

No. 402

MADRAS JOURNAL OF
CO-OPERATION

1943

Vol-34

No-211



JL
XMM 211, N10M
N43.34.11
12 7496.

Regd. No. M. 1284

THE

Madras Journal of Co-operation

EACH FOR ALL, AND ALL FOR EACH

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

1943.

No. 11, Vol. XXXIV

Price 8 As, NET

The Editorial Committee do not hold themselves responsible for views expressed by contributors. Contributors are requested to write legibly and on one side of the paper. Manuscripts will not be returned unless stamps are sent to cover postage. Matter intended for the issue of any particular month should reach the Committee before the 15th of the previous month.

Editorial Notes.

Price of cloth:

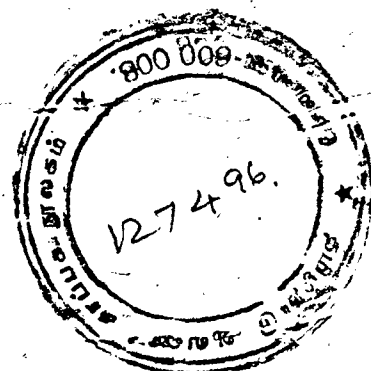
It is distressing to note that while the price of clothing required by ordinary people is registering uninterrupted rise the Government are leisurely going about their scheme for standard cloth and have not taken any steps to check the anti-social policy pursued by the dealers. Not only the production and sale of yarn should be controlled but the price of cloth also should be brought under control. In a statement issued to the press urging the control of price of cloth, the following comparative statement of prices appears which may be read to realise the gravity of the situation:

	18-8-39	13-3-42	12-3-43
	Rs. A. P.	Rs. A. P.	Rs. A. P.
Long cloth	0 8 6	1 2 10	2 4 6 per lb.
Shirtings	0 8 5	1 1 9	2 6 3 "
Leopard cloth	0 8 2	1 2 1	2 5 0 "
Dhoties	0 9 6	1 2 0	2 10 0 "
Chadars	0 8 9	1 3 2	2 9 3 "
Drills	0 7 6	1 1 0	2 5 0 "

THIS ISSUE CONTAINS

The Tiller of the Soil in a South Kanara Village (II).
Liquidation.
Correspondence.
Alamuru Rural Bank.

Working of Societies.
Recent Utterances.
Report of the Committee on Co-operation.



XL
X1002111010M
M123.84.11

Since these figures were compiled there has been further rise of nearly one rupee per lb. The plight of the poor people can be understood if it is pointed out that a pair of dhoties which could be bought for Rs. 2, can be secured with great difficulty for about Rs. 11. The situation is already serious enough and further deterioration would lead to irretrievable disaster. No Government can afford to look on unconcerned when one of the important essentials of life is going beyond the reach of ordinary people.

Standard cloth :

In view of the importance of clothing as an essential of life next only to food, we need offer no apology to revert to this subject once again. It may be remembered in the last issue of our *Journal* we ventured to suggest a judicious combination of mill-made standard cloth and handloom cloth to meet the cloth situation in the presidency. We are glad to learn since then the Government have also come to that decision and have agreed to participate in the Government of India scheme. It is stated that there is a large gap between the production of cloth and consumption in the presidency and however much production of handloom cloth may be speeded up, owing to certain inherent difficulties, even the increased production would not suffice to meet the minimum demand of the consuming public. We trust the quota of 185 lakhs of yards of standard cloth allotted to this presidency will help to fill up the gap that will exist between production at peak level of handloom cloth and consumption. It is gratifying to be assured by Government that their decision to participate in the standard cloth scheme would not be allowed to have the effect of handloom weavers going out of work leading to a situation such as that which prevailed in 1941 and that they would watch and review the situation from time to time. This assurance is satisfactory and will be welcomed by all protagonists of handloom cloth.

It is stated that the cloth made by the handlooms in the Presidency out of yarn supplied by the mills at panel prices will be on the market within a month, that the price of this cloth would be fixed by the Yarn Commissioner in consultation with the Registrar of Co-operative Societies and that it is just possible the price will be slightly higher than the standard cloth. One of the causes which have always operated to the detriment of the handloom cloth is the disparity in the cost of production between it and the mill-made cloth. Of course in durability and fineness the handloom cloth has always maintained its place. We would suggest to Government to consider

the desirability of producing cloth of counts and varieties different from those of the standard cloth so that unequal competition in the same field may be avoided and each may cater to the needs of different sections of the consuming public. Then again it is worth while considering seriously if the panel prices themselves are not too high considering the cost of production, including the price of raw materials. In other words, we would suggest to Government to control the price of yarn and exercise their power to requisition the quantities required at that price even to keep the existing looms busy. We have heard complaints that the Yarn Commissioner is not able to meet completely the normal yarn requirements even of the existing weavers' societies. It should be possible for the Yarn Commissioner to fix a quota for each society and see at least to that extent the supply is maintained. In any scheme for yarn supply the large number of weavers who have not yet been brought into the Co-operative Movement should also be taken into consideration. They should also be enabled to obtain yarn easily at controlled prices.

Yarn Prices :

It is understood the new orders of the Madras Government revising the entire system regarding licences, stocks etc., of yarn have not resulted in checking the soaring prices of yarn. There must be some causes for the same if even this form of control based on past experience, has proved a failure. Some attribute soaring prices to shortage of stocks. How could there be shortage in stocks? It cannot be either production of yarn has decreased or its consumption has risen abnormally high. There must be other extraneous causes, such as increased demand for exports of cloth and yarn. This aspect should be studied and in the interests of the community, exports should be prohibited till the supply exceeds the internal demand and allow exports only to the extent of the surplus available. All unequal competition in regard to prices offered between the military requirements and the civil needs should be eliminated and this is possible if price control is established.

