in distributing vegetable seeds. Good results in increasing yields of vegetables have already been obtained in many places. As regards potato cultivation, Government have sanctioned a scheme for the supply of manure in the Nilgiris and have given a special staff for the purpose. Under the scheme, about Rs. 7 lakhs worth of manure will be distributed to the ryots this year through co-operative societies and 4,200 acres will be brought under potato cultivation. Similarly, co-operative societies will be financing the ryots in the Palni hills to buy manure and to meet the other cultivation expenses for potato cultivation to the extent of about Rs. 45,000.

We then have the land colonisation schemes. There are 22 land colonisation societies now at work and Government have given free grants to provide their members with share capital at the rate of Rs. 10 each and also interest-free advances to purchase implements.

Madras is a deficit province in respect of sugar. There are eight sugarcane growers' societies which finance ryots for sugarcane cultivation exclusively and a sum of Rs. 2 lakhs was loaned to them in 1941-42. The three co-operative sugar factories at Vuyyuru, Ettikoppaka and Podanur manufactured sugar to the value of Rs. 14 lakhs in 1941-42 and it is hoped that in the next season there will be an appreciable increase in their production. Steps are also being taken in co-operation with other departments to start co-operative societies for the production of palmyrah jaggery in all suitable areas in the province.

To market agricultural produce on a large scale, co-operative marketing federations have been established at Tanjore, Nellore, West Godavari and Guntur. The Provincial Marketing Society at Madras serves as a central marketing society for the province and has been doing very good work.

Apart from food grains, vegetables and sugar, there is the problem of milk supply which has been tackled vigorously by the co-operative department. In 1941-42, milk supply societies in the province sold milk and milk products to the value of Rs. 8 lakhs.

So much for the production of food materials and their sale to the best advantage of the grower. I now come to the most important subject of co-operative stores. The papers have been full of the subject of

high prices and how difficult it has become for the consumer to get what he wants at a reasonable price. Black markets have sprung up throughout the world. Up to 1912 only credit was provided for by the co-operative movement and there was no non-credit work. After the Act was amended in 1912, the development of non-credit societies was slow till the outbreak of the last war. In 1914, the Triplicane Urban Co-operative Society and the Coimbatore Urban Co-operative Society were the only two societies selling provisions to their members. 1914 to 1921 was a period of increase. The number of stores rose to 103 in 1921 and the sales effected by them amounted to Rs. 17 lakhs. The third phase was from 1922 to 1937, namely up to the commencement of the present war. This was a period of decline largely influenced by the slump which followed the last war and the number of stores societies on 30-6-37 was only 58. The fourth stage is from the year 1938 onwards. There has been a most remarkable expansion of stores societies and their transactions. Apart from direct control by the State by the setting up of Prices Advisory Committees, it was considered necessary to organise consumers themselves into co-operative stores. The number of stores which was 85 in 1938-39 rose to 237 in 1939-40, to 432 in 1940-41 and to 622 by the end of December 1942. The sales showed a corresponding increase. They were Rs. 35.62 lakhs in 1939-40, Rs. 58.33 lakhs in 1940-41 and Rs. 93.06 lakhs in 1941-42. Today there are more than 730 stores, not to speak of branches and depots, and their transactions have reached nearly a crore of rupees during the six months ending 31-12-1942. Experience has shown that these primary stores societies by themselves are not able to do really continuous good work because of their limited purchasing power and limited capacity to store articles. For this reason primaries have been federated into wholesales one for each district and nearly every district has its own wholesale and those which have not will soon get them. It has been a really astonishing thing to see with what eagerness people have joined the stores movement. As an example I give the share capital which has been contributed to a few stores: Kistna wholesale stores started last month Rs. 65,000, Chingleput wholesale stores started about six months ago Rs. 60,000, Madura wholesale stores Rs. 68,250. This shows the keen interest evinced by the public in the working of these institutions. Government have recognised these primaries and wholesale stores as suitable agencies for the equitable distribution of essential foodstuffs. They have permitted these societies to sell goods, particularly controlled articles, to non-members also for the duration of the war, and have given several concessions by relaxing certain conditions in the various control orders relating to such articles as sugar and kerosene. The Chingleput wholesale stores has been permitted to act as the primary wholesale dealer for sugar and wheat in the district and the sole importer of rice from the Tanjore district. What

we have to do and are doing is to act as "fair price shops" and put an effective check to profiteering. I have been keeping in close touch with the situation and have received numerous reports that co-operative stores have definitely become strong enough to be felt not only in steadying prices at a reasonable level but in establishing fair dealing by keeping accounts open for inspection, by giving fair weight and measure and good quality and above all by making it a rule always to furnish a genuine receipt for every article of purchase.

No doubt, when we talk of co-operative stores, we always think of the Triplicane Urban Co-operative Society which has by its good work earned for itself a world reputation. It certainly deserves this reputation for its sales for the half year ending 31-12-42 amounted to nearly 22 lakhs of rupees. But I must say that of late the stores movement has so rapidly expanded throughout the Province that there are stores in other districts which might soon establish just as fine a reputation as the Triplicane Urban Co-operative Society has done for Madras. The transactions of societies in Coimbatore, Tinnevely and Madura are specially noteworthy. The sales effected in the following stores deserve special mention:

	Rs.
Kodaikanal stores ...	2,78,502
Tirumalai Tirupathi Devasthanam Stores ...	2,20,101
Madura Mill Workers' stores ...	5,42,566

Most of the cotton mills at Coimbatore and other places have their own stores. The needs of the entire staff of the Cordite Factory are catered for by a most efficient stores. I wonder what the staff of the Hydro-Electric Works at Pykara would do without their stores societies. Everything is being done to see that the needs of plantation labour are being met by the formation of stores.

It has been said that co-operative stores supply provisions to the urban population alone. To a certain extent this is true. They do supply to the urban population to a greater extent than to the rural. But the needs of the urban population are far greater because for one thing they are at a distance from production centres and for another the consumer is usually a wage earner and the value of his money wage has not kept pace with the price demanded for essential articles in the open market. But Government have permitted village societies to supply controlled articles like kerosene and sugar to villagers and several societies have already commenced this work. Societies are also now doing considerable business by supplying the requirements of members on the indent system or acting as agents of co-operative stores. I believe that there will be steady and satisfactory expansion in all these directions.

The history of the consumers' movement teaches us a lesson. We find that the movement thrives at a time of rising prices and food shortage

and dwindles when food is plentiful and prices are falling. There is no special reason for this except perhaps, that those who run this movement have not learnt business methods sufficiently and especially how to buy articles to the best advantage in bulk at the lowest prices generally at the time of harvest to compete with the traders who are past masters in such business. All the same, the British Stores Movement has established itself as one of the biggest organizations in the whole world and there is no reason why we should not follow suit provided always that we take to heart the remarks of a leading co-operator which are as follows: "A consumers' society, as universal experience has shown, must depend on the loyalty of its members and must, in other words, base itself upon members who join and stick to the society not because they hope for immediate advantage, but because they have grasped the fact that the existing distributive system is wasteful and anti-social and injurious and intend to substitute for it by their effort and sacrifice a system which will ensure the customer getting what he wants, as he wants it, while securing to the customer the profits intercepted by the capitalist between him and the producer."

Before I close, I should like to stress one or two aspects of the consumers' movement which strike me as deserving particular attention. I have spent many happy hours just watching the crowds and crowds of people thronging into the stores to purchase their little requirements and in nearly all of them I have found the arrangements made for the convenience of the buyers to be crude and inadequate. The shops are small and ill-ventilated. There is generally only one way of entering and leaving the shop. This leads to jamming. In the shop itself, arrangements made for quick and efficient sale are quite inadequate. The weights and measures are limited and the number of salesmen far too few. But above all, I have found not only in co-operative stores but in very many other shops in South India, a tendency on the part of salesmen not perhaps to pay as much attention as is necessary to the needs and wishes of the customers. How often, alas, do we find that when we enter a shop eager to buy, we are met not with smiles and attention, but with almost a truculent attitude as much as to say! 'Here is an article; take it or leave it as you please; I am not in the least bit interested.' How glaringly does this contrast with the artistic salesmanship in England and Europe where, as often as not, even if you enter a shop out of mere curiosity and with no intention of buying anything, you are met with such courtesy and kindness and artistic persuasion that as likely as not you leave the shop after purchasing an article which you never intended to buy. What we want in this country is efficient, patient, cordial and absolutely impartial salesmanship at the counter. Another point I should like to mention is that we are prone even at this time of shortage of supply to stick too much to our particular likes and dislikes as regards food. How many stores have made the bitter complaint that they have been able to get rice but not the particular kind of rice which their customers want, say Nellore rice, and so people are unwilling to purchase any rice at all. The same applies to dry grains and many other commodities. When we are suffering from lack of transport and when we are facing great difficulties to make both ends meet as regards the supply of food-stuffs, I venture to suggest that all of us should adapt ourselves and eat good wholesome food of whatever type it may be, sinking our likes and

dislikes for particular special varieties which may not be readily available for the present.