It has been suggested in certain quarters that if all the existing handlooms in the presidency are enabled to work by ensuring steady supply of cheap yarn and a decent wage to the weaver, it should be possible to satisfy the cloth requirements of this presidency. In the words 'cheap yarn' and 'decent wage' are the crux of the handloom problem always. Any organisation set up for production,

distribution and consumption would only increase the cost price. To provide cheap yarn and decent wage and to set up the necessary organisation, it may be necessary to subsidise the handloom industry. Subsidising the production of food crops and clothing, two essentials necessary for very existence, cannot be ruled out as war time measures for adoption in the interests of the community. The State should be prepared to make these sacrifices in order to keep up the morale of the civil population in these times of stress and strain and see that the interests of both the producer and the consumer are adequately safeguarded.

Committee on Co-operation :

It may be remembered when in February 1942 we published the orders of Government on the recommendations of the Committee on Co-operation, we gave a list of recommendations which were still under their consideration. In this issue we publish another instalment of orders of Government. We have no doubt our readers will share with us the disappointment caused by the announced decisions. Either no action is called for or such action as is considered necessary has been postponed during the duration of the war. While we entirely agree in matters affecting popular administration, it is desirable for popular Governments to undertake legislation, we cannot reconcile ourselves to the decision to postpone legislation in regard to topics like relief of indebtedness which is so very essential to make the 'Grow More Food' campaign a real success. A ryot already loaded with heavy debt from which he cannot obtain relief under the existing law should be set free if he is to be enabled to devote all his attention to grow more food crops. The incentive for production such as high prices offer becomes ineffective when he is all the while aware that the increased income he derives will be appropriated by his creditor whose insatiable demands he must perforce satisfy if he has to retain his land for cultivation. Regulation of relations such as, between landlord and tenant, creditor and debtor, producer and consumer, if such interference is in the general interests of the community, and now in the promotion of war efforts, must not be ruled out. We shall notice this instalment of orders of Government in a subsequent issue as they demand detailed examination.

Producer and Consumer :

We have read with interest the article of Mr. K. C. Ramakrishnan in the *Indian Co-operative Review* on "Urban Consumers and Agricultural Producers." No one will deny that the T.U.C.S., is the

premier consumers' society and every effort should be made to promote its interests. But even Mr. Ramakrishnan will agree that mere development of consumers' co-operation alone is not enough for the Movement. Producers also should be organised and a link between them and the consumers should be established. It is true, in the beginning, producers' societies may not satisfy the demands of consumers' organisations to the extent private merchants will do. Such defects are inherent in every organisation in its initial stages. Did not the public make all sorts of allegations even against a well-established institution like the T. U. C. S., for the splendid part that institution played during the emergency? The catalogue of failures of producers' societies which Mr. Ramakrishnan gives may appear imposing and to some even convincing to abandon dealings with producers' societies. But we venture to point out that it was the duty of an old institution like the T.U.C.S., with its varied experience, to lend a helping hand and place them on proper basis. We deplore the attitude towards producers' societies which the article seeks to justify.

Then again Mr. Ramakrishnan has come to his old hobby of criticising the Provincial Marketing Society. Our readers may remember this controversy also once figured in the columns of our *Journal*. We believe no purpose is served by harping on the same old complaints as the Marketing Society also may repeat its allegations. But we are glad, however, Mr. Ramakrishnan has some useful suggestions to make to avoid further conflict between the consumers' and producers' societies. We feel that way lies the path of duty. We would implore both the Marketing Society and the T. U. C. S., to meet at a Round Table and thrash out the lines on which real co-operation between the two organisations can be promoted in the interests of the Movement. The sooner this is done the better for all concerned. As an older and more experienced institution, we wish the T.U.C.S., takes the lead in this important matter.

Rationing :

We were somewhat gratified to learn the attempts made in America to develop plans for "rallying of forces behind a drive for rationing program of all essential civilian goods where shortages are apparent" made by representatives of some twenty national organisations which have consumer interests. We give below an editorial on the subject from *The Co-operative Builder* (December 3, 1942) for the information of our readers as it well sets out the case for rationing.

Co-ops. in Lead :

Co-operatives are in the lead (as they should be) on the important question of rationing. As reported elsewhere in this issue, the Co-operative League of U. S. A. sponsored a successful rationing conference of consumer-minded organizations at the Hotel LaFayette, Washington, D. C. recently. The object : To impress on the government and the people the need for coupon rationing of all consumer goods.

Overall rationing is such an important question to our national welfare that it is a pity, indeed, that some groups have tried to slow down governmental action on it. Said Leslie Woodcock, treasurer of the Co-operative League and manager of Eastern Co-operative Wholesale, at the conference :

" There is plenty of food in America so that no one need go hungry. But an inequitable distribution of certain items will bring great hardships.

" Rationing before shortages arise will make it unnecessary for any consumer anywhere to hoard anything. This action alone will free great quantities of goods which otherwise might be hoarded, particularly if people understand they will have to declare that amount of any item they have on hand when rationing is instituted....."

Woodcock is right. When rationing of any item comes just before a widely-known shortage (as in the case of coffee), stocks disappear from grocers' shelves as if by magic, making the shortage even more acute than would have been the case had rationing been instituted six months ago. Coffee lovers got panicky at the talk of shortages and possible rationing and hoarded the stuff. And even Sherlock Holmes himself couldn't discover more than a fraction of the coffee that has been buried somewhere in U. S. The obvious result is inequitable distribution, for some will have coffee, some won't. And because of the hoarding-caused added shortage, it could easily develop that the rations of the non-hoarders will have to be cut still further.

Then, too, there is the British theory that rationing aids price control in its task of inflation-prevention. The idea is that money talks, and that if there is no rationing, increased consumer demand will gradually force the government to lift price ceilings on most commodities. But rationing, the theory continues, automatically limits demand and eases the pressure on ceiling prices.

In any case, overall rationing is a vital necessity to a nation at war, as its consumer goods production is automatically relegated to a secondary place. And we are proud, indeed, that the Co-operative movement took the lead in advocating this much-needed step.