Finally, permit me to offer a word of advice to the non-official co-operators who are so gallantly running the consumers' movement. I would ask them not to be put off by way side difficulties but to go ahead. How often I have been met by the despairing cry of co-operators who say that they would like to close their stores because they have not been given a sufficient quantity of sugar or kerosene to sell or because they have been unjustly harassed or because other vested interests have joined together to ruin them. To all of them, I would suggest that it is only by such trials that they can prove themselves, that unless they boldly and courageously face such difficulties by honest and good work and by a spirit of self-sacrifice and service to the public they cannot hope to consolidate their position and that unless they are tried and not found wanting at a time like this they will not be able, as I sincerely hope that they can and will be able, to survive after the war and establish themselves as one of the finest and most honest and perfect selling agencies in the whole of this province and, I trust, in the whole of India.



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Conference.

The Tamil Nadu Co-operative Conference held at Kumbakonam on 28-3-1943.

OPENING ADDRESS

BY T. AUSTIN, C.I.E., I.C.S.,

(Adviser to Government of Madras.)

Although there is still much that can be done, I feel that the Co-operative Department has so far been pulling its weight in furthering the war effort. In Madras City the Triplicane Urban Co-operative Society has, with Government assistance, done much to steady prices and to provide people with the necessities of life. In the districts too co-operative societies, if they live up to their motto of "each for all and all for each", should be the very best media for dealing with the two big problems which now face us, viz., (1) increasing the production of foodstuffs and (2) ensuring their fair and equitable distribution.

Every acre of additional land brought under cultivation will produce more food and so reduce the shortage. Government have given many concessions to those willing to grow more food and have also sanctioned a number of irrigation schemes. Co-operative societies should tell their members of these concessions and otherwise encourage improvements in cultivation. The adoption of modern methods, the use of improved strains of seeds, the employment of better implements and of better manures, and the better preservation of cattle manure, are among the matters which will increase the productive capacity of the lands. And in all these matters the Agricultural and Co-operative Departments must work together and give advice and encouragement to all ryots. Good seeds and manure can reach best the members of co-operative societies if the societies will either purchase them in bulk for sale to members or will issue loans in kind instead of in cash. The "grow more food campaign" applies also to vegetables: anybody can grow these. Cannot societies buy vegetable seeds from their common good funds and supply them free to their poorer members or even to poor non-members?

It is most important for finance to be supplied to the ryots in sufficient amount and in time. I need not explain to you the forecast system and the controlled credit system. I remember well when these were in their experimental stages. They have now proved themselves. It stands to reason that money will be best spent and the greatest return will be assured if loans are estimated and sanctioned in advance and are disbursed only as and when required, stage by stage, as cultivation progresses. It is fair that the produce so grown should be marketed only through the nearest Co-operative Sale Societies: in that way, the produce will get to consumers at reasonable prices and will never get into the black market.

As you know, the districts of Madras have been divided into surplus and deficit districts—the names explain themselves. The grain purchasing officers of Government will also no doubt be able, through the controlled credit system, to divert food to the deficit districts where it is most needed. I think

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all cultivation loans should be granted on the controlled credit system—which is especially appropriate now. And let there be no cultivable land lying waste. Co-operative Societies should give the widest publicity to Government's concessions and help members to get them. There must be many acres lying waste in various parts of the country and Co-operative Societies should do their utmost to get these cultivated, for instance, by helping landless agricultural labourers jointly to obtain such lands and providing for them finance, seeds and manure. Those persons who have got lands under the Government concessions, should be persuaded to join as members and then helped with money etc., for their cultivation purposes.