Food Supply :

The Collectors in some of the deficit areas in the province have introduced a system of supply of rice whereby a limited number of retail dealers are asked to sell every day upto a specified quantity to consumers. This has led to great difficulties. The number of shops is small and the scramble at the selling places is very great. Reports of serious happenings and even deaths caused by the clash at the centres have been received. It is absolutely necessary that the number of selling centres should be increased. The system of selling for only half a rupee or a rupee at a time causes great hardship especially to the poor labourers. As many have to go and purchase everyday and waste a considerable portion of their time, cases are not rare in which a member of the labouring family, who went to purchase rice at 9 A. M. when these shops are opened had to wait until late in the afternoon to purchase the quota of rice. If the poor people are to be helped, they should be given a supply on the pay day to last until the next pay day. Otherwise they will be seriously affected. Sufficient quantities are not also sold by the retail vendors. Villagers who depend on the shops in big towns are seriously handicapped if they have to make purchases everyday. There are cases in which villagers had to travel by train or bus to make the purchases and this adds considerably to the cost when they have to purchase only for half a rupee or a rupee. These lead to the nefarious practices and development of black markets everywhere. It is necessary that the supply should be given for a week at least to each family according to requirements in the towns and for a much longer period in the villages. Another serious difficulty that has risen is the supply of very inferior articles, sometimes not very wholesome to consume, at the controlled prices. The fixing of one controlled price at the place of production has resulted in very bad stuff being supplied to the poor people. The traders and even co-operative societies have to pay higher prices by private arrangements for good stuff and bring them surreptitiously and sell at prices much higher than controlled prices at the consuming centres. Different prices will have to be fixed for different grades of rice, otherwise while the rich man somehow gets what he wants at exorbitant prices in the black markets, the poor man gets unwholesome articles at high prices.

Even though the co-operative stores in some places have been asked by the Government to stock foodstuffs for emergencies, the Collectors of some districts are not inclined to encourage co-operative institutions and are not giving facilities even to stock for

emergency. Even the central co-operative stores are not given permits to get from producing centres the quantity required to stock foodstuffs as required by the Government and to supply the needs of primary societies affiliated to them. Strangely enough, some Collectors require the central stores to go and purchase from the wholesale dealers. The private merchants always pleaded that they have no stock and the Central and primary stores and their numerous constituents have to suffer. It is well known that private dealers want to make the best out of the present situation and adjust their prices according to circumstances. The only way to prevent the formation of black markets and the exploitation of the situation by profiteers is to entrust the supply and distribution to co-operative societies or to fair price shops opened by Government. It is not possible to enforce controlled prices or ensure adequate supply by prosecutions or by threat of prosecutions. Private dealers will always look to their advantage. Even in times of plenty many places had to suffer. We hope that the Government will lose no time in giving effect to their well-meant intentions by adequately safeguarding the supply and distribution of foodstuffs through co-operative agencies where they exist and are willing to undertake the work. The Collectors should be instructed to this effect and their solicitude for the interests of the private dealers should be asked to be subordinated to this.

Co-operative Education :

It has been said that the objects of co-operative education are, 'primarily, the formation of co-operative character and opinions by teaching the history, theory and principles of the Movement, with economics, and industrial and constitutional history in so far as they have bearing on co-operation; and secondarily, though not necessarily of less import, the training of men and women to take part in the industrial and social reforms and civic life generally.' It is worth while examining how far the courses of studies prescribed in the Central Co-operative Institute and the institutes in the mofussil conform to these objects. We should not be content to teach merely the Aims and Rules but design the studies to create a real co-operative outlook so that the trainees may form the co-operative army for the promotion of the Movement.

AN INDUSTRY

in distress supporting the largest number of people
in the Madras Presidency, next to Agriculture.

SUPPORT THE HANDLOOMS!

NO EXPLOITATION!
NO PROFITEERING!

For Style and Elegance wear the Co-operative Handloom cloth!

Specialities: Sarees, dhories, upper cloths, towels, shirtings, coatings, bandage, gauze, bedsheets, handkerchiefs, printed fabrics etc.

Always in stock in the Emporiums of the
Madras Handloom Weavers' Provincial Co-operative Society, Ltd., Madras,
and its 200 affiliated societies and Agencies.

For further particulars:

The Madras Handloom Weavers'
Provincial Co-operative Society, Ltd.,
1/159 Mount Road, MADRAS.



MADE IN INDIA

The Salem Provident Society Limited, Salem.

Established 1935.

FACTS TO NOTE

1. It is best to represent a Secure Society with Resources and a low expense ratio.
2. The Salem Provident is one such Society. Policy-holders' Reserves exceed Rupees One lakh and fifteen thousands. The Society has disclosed a decent surplus at its very first valuation in 1941.
3. It is one of the big three in the whole of India and the biggest in South India with all round reputation.
4. Commission is hereditary.
5. The Society is also registered under the State Insurance Act, Travancore. It operates in Hyderabad and Mysore States.

WANTED SPECIAL AGENTS IN VILLAGES AND TOWNS.

THOSE WHO ARE CONNECTED WITH
CO-OPERATIVE SOCIETIES SPECIALLY PREFERRED.

Apply to :—

K.N. RAJAH RAM RAO, B.A., B.L.,
Retired District Munsiff, Chairman.

V. RAJAGOPAL, M.A.,
Ex-Officio Director and
Secretary.

The Tiller of the Soil in a South Kanara Village (ii).

BY R. B. NAGRIMULAE, B.A.

To supplement the remarks on rice cultivation in South Kanara (cf: *Journal of Co-operation*, Vol. XXXIII—No. 10 some light is sought to be thrown on agriculture in a village in the southern extremity of South Kanara, bordering on Malabar.

In the village under consideration, rice is the main crop. Coconuts are another important product of the village. In the eastern parts, pepper also is grown. Bananas are a seasonal crop. Ragi and horsegram, gingelly and chillies are cultivated on the moors and hilly parts for home consumption and sale.

The yields from fields vary from one rice crop and one other crop, like bananas or gingelly and chillies, to three rice crops. The low-lying fields with the availability of plenty of water yield three rice crops. As a contrast to the village reviewed last year, water is not baled out for purposes of cultivation. Perhaps this is explained by the fact that the soil is sandy and hence does not retain water.