Co-operative Stores Societies are doing valuable service in the distribution of foodstuffs which is almost as important as production. Government have put in the hands of these stores the sale of controlled articles like kerosene and sugar. In Chingleput, the District Stores (newly started) is the sole distributing agency in the district for sugar and has also been given 50,000 bags of rice for supply to the public through the primary stores in the district. This is an instance of how the Co-operative Department is helping the rural population: and there should be no grounds for any complaint that the towns-people are alone being helped by the Department. Village credit societies should make full use of their by-law which provides under the joint purchase system for the supply of the domestic requirements of members. There is no ban, provided the Central Banks agree, on societies buying and supplying for cash both to members and to non-members any essential commodities, as is being done in West Godavari and South Kanara districts. In this way, co-operation can do much to relieve the distress caused to all the poorest people in the villages by the shortage of foodstuffs.

There is another direction in which co-operative institutions can further the war effort, viz., by developing cottage industries and so relieving the strain on organised industries now engaged on war production. Weavers' societies are executing for the Army large orders for the supply of textiles like mazri cloth, dusters, handkerchiefs, towels, bandage cloths, gauze etc. They have so far supplied 3,66,194 yds. at a cost of Rs. 1.34 lakhs. Cumbly weavers societies are supplying cumblys to the military and to the A. R. P. men. The National Leather Works Society in Ellore has secured an order from the army for 1000 pairs of chaplies and a society in Kumbakonam for the supply of 500 pairs of chaplies and 500 pairs of sandals. The Silpa Industrial Society in Guntur has an order for 7000 helvexaxis-picks. Samples of camouflage nets, table knives, brass buckles and leather gloves prepared by co-operative societies have been sent up to the Army who will doubtless order large quantities if they are well made and suitable. There is a great future in this line of activity, not only as a war-time measure, but as a step to relieve unemployment after the war and thus promote industrialisation in the country.

THE MADRAS JOURNAL OF CO-OPERATION

For the defence of the country, large contingents of troops, both Indian and European, are stationed in several parts. They require milk, vegetables, ghee, butter etc. The societies working in these areas may arrange to supply these articles so that the troops can be sure of getting good wholesome food. In places where there are no societies, societies may be formed: this will bring money into the villages.

To turn from the war, there are other more domestic matters to which co-operators should devote their attention and which call for improvement. Out of about 12,000 credit societies in the Province, only 353 were classified as thoroughly good societies during the audit for the year 1940-41. As many as 1619 were considered bad and fit for liquidation. Every year, many societies are being liquidated and in spite of it, there is practically no reduction in the number of bad societies, which means that every year a large number of fairly good societies are turning bad. The present system of supervision is to a large extent responsible for the unsatisfactory condition of many of the societies. Supervision of societies is not a statutory duty cast on the Co-operative Department; it is the legitimate duty of non-official co-operators. Many of the unions, I am told, exist only in name and turn out no work. Men with leisure and enthusiasm are needed on the governing bodies of these institutions and to supply them a system of nomination by the Central Bank and the local co-operative officer may, I suggest be considered. The services of departmental officers to work as executive officers may be secured where competent non-officials are not available. Anyway it is for co-operators to put their heads together and evolve a satisfactory scheme to ensure efficient supervision. It is most important to get into the Movement new and young blood: the Movement cannot prosper without sincere and keen members and without full public recognition and support.

Again, co-operative education and propaganda are most important for the progress of the Movement. Many of the members and office-bearers of co-operative societies are still what may be called co-operative illiterates. The Government of India grant which has been spent during the last 5 years on panchayatdars' training classes and other schemes of training will not be available in the future. In this matter of education, non-official help is essential and I hope it will be forthcoming. I always found the ignorance of panchayatdars most disheartening.

As a result of the rise in prices, agriculturists have been getting larger incomes. Though it may be true that a large part of the increase in prices is appropriated by traders, merchants and other capitalists, yet the increase in the income of the ryot is not negligible. This is the time for the ryots to save any surplus income: it will stand them in good stead during the future. A vigorous thrift campaign should be pursued. Societies should collect all the arrear dues from members and all the overdue and share capital, and thereby both help members to save and also strengthen their own financial

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position. A particular class of people whom co-operative societies should help are the agricultural labourers, who during certain months of the year necessarily have no work in the fields. This problem has been tackled by the Alamuru Co-operative Rural Bank in East Godavari District. The Bank advances loans in kind in the shape of rice and cloth for amounts not exceeding ten rupees to each member, and collects these loans in the harvesting season by the sale of thrift labels which are printed in books bearing denominations from one anna to one rupee and having a different colour for each denomination. Thus petty savings are promptly collected from labourers when they can best afford to pay them. The system educates the members in thrift and economy and has been a great success in that area.