The lease of a representative cultivator consists of two-crop fields to the extent of about 15 "paras" (one para being 14 seers) of seed area, a compound with a house in the centre and a wall to surround and about 25 coconut trees and a few mango and jack fruit trees. Unlike the village referred to last year, the cultivator does not get a patch of forest region, the decayed leaves of which are used as manure and which supplies also firewood.

The normal duration of a lease is 12 years for the compound and one year or two or three for fields. The claim for compensation for improvements effected thereon are admitted only if the terms of the lease explicitly provide for that.

The yield varies with the crop and also with the nature of the field. A one-crop field yields per mura of seed area about 30 paras of paddy, while a two-crop field yields about 30 and 25 paras in the first and second crops respectively. A three-crop field yields about 30, 25 and 20 paras respectively. The aggregate yield to the man in question comes to about 275 paras of paddy.

The costs of production have to be met out of the yield. The various processes in rice cultivation are ploughing, manuring, sowing, reaping, thrashing and husk-removing. But the last one is

undertaken by the landlord, since the rent is paid in kind, i.e., paddy.

A mura of seed area is a convenient unit in calculating the cost. So far as the first crop is concerned, manuring costs a para per unit, whereas ploughing costs four times as much. Sowing accounts for $\frac{1}{2}$ para and transplanting costs 4 paras. Reaping and thrashing together account for $4\frac{1}{2}$ paras. Taking also the cost of weed-removing at $1\frac{1}{2}$ paras, the expenses of production per unit come to about 16 paras. The total expenditure for the man in question is 80 paras.

The expenses for the second crop differ from those of the first in as much as the cost of manuring is about 6 paras more in the second. This is almost balanced by the elimination of transplantation. The cost of weed-removing is less by $\frac{1}{2}$ a para. Roughly the total costs do not vary very much from crop to crop. Hence the aggregate expenses of production for the two crops for the cultivator in question are about 160 paras.

The processes have to be hurried through lest the harvest should suffer. Consequently hire of labour is inevitable. At best he can retain 100 paras as the remuneration for the labour of his blessed self and family. Perhaps even this is a very optimistic estimate.

Thus out of 275 paras, he will have to pay for hire of labour about 60 paras. But the seeds have not been taken into consideration. It is but natural that 15 paras of seed area require 30 paras of seeds for the two crops. Deducting these also the tenant will have 185 paras of paddy.

The rent for two-crop fields is about 20 paras per mura of seed area. The total is 100 paras, leaving a balance of 85 paras of paddy for the cultivator. The rent for cocoanut trees consumes about 60% of the cocoanuts, the remainder being hardly sufficient to meet the requirements of the kitchen and also the cost of manuring the cocoanut palms.

The poor cultivator has the balance of 85 'paras' of paddy. The food requirements of the family as well as 'clothing' are to be met out of this. It is no wonder that Shah & Khambata have come to the following conclusion: 'The Indian people are underfed. Either one in every three individuals must go hungry; or—what is more easy, insidious and injurious—every one must cut one out of every three meals necessary to him. This inevitably becomes the common practice and the consequence is the progressive deterioration in

physique and energy that renders additional production with a view to make up for deficit increasingly more and more difficult.

The land-owner is shrewd enough to recognise that his tenant cannot pay the rent without either cutting down the miserably low rations of his family or borrowing or both. Hence the practice of security deposit. The pressure on land is so great that people rather pledge a few ornaments which have come to them through inheritance, or sell the few utensils or dispose of livestock and pay this caution deposit than remain as agricultural labourers. The status that attaches to the cultivator attracts these poor gullible mortals. The land-owners are not in all cases able to get security deposits. When they do get, it is about Rs. 20 per mura of seed area. Invariably very fertile fields are not rented without this provision. Deposit does not fetch interest, but on the other hand, the deficit in the rent is made up from this, so that the security deposit is a gradually diminishing phenomenon. It is not also rare that people give free gifts known as "Maanusham" to the land-owners to get good fields.

There are some people in the village who have taken to market gardening seriously. Vegetables find a good market at the weekly fair or "shandy".

Weaving on hand-looms is another occupation in the village. The weaver is labouring under two hardships. For yarn, he has to depend on the yarn merchant who, once a fortnight deputed his agents to visit the village, books orders for yarn and collects the price of yarn. It is true that in a way the merchant gives the weaver the necessary credit. But at what cost is the problem. The merchant easily dupes the unsophisticated weaver and charges exorbitant prices for yarn. The weaver has no marketing facilities also. Once in a way, one comes across a co-operative sale society. But the weaver cannot wait on the co-operator until his cloth is sold, since the yarn merchant exerts great pressure on him for the price of the yarn. So the yarn merchant more often than not is the buyer of cloth also. As is evident, the pressure of the yarn merchant as the middleman in the supply of yarn and disposal of cloth results in a substantial reduction in the return that the weaver gets for his hard labour.

Placed as the agriculturist is in these conditions, it is but natural that he resorts to borrowing. In the village in question, borrowing is of three kinds. The agriculturist is generally having very hard time in July, (Karkataka) just before the harvest. He borrows paddy promising to pay after harvest, i.e., September, 3 paras more for every 10 paras borrowed. The interest works out to 120 per cent per annum. Sometimes the lender is the local merchant who lends money on the basis of a promise to sell paddy after harvest to him at the rate of 2 paras per rupee when the rate is in the neighbourhood of Rs. 80 per hundred paras. Here also the interest charged is very high, more than 200 per cent per annum. Thirdly, people borrow money by pledging jewels, in case they have any jewels left

to pledge. The interest is comparatively low. It varies from 12½ to 25 per cent and some times goes up to 30 per cent.

A social characteristic of the village is the hire of pariahs. Some pariah families are permanently attached to certain estates, like the serfs of old. They have to work in the fields of their master at half the normal wage. If the master finds that he cannot profitably employ such serfs, he lets them on hire to those in need of labour. The life of the pariah is that of the ancestors of humanity who lived in jungles and ate what animal prey they could lay their hands on.