Insurance societies also can help a good deal. I imagine they can issue policies for short periods which will provide the holders with sufficient funds, later, for instance, for the marriage of their children, for their children's education, for buying a house or a motor car. Urban banks, which have many industrial workers as members, might introduce in their bylaws a compulsory provision for saving. Every possible step must be taken to induce the ryot and the industrial worker not to spend their increased income on non-essentials, but to lay it by, preferably in a co-operative society, as an insurance against a rainy day and the slump which is almost certain to follow the war. There is at present a most urgent need for personal economy and for limiting expenditure only to essential commodities. Otherwise, prices will rise further and further. Save what you can and the co-operative societies give full means for doing so.

I have much pleasure in declaring open this Conference.

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Orders and Circulars.

R. C. No.

Draft amendments to rule under Madras Co-operative Societies Act.

Fort St. George, March 5, 1943 (G.O. Ms. No. 3387, Development).

Notice is hereby given that the draft will be taken into consideration on or after the 1st May 1943 and that any objection or suggestion which may be received with respect thereto from any person before the date aforesaid will be considered by the Government of Madras.

DRAFT AMENDMENTS.

1. In item (h) of the definitions at the commencement of the said rules, the following shall be added at the end, namely :—

"Or to execute the decisions or awards of the Registrar or Registrar of the district or to execute or carry out any other orders of the Registrar or Registrar of the district in regard to the attachment and sale of property."

2. In sub-rule 7-A of rule XV of the said rules, after the words "such Registrar," the words "or sale officer empowered by him" shall be inserted.

CIRCULARS.

R. C. No.

Subject :—Weavers Co-operative Societies—Model bylaw—Bylaw No. 49
—Distribution of profits—Payment of honorarium to directors
—Amendments to bylaws—Prescribed.

Model bylaw 49 of weavers societies does not, at present, provide for the payment of any remuneration to office bearers. It has been represented that Directors who render some specific service to a society deserve to be remunerated, as they have to spend some time and labour on behalf of the societies. The matter was considered at the last conference of Deputy Registrars with the Registrar and the consensus of opinion was that it was necessary and desirable to provide for the payment of a remuneration out of profits. It was recognised, however, that in reckoning profits for this purpose, the subsidies got from the Provincial Society should be ignored and it was resolved that 20 per cent of the Net Profits so arrived at, might be permitted to be paid as honorarium. The Registrar accepts this resolution but he considers it also desirable to fix a certain maximum sum to which such honorarium should be limited, so that excessive payments are not made, simply because a society has earned substantial profits. He accordingly directs that bylaw No. 49 of weavers' society be amended as follows:—

The Deputy Registrars may permit the maximum limit to be fixed in each case, with reference to the general financial position of the society and in consultation with the Madras Handloom Weavers' Provincial Co-operative Society.

Bylaw 49.—Add the following as clause (4) and renumber the subsequent Clauses:—

(4) Out of the remainder, a sum not exceeding 20 per cent of the net profits arrived at by ignoring the subsidies got from the Madras Handloom Weavers' Provincial Co-operative Society, may be paid as honorarium to a member or members of the Board of Directors for any specific services rendered by him or them, provided that the sum so paid does not exceed Rupees—."

ORDERS AND CIRCULARS

30th March 1943.

R. C. 7073/42-C.

Sub :—Organisation of food supplies—Mofussal towns—scheme for the distribution of foodstuffs through Co-operative Stores.

Ref :—G. O. No. 397, Dev. dated 26-3-43.

Government have had under consideration for some time a scheme submitted by the Registrar for the purchase, stocking and distribution of foodstuffs to the public through the agency of the Co-operative Stores. A Senior Deputy Registrar was placed on special duty to work out the details of the scheme. He has submitted his report to Government. The orders of Government on the report of the Special Officer are summarised below :—

I. *Places selected for the introduction of the scheme.*—The scheme will be introduced from 1-4-43 in 34 towns through the agency of 14 Co-operative Wholesale Stores and 65 primary stores, listed in Annexure I (Omitted). If the scheme proves successful, it may be introduced in some more towns. For the present, the scheme is sanctioned for a period of one year from 1-4-43.