The "pride" of the village in question, the parasites par excellence, are the Rajahs known as "Thampurans". They are a relic of the feudal age. Without serving any socially useful purpose, they get a lion's share in the fruits of agriculture by way of rent. They maintain the local temple and provide for a good number of Brahmins, who again contribute nothing either to the cultural well-being of the villagers (unless the increase of superstitious beliefs be considered as culture) or the national dividend, yet make a charge on it.

The problem of the cultivator hinges upon the ownership of land and the resultant rack-renting. In other words, his plight is inextricably bound up with the system of land tenure.

**Why you should Insure with the
"SOUTH INDIA"
CO-OPERATIVE?**

- Only Co-operative Insurance can offer you the maximum protection at lowest premium rates, with handsome yearly bonus, liberal policy conditions and many unique privileges.
- All the profits go to policyholders only. The Society is owned by them, exists for them, and is governed by them.
- Economically managed under direct Government control, it has built up strong financial reserves and is therefore the safest.
- Whether your income is Rs. 100 or 10,000 a year there is a policy to suit you, ranging from Rs. 100 to Rs. 10,000.

Insure with us and Ensure your Future.

Write for a plan that will exactly suit your needs.

Liberal Agency terms:

The South India Co-operative Insurance Society, Ltd.,

Head Office : MADRAS.

Telegrams : SICOIS.

Post Box No. 182.

Liquidation.

BY RISAL SINGH CHAUDARY, B. COM.

When I made up my mind to write something on liquidation, I went in search of some literature on it so that I may get some information on such a dry and technical subject; but I failed to find anything on it in the books with me. Notwithstanding this, I have picked up courage to give below some home truths about it. I hope my shortcomings in this article will be overlooked because I am an amateur on the subject.

2. The literal meaning of "Liquidation" is the adjustment of the affairs of the society; but technically it means that the society ceases as a corporate body under the Co-operative Societies Act II, 1912, and that its affairs should be wound up, its assets realised and its liabilities discharged. Ultimately its corporate existence merges into a liquidator.

3. There are five sequent processes of organisation, registration, working, reorganisation and liquidation in a society. The departmental officers, responsible for organisation, registration, reorganisation and liquidation of a society, are the Registrar, the Assistant Registrar, the Inspector and the Supervisor.

4. Liquidation is due mostly to bad organisation, supervision and management. Departmental officers are responsible only for bad organisation and supervision but for mismanagement responsibility lies only on non-officials either working on Boards or committees or holding offices of managing directors or secretaries of Banks and big societies respectively. I am afraid I may not be misunderstood when I mention that officials take lenient view in the cases of non-officials even when they are caught red-handed. This speeds up liquidation. The sad experience of Goia, Hardoi, Biswan, Baduan and many others in U.P., which met the same fate, should be an eye-opener to the officials, and I suggest that none, either officials or non-officials responsible for liquidation of a society or a Bank should escape from exemplary punishment. In my opinion sacrifice of an institution for an individual is an unpardonable sin. Better organisation, better supervision, and better management should be the motto of every co-operator.

5. Liquidation is the last resort and this terrific knife is applied only when every determined effort fails in putting its house in order. This helps in stopping the spread of the contagion to healthy societies in the neighbourhood.

6. The lot of the liquidator is unfortunate because he has to effect recoveries from poor people who were either advanced money recklessly by others or did not receive even a single pie because the money was misappropriated and thumb impressions of poor, ignorant and illiterate members were taken on pro-notes on some pretext or other.

7. In the above paragraphs I have mentioned something about the meaning of liquidation, causes of liquidation, and the stage at which the liquidation proceedings are taken up. In the paragraphs below I intend to touch upon the difficulties in liquidation proceedings and their remedies.

8. The difficulties in liquidation proceedings are :—

(a) Generally the co-operative Inspector, having multifarious duties in his circle, is the liquidator and therefore he cannot attend to this work as he ought to, which results in a policy of drift which only serves to spread the contagion to healthy societies in the neighbourhood.

(b) Collection officers and other members of the Revenue staff in the district are not well acquainted with liquidation work. In many cases this becomes a side issue to their normal duties and hence they feel reluctant to take any interest in this work which results in poor collections of co-operative dues.

(c) Non-officials cease to take any interest in the affairs of a liquidated society.

(d) At the time of collection, attachment, and sale the liquidator has alone to face the continued opposition of all the members of a liquidated society because their interests are common.

9. Remedies.—In the district where there are many liquidated societies there should be an assistant liquidator who can devote whole of his time to this work so that liquidation proceedings are not dragged on for long.

(b) The powers of realising co-operative dues as arrears of land revenue under Revenue Code should be conferred on co-operative Inspectors because they are well acquainted with liquidation work of liquidated societies and besides this it will relieve revenue staff from this extra duty.

(c) Non-officials are morally bound to the depositors, shareholders of their Banks for making them full payments and hence they should not slacken their interest so that their Banks may not suffer losses.

(d) When the powers of realising co-operative dues as arrears of land revenue are conferred on the liquidator, then this difficulty will automatically be removed.

(e) Before sending any society into liquidation the C.B. interest, if the collections are less than 10 per cent of the principal, should be stopped till the principal is received in full. Further the liquidation proceedings must be closed within three years from the date of liquidation.

10. Before I conclude let me state the position of liquidation proceedings in 1939-40 (uptodate information is not available) in the United Provinces. "With 61 societies liquidated during the year, the number under dissolution was 1104. Proceedings were closed in 156, leaving a balance of 948 at the close of the year. Out of Rs. 2,09,577 repayment in cash to C. B. accounted for Rs. 1,04,199. The balance represented adjustments and writings off. The amount due to Banks from societies in liquidation amounted to Rs. 9,67,798 at the close of the year. Of Rs. 2,76,094 collections in cash amounted to Rs. 1,20,366. The percentage works out at 18.8. Assets of these societies amounted to Rs. 16.21 lakhs with outside liability to the tune of 11.86" (Annual Report for the year 1939-40).

11. The number of societies working in the province is 15,084 and the number of liquidated societies is 948 and hence the percentage of liquidated societies in relation to working societies is about 6.22. It is no use denying the fact that this is an abnormal figure. Besides this, the percentage of collection is very low. Ultimately this position, if not improved, will bring a bad name to the Movement in money market and will shake its established credit in future. I am afraid if the above suggested methods are not adopted the whole Movement may be enveloped in liquidation one day.

THE MADRAS AGRICULTURAL JOURNAL.

An English monthly, which helps to develop your land, your stock, your purse and your country. Rs. 4/- per annum.

Apply :—

MANAGER,

The Madras Agricultural Journal,

Agricultural College & Research Institute,

Lawley Road P.O., Coimbatore.

Alamuru Rural Bank.

Thrift Day Celebration.

In connection with the annual General Body Meeting of the Alamuru Co-operative Rural Bank a Thrift Day celebration was held. Nearly 500 members attended.

Sri Cherukuvada Narasimham was specially invited to deliver the opening address on Thrift. He said that by merely providing credit as hitherto the co-operative societies were not fully carrying out their objects. The deposits secured from the town-dwellers and the middlemen went only to swell the volume of peasant indebtedness. He congratulated the Alamuru Rural Bank on inaugurating a campaign of thrift so as to obtain financial resources from the members themselves and make them stand on their own feet. The speaker also expressed his pleasure that the Bank had gradually democratised the Movement by enrolling nearly 2,000 members from the labouring classes most of whom are Harijans.

Sri Rao Saheb K. Subrahmanyam Naidu, M. A., Deputy Registrar of Co-operative Societies, who was unable to attend in person sent his message for the occasion through the Sub-Registrar. His message ran thus :—

Steps necessary to make Village Co-operative Credit Societies real self-help institutions and to ensure the gradual financial self-sufficiency and independence of societies and their members :

The village co-operative societies have been working more or less as money-lending institutions, and have hardly done anything to become real self-help institutions which they really ought to be. Many of them are doing well as borrowing institutions. They have not promoted self-help amongst members by promoting thrift and savings. They have been acting as middle-men, taking money from the Central Bank and passing it on to their members. The basic principles of self-help, mutual help and thrift have not been practised. This is a fundamental weakness in the working of societies not only in our own province but generally in other provinces as well. This has also been pointed out recently by the Reserve Bank of India in its Review on the working of the Co-operative Movement in India (1940-41). We have been generally preaching the principles far too long but no tangible results have been achieved. Taking the state of affairs as on 30th June, 1941, the position is that as against a total working capital of Rs. 454 lakhs, deposits of members of agricultural credit societies amounted to Rs. 7.99 lakhs; this works out to 1.8 per cent.

It seems necessary that some steps should be taken to enforce these principles at least in some select localities in each district or in some districts, and devise practical methods of thrift and savings on the part of members. The Central Banks in those districts should be made to treat this as a matter of their major financial policy. There may be a natural fear on the part of Central Banks that a gradual building up of their own resources by societies may affect their business and profits. This is, to say the least, the money-lenders' point of view, not that of a genuine Co-operator. Probably some

ALAMURU RURAL BANK

element of compulsion in the interests of the members themselves is called for. There is no denying that as a result of the war, the prices of primary commodities have considerably gone up. Though this has been, to some extent, off-set by the rise in prices of manufactured goods, there is still some additional income which the rise in prices of agricultural produce has placed in the hands of the agriculturist members of village societies. Even as a matter of prudence it is necessary that the members should be made to conserve this surplus income so that it may stand them in good stead in a period of slump which is very likely to follow the termination of the war.

It may be suggested that in three or four districts at least which may be selected for this purpose, to begin with, the Educational Senior Inspectors may be diverted for carrying on "self-help" propaganda and for devising and enforcing methods of saving and thrift. They may be designated as 'Self-help Propagandists.' The names of the societies selected for this purpose may also be changed; they may be called 'Self-help Co-operatives' instead of 'Village Co-operative Credit Societies.'

Even from a larger national point of view some such steps are necessary with a view to check the rise in prices. There can hardly be any difference of opinion on the point that a sound structure of savings and investments is needed in order to prevent inflation of prices.

A few delta taluks, or areas, in some select districts may be brought into the scheme: all dry or famine areas may be ruled out. An experiment of this kind will enable us to build up a body of experience and data on which our future line of action may be shaped; it may also help us to know the real difficulties, if any.

Sri N. Satyanarayana, President of the Rural Bank, said that an amount of Rs. 15,000/- has been collected by the Bank by the sale of thrift labels during the last three years. This enabled the members to purchase Rs. 10,000/- worth of rice and Rs. 5,000/- worth of cloth. During the month of March alone, the Rural Bank collection Agents have sold thrift labels worth Rs. 2,500/- and these will be converted into Thrift Certificates.

He said that a regular thrift campaign had been planned; and appealed to the members to co-operate in collecting Rs. 25,000/- before the end of the next Co-operative year. He also announced that he would with a party of Rural workers, lead the Thrift movement in neighbouring village societies also so as to enable them to stand on their own feet. The village societies, as they are working at present, constituted the weakest link of the co-operative chain and he appealed that they should make themselves financially independent and self-helping institutions, as they have been in other countries where the Movement has made good progress.

The function terminated with magic performance by Professor V. Sivarao of Cocanada.

Working of Societies.

(Contributed.)

Panaikulam Spinners' and Weavers' Co-operative Production and Sale Society, Ltd., No. R. 13.

This society was started on its work by the Collector of Ramnad on 17-11-42 for the relief of evacuees from Malaya and Singapore and their dependants. The society provides employment for the evacuees in the following industries at present :

1. Spinning. 3. Coir Manufacture. 5. Toys for children.
2. Weaving. 4. Mats & fans Manufacture.

2. There are 440 members with a paid up share capital of Rs. 11,332. Six members of whom one is a director died of cholera which was prevalent in this village during January and till the last week of February. The work of the society was also suspended during that period and it was resumed from the 20th February 1943.