II. *Objects of the scheme.*—The main objects with which the Registrar proposed the scheme to Government are to check profiteering by private dealers, to bring down prices in the market and to maintain them at a reasonable level and to relieve distress in regard to food supplies in the event of an emergency. The scheme aims at the distribution of essential foodstuffs to about 1/8th of the total population in the selected towns. This will be achieved by building up 2 months' stocks of the essential commodities in the Co-operative Wholesale Stores and 1 month's stock in the primary stores and also by developing the transactions of the primaries, so that the stock built up in the Co-operative Wholesale Stores may be rotated within a reasonable time, before it gets deteriorated.

III. *Commodities.*—The following commodities are classified as essential under the scheme.

1. Rice.
2. Millets—Ragi, Chola, Cambu & Karra.
3. Redgram—Dholl.
4. Tamarind.
5. Salt.
6. Chillies.
7. Oils—Gingelly, Ground-nut & Coconut oils.
8. Jaggery.
9. Sugar.

Primary and Wholesale Stores may also deal in other commodities but the guarantee given by Government will only extend to dealing in these essential commodities. For this purpose, separate accounts will have to be maintained.

IV. *Fixing of Selling prices.*—Prices for the sale of the essential commodities should be fixed according to the run of prices at the time of supply as explained below :—

(a) In Districts which import grain through the Grain Purchasing Officers, the price at which these grains are imported will be the governing factor. Wholesales and primaries, which will be approved by the Collector for the sale of such grains, will be governed by the orders of the Collector.

(b) In Districts which export grain through Grain Purchasing Officers, the buying price of the Grain Purchasing Officers will be the governing factor.

(c) For other articles, the prices fixed by the Taluk Prices Advisory Committees will be the governing factor. The question of appointing representatives of Stores as member of the Taluk Prices Advisory Committee is under the consideration of Government and separate orders will be issued on that.

(d) Subject to the above limitation, the prices fixed should take into consideration the cost price at the time of supply, handling charges, dryage, wastage, other losses on account of storing and profit of not less than 2%.

(e) If the difference between the selling price of Co-operative retail stores and the market rate is very great, there is the danger of unscrupulous buyers frequenting the shops with a view to sell again at a profit. This tendency may be discouraged by restricting the quantity sold at a time to an individual.

Each store should have a Price Fixing Committee which may meet once a week or as often as is necessary. The prices fixed by the Committee should be boldly exhibited on a board at a prominent place in the stores. The Chief Executive Officer should have the discretion to refix the price of any commodity, subject to ratification by the Committee at its next meeting.

V. *Purchase of Stocks.*—Wholesale stores, which are situated in districts which import grain from outside, should ordinarily get their requirements through the Grain Purchasing Officers. Others may purchase their requirements from their usual sources of supply, seasonal purchases should be made, wherever possible from the centres of production. Co-operative agencies as stores, sale societies etc. at the centres of production may be appointed as agents for purchase of stocks. Co-operative primary stores that come under the scheme will continue to trade on their own responsibility and will not be converted into agents of wholesale stores for the distribution of essential commodities. They should ordinarily get their supplies of essential foodstuffs from the Co-operative Wholesale Stores in the district, except the primary stores at Trichinopoly, Salem and Mangalore which are permitted to do wholesale business under the scheme. It is a point to be noted in this connection that Government have guarantee to Central Banks and the Madras Provincial Co-operative Bank, the repayment of loans advanced in connection with the special stocks to be held under the scheme only to Co-operative Wholesale Stores specified in the scheme and to the 3 primary stores at Trichinopoly, Salem, Mangalore. So all the primary stores would do well to confine their purchases of essential commodities to the Co-operative Wholesale Stores.

VI. *Finance.*—It has been estimated that a sum of nearly Rs. 32.24 lakhs will be necessary to stock the requirements of essential commodities for three months for 1/8th of the population in 34 towns selected. Wholesale stores will borrow this amount from the local Co-operative District Central Banks, which will, in turn, borrow, if necessary from the Madras Provincial Co-operative Bank at 3½ percent and lend to the stores at 4 percent. Government have been pleased to stand guarantee for the repayment of loans advanced in connection with the special stocks to be held under the scheme to co-operative wholesale stores and to the retail stores at Trichinopoly, Salem and Mangalore which are covered by the scheme by the District Co-operative Central Banks either from their own funds or from borrowings from the Madras Provincial Co-operative Bank.