3. The activities of the society in the several branches are furnished below.

(i) *Carding and Spinning.* The society has arranged to gin the cotton purchased locally by hand gin. There are 12 members attending to ginning who are paid daily wages at 3 annas per day. There is also a carding department where there are 8 members working. The cooly paid for each member in this branch of work is also annas 3 per day.

The variety of cotton now used for ginning is not of a superior variety and does not give good results in spinning. The society is advised to purchase Karunganni or Cambodia cotton and arrange for ginning and spinning. The Aruppukottai sale society or the Rajapalayam Sale Society may be addressed for the supply of unginned cotton. The Society purchased 200 spinning wheels and distributed 125 of them among the members. The spinners were mostly ladies and children. There are 75 spinning wheels available for distribution to the other members as and when they take to spinning.

The Society has employed one lady instructor for teaching the gosha ladies and another for males. The results achieved in spinning within this short period are far beyond the expectation, as the skill of the members is not lost. The members are spinning very fine counts of yarn, ranging from 10 to 60s, and it is gratifying to note that a boy of 10 years has spun yarn nearing 60 counts. Such boys deserve encouragement. The Directors were advised to hold a competition among the spinners and to offer prizes for the best spinner both in quality and quantity, to give a stimulus among them to spin yarn of fair counts.

The society has disposed of 700 chittams of yarns spun by the members, to the Paramakudi Spinners' Association. The society is advised not to sell the yarns in future but arrange for production of cloth from them there as it will not be profitable to sell away the yarn.

WORKING OF SOCIETIES

(ii) *Weaving.* 25 looms were purchased through the Paramakudy Co-operative Weavers' Society but they have not yet been fitted up in the work shed or distributed among members who want to take up weaving. The delay was due to the outbreak of cholera in the village. The Weaving demonstrators are expected to be appointed shortly. The Secretary proposes to distribute the looms among the members for cash and also to arrange for fitting some of them in the work shed for demonstration among male members.

The Madras Handloom Weavers' Provincial Co-operative Society has agreed to supply the yarn available with them at Rs. 15 per bundle in their letter No. 654/42 dated 23-1-43. The Secretary is advised to take delivery of the same from the Madura Emporium at a very early date and arrange for starting the weaving department without any further delay.

The Society is also advised to purchase its required yarn and slivers from the Mahalaxmi Mills, Madura as its proprietor has agreed to supply yarns at mill rates on the recommendation made by the District Collector, Ramnad.

(iii) *Coir Manufacture.* The results achieved in this branch are also satisfactory in spite of the short period of tuition given by the Coir demonstrator to the members. 36 members were working at the time of my inspection, in 12 batches of 3 members under the direction of a maistry who is a paid servant of the society. The Leather Research Chemist, Madras, has ordered the Coir Demonstrator to work at Panaikulam for 15 days in a month. Due to the outbreak of the epidemic, the demonstrator was asked by the President to resume his work after the epidemic subsided. The Secretary may now advise the demonstrator about the resumption of work in the society and continue his demonstration.

The society has purchased 2751 lbs. of fibre and has produced 4132 mudies of coir yarn. The Periapattanam Coir Manufacturing Society is supplying the fibre required. Purchases of fibre were also made from the Pamban Coir Manufacturing Society (under registration) and other private dealers there. It is stated that the Fibre supplied by the Pamban Coir Manufacturing Society is costlier than that supplied by the Periapattanam society.

There are 12 sets of spinning wheels and willowing machine. The workers are paid at the rate of 3 annas per day. The society may arrange to purchase some looms for purpose of knitting coir mattresses, foot rest brushes, anchor ropes and other products.

(iv) *Toys, Mats and Fan Making.* The members secure for themselves raw materials for the manufacture of these articles out of palmyrah leaves and the finished products are purchased by the society

at certain fixed prices. Many lady members in the society have taken up this as their profession at home in their leisure hours and this fetches a daily wage of about 2 annas per head. The society is having a good market for the fans and mats. I am arranging with Madura Ramnad Co-operative Wholesale Stores and other Co-operative Stores to purchase the mats and baskets for packing purposes and thus encourage a co-operative institution.

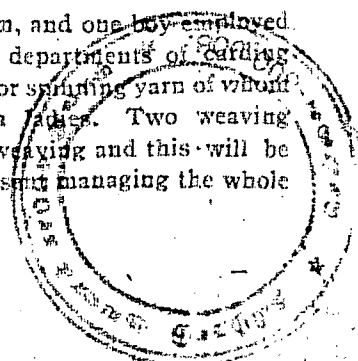
General. The results achieved by the organisation within the short period of its existence should be said to be very satisfactory. The Deputy Registrar notes with pleasure the excellent arrangements for the workers in several departments and the directors deserve congratulations especially the secretary. Dr. Ariff and President Mr. Bahruddeen who are taking very keen interest in the affairs of the society in working the Relief Scheme. It is hoped that they will continue its working with the same zeal and enthusiasm. There are possibilities of taking up the following industries and find employment for the evacuees. (1) Palmyrah Jaggery manufacture, (2) Manufacture of paper and Beedies. The evacuees in the other villages in the area of operations of the society may be engaged. The President is hopeful of securing raw materials required for manufacture of paper. The Leather Research Chemist at Madras promised the Sub-Collector, Ramnad, to render necessary assistance if such industries are taken up by the society. He may be addressed. If the society undertakes manufacture of sugar out of palmyrah jaggery and paper, it may relieve the scarcity of their requirements to little extent in these days. The directors may do the needful to encourage these industries in particular.

The account keeping is generally satisfactory. Instructions were given wherever necessary. The personal register for noting wages paid and amount of production by the several members has to be opened to know who is working regularly or otherwise besides helping the society for the payment of bonus for such members when the society earns profit.

The society should arrange to remit the cash balance on hand in a Co-operative Bank as advised in this office letter dated 25-1-43 as it is, it is idle fetching no interest at all.