VII. *Accounts.*—The scheme will necessitate the keeping of separate accounts for trading in the commodities covered by the scheme. Separate

accounts will be presented and detailed instructions issued for their maintenance and audit in due course. Till then stores both wholesale and retail are requested to maintain separate accounts for any expenditure incurred under this scheme.

VIII. *Government Assistance.*—As already stated Government have been pleased to stand guarantee for the repayment of advances made to the Co-operative Wholesale stores and the 3 Primary Stores by the District Central Banks and the Madras Provincial Co-operative Bank. Secondly Collectors have been requested to assist in the working of the scheme by requisitioning buildings in places where godowns are not easily available. Lastly they have sanctioned staff to work as the Secretaries or Managers of some Co-operative Wholesale Stores and Primary Stores and also to supervise the working of primary stores. A statement showing the distribution of the staff sanctioned for each district is appended (omitted). No staff has been given to well-established wholesale and primary stores which may be expected to stand on their own legs. The services of the staff will be provided free of cost in the first year i.e. till 31-3-44 and the question will be re-examined before the end of the period.

2. The following matters are still under the consideration of Government.

1. Whether the Government should have a share in the profit of the scheme;
2. Whether representatives of stores should be appointed as members of Taluk Prices Advisory Committee; and
3. Whether stores should be recognised as sellers of goods for purpose of War Risks (Goods) Insurance and allowed to insure their goods against fire and war risks.

The orders of Government will be communicated in due course.

3. The stores coming under the scheme have been given an opportunity not only to serve the public but also to expand their business several times and build up their reserves. The Registrar trusts that the stores will rise up to the occasion and play the role that is expected of them. First and foremost, they should develop business principles and practices and try to give the utmost satisfaction to the public. No distinction should be made between members and non-members in the sale of essential commodities. The employees of the stores should be considerate and polite towards all customers. Any complaint from the public should be investigated at once and adequate punishment meted out to the employees whenever necessary. For this purpose, the executive head of the Stores should be given ample powers of control over the staff. Though the stores are expected to function at present only as "fair price shops," they should not lose sight of the ultimate object viz., to secure as distributors of foodstuffs in the event of an emergency when normal sources of distribution may break down. For this purpose the retail stores coming under the scheme should open a number of depots in all the important parts of the town served by them. Their business premises should be selected and their practices designed with a view to meet with any rush in the event of an emergency. The Registrar hopes that the non-official gentlemen connected with the distributive side of the Movement will evince real enthusiasm in working the scheme by co-operating wholeheartedly with the Deputy Registrars and other staff provided by the Government and make it a grand success, of which any co-operator can be proud.

XII Andhra Provincial Co-op. Conference, Tirupati.

RESOLUTIONS.—(continued from last issue.)

Royalaseema.

40. Whereas Royalaseema districts are financially backward and are subject to famine this Conference requests the Government to start the work of the Tungabhadra Project immediately, and complete it, to organise industrial societies for the development of the economic prosperity of the people in these parts and to give a fillip to the economic betterment.

41. This conference requests the Madras Provincial Co-operative Bank and the Government to institute a Committee for enquiry and report of the situation in the Royalaseema and to suggest ways and means to spread co-operative movement in those parts.

Co-operators

42. This Conference expresses its gratitude to Hon'ble V. Ramadas Pantulu who has rendered invaluable services, as a leader of the co-operative movement both in India and in the Andhra Province, in particular, and who is taking rest owing to ill-health and requests the Executive Committee of the Andhra Desa Co-operative Union to take steps to establish suitable memorial in a prominent place.

Non-Official Staff.

43. This Conference resolves that in view of the abnormal rise of the prices of the commodities, all co-operative institutions should grant dearness allowance to their employees as is granted by the Government to their servants.

Miscellaneous.

44. This Conference informs Co-operators and Co-operative Societies to consider that the present increase in their incomes, owing to high prices, is only a temporary phase and that serious economic depression would prevail after the war, and advises them to resort to thrift and savings during the present period of inflation of prices.

45. This Conference requests the Registrar to recommend to the Government to effect purchase of grains only through the agency of co-operative societies to cater to the future needs.

46. As the non-credit societies are in an infant stage this Conference requests the provincial Banks and the Government to give special financial aid for their management and improvement.

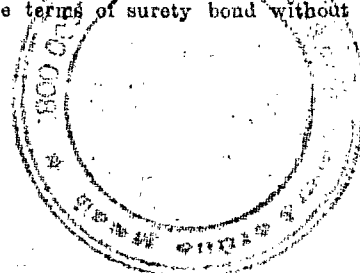
47. On account of the non-availability of food-stuffs and kerosene to the people, under the present circumstances, and, on account of the sale of articles by the merchants to those who are prepared to buy at their quotations, and refusing to sell to others, this Conference, with a view to check such inconveniences, requests the Government to issue licenses to co-operative societies of every type to sell controlled articles like kerosene sugar wheat etc., to the public and to order that controlled articles should be sold, only, through co-operative societies wherever they exist.

48. This Conference requests the Government to open depots for the sale of foodstuffs to the poor at cheap rates.

49. This Conference requests the Government, through the Registrar of Co-operative Societies, to see that the Railway Company allows priority facilities for transportation of foodstuffs and paddy from one part of the Andhra districts to the other.

50. This Conference regrets to find that even though the undermentioned resolutions have been passed by several conferences they were not taken note of and brought into force; therefore, requests the Government to reconsider and bring them into force as immediately as possible.

- (a) To exempt the Co-operative Societies from payment of profession tax;
- (b) To provide house-sites free of cost for construction of buildings for the co-operative societies wherever they are available for their habitation;
- (c) To give preference to non-official Co-operative Employees in the matter of recruitment to Government services, with exemptions from age limits in all cases;
- (d) That the Department be invested with powers to hand over properties purchased in sales by co-operative societies without having further recourse to Civil Courts;
- (e) That the Department be authorised to proceed against the sureties who are entrusted with moveable properties attached in execution of co-operative awards and to enforce the terms of surety bond without recourse to Civil Courts.



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60 மாதம் 1990 வருடம்

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582, Pycrofts Road, Triplicane, Madras.
(Registered Under Madras Act VI of 1932.)

Head Office ... 582, Pycrofts Road, Triplicane, Madras.
Fruit Branch ... 38, Bunder Street, G.T., Madras.
Provisions Branches... 327, Mint Street, Madras.
1/14, Pondy Bazaar, Theagarayanagar.

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

The following are the main objects of the society:—

- (a) to arrange for the sale of produce of the affiliated societies and other members to the best advantage;
- (b) to act as agent of members for the disposal of their produce;
- (c) to co-ordinate the activities of the various non-credit societies by getting them into touch with the market, places of production and the prices prevailing in the presidency;
- (d) to serve as an information bureau of raw products available in the presidency or elsewhere.

Commodities available in the Head Office at Triplicane and Branch at Mint Street.

Handpounded raw rice, milled raw rice, boiled rice, Ghee, honey, toothpowder, seekai, jaggery, dholl, gingelly oil, turmeric powder, coffee seeds, tea, eucalyptus oil and graded eggs.

Commodities available in the Fruit Depot, at 38, Bunder Street, G. T., Madras.

Kodur sathugudi oranges, limes and sapotas.

Promote Co-operative Marketing by purchasing your requirements.

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The Madras Provincial Co-operative Bank, Ltd.

(Registered under Madras Act VI of 1932, formerly Act II of 1912)

HEAD OFFICE: 379, China Bazaar Road, Madras Phone No. 2390.
MYLAPORE BRANCH: Luz Church Road, Mylapore „ 3334.
EGMORE „ Ebrahim Colony, Egmore „ 8510.
TRIPPLICANE „ 111, Big Street, Triplicane „ 86196.

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

Secretary: T. RAGHAVENDRA RAO.

The Bank is the chief organisation for providing credit to the agriculturists of the Province.

The Bank acts as Bankers to the Madras Corporation, University of Madras, Andhra University, Annamalai University and the various Local Boards and District Municipalities.

For rules and terms of business, apply to:—

THE SECRETARY, HEAD OFFICE, OR
 ANY OF THE BRANCHES.

The Madras Co-operative Central Land Mortgage Bank, Ltd.

M. P. C. Bank Buildings, Luz, Mylapore, Madras.

P. B. 609.

President: SRI DEWAN BAHADUR C. S. RATNASABHAPATHI
 MUDALIAR, C.B.E.

The next series of Debentures will be issued in the month of May 1943. The rate of interest and other conditions of issue will be announced after 17th May 1943.

For particulars please apply to:

N. S. KONETTI RAO, B.A., B.L.

Dated, 22-4-1943.

Secretary.

Edited by Sri B. 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.