The society is advised to invest Rs. 1,000 in the shares of Madras Handloom Weavers' Provincial Co-operative Society, which is not only a good investment fetching a decent dividend but helps the institution in strengthening its position.

(v) **Staff.** There are 2 clerks, one peon, and one boy employed for office work. There are two maistries for the departments of carding of yarn and fibres. There are 2 demonstrators for spinning yarn of whom one is a lady demonstrator to teach the gosha ladies. Two weaving demonstrators are to be appointed for teaching weaving and this will be done shortly. The Honorary Secretary is at present managing the whole



establishment. Such a large establishment requires a whole-time officer to control. The business is expected to increase to a large extent. The society would do well to go in for a paid Manager qualified in working co-operative societies of this kind, preferably a Co-operative Inspector. The President, to whom this suggestion was made pleaded inability to pay his salary and allowances and wanted the Government to depute a Junior Inspector to work this society free of cost as the Society is intended for the benefit of the evacuees. The proposal, if received, may be considered favourably. (Taken from Inspection Notes.)

The Madura Mills Workers' Co-operative Stores Ltd., A-1449, Madura.

1. Introduction:

The need for a Co-operative Stores to supply their daily domestic requirements was keenly felt by the labourers after the outbreak of the present war and accordingly a co-operative stores was registered on 23-12-39 by Sri Rao Sahib K. Rangasamy Naidu, B.A., the then Deputy Registrar of Co-operative Societies, Madura. Sri S. R. Varadarajulu Naidu was elected as its President. The Stores commenced business on 20-2-40; the object of the stores is, as in the case of other stores, to purchase the necessities of life and distribute them to the members who are labourers and working in the Mills at fair prices. Commencing work with 56 members with a paid-up share capital of Rs. 323, the Stores has assumed gigantic proportions now. The membership today is 6680 with a paid-up share capital of Rs. 86,878.

2. Its working:

The purchase committee consists of the President and a Director who represents the Madura Mills. They sanction the requirements of the Stores every month and the stock is purchased systematically at favourable prices wherever possible before the 1st of every month when the sales to the members commence.

It is an interesting scene to watch how the members making their purchases from their entry into the stores till they leave it. A chit called the 'store pass' is issued to each member by the Mills every month. For the sake of convenience and to regulate the sales in the Stores, certain days from the second to 23rd have been allotted to certain departments. Passes are issued accordingly, and the members are requested to make their purchases on the dates allotted to them. The member takes the pass to the watchman at the gate and gets a token in a serial order. He then takes it to a clerk who fixes the amount upto which the member can make his purchases. This limit at present is the paid-up share capital plus accrued wages (i.e., wages accrued upto the date of the purchase) and also 75 per cent of the dearness allowance but limited to the basic rate of monthly wages and dearness allowance. The clerical and the

127496
 11/1/43
 12/1/43

Official staff working in the mills, who can also make their purchases in the Stores are allowed credit upto 40 per cent of the individual pay and this amount has been guaranteed by the Mills. After noting the credit limit, the member begins to make his purchases. The sales departments, for convenience of members and better regulation of work, are divided into 5 sections, each in a separate room, as follows :—

1. Dholi and Grains, 2. Groceries No. 1 & 2, 3. Rice, 4. Oil and 5. Cloth. In each department, there is one way to enter and another to go out. The member goes to each section in the order given above according to the serial number and begins his purchases. Each section has got a fixed number of salesmen. On presentation of the store pass, one of the salesmen writes up the sales after ascertaining the quantity under each article required by him and notes the number of the sales chit and the total amount of the sales chit on the reverse of the store pass, strikes the balance of credit pending on the same and hands it over to the assistants who supply the provisions. Then the purchaser goes to the next section with a copy of the bill (sales chits) and the store pass and so on till he completes the entire purchases in all the sections. He takes finally the store pass and the sales chits of all the sections where he has made his purchases to the counter near the gate, where there are two checkers. One has charge of the 1st two sections and the other, the next three sections. The checking clerks check the calculations in the sale chits, compare the entries in the store pass and verify the correctness of all items and the totals in them. A "pass" seal is put on the sales chits with his initials. He takes them to the watchman at the gate, tenders the token, shows the pass out to him who checks the number of articles in the sale chits with reference to the articles in possession of the member and then he leaves the stores. The entire thing is done from start to finish in a most methodical way.

The monthly sales which were Rs. 32,526, in 1941 and Rs. 53,680, in 1942, have increased three-fold i. e., Rs. 90,894, in 1943.

(a) *Development of the stores* :—Besides the increase in the monthly sales of provisions, the stores has developed in many directions. Some items of development may be mentioned here.

The members at the commencement of the stores were supplied with provisions only. In due course it was felt that the members require cloth also along with provisions. The members found it difficult especially at season times, like Deepavali, Xmas and Ramzan, to obtain their requirements of cloth according to their needs and tastes for the main reason that they had not funds enough for the purpose. So a cloth section was newly opened and large stocks of cloth of different varieties were purchased in bulk and sold to the members at reasonable prices. Separate accounts are maintained for the seasonal sales of cloth and the

amounts given in this manner are recovered in two or three instalments. They are also sold in seasons at two annas in the rupee less than the cost price and the Madura Mills have undertaken to make good the loss on account of the reduced price. The cloth section has thus become a great boon to the workers. The average monthly sales in the cloth section is Rs. 6000. The special sales for Deepavali amounted to Rs. 56,175-12-4 and for Xmas to Rs. 2,093-2-0.

In a big town like Madura, the problem of housing is necessarily a difficult one. The area round the Mills is too congested and rents are very high. It was thought therefore that a new scheme should be laid out on garden colony lines in a healthy locality for the labourers. So a good locality was found at Tirupparankundram, a village lying near by with facilities of railway communication. A co-operative society, the Madura Mills Co-operative Housing Society, was formed and registered. With the funds to the extent of 2 lakhs of rupees advanced by the Madura Mills, model houses consisting of 3 or 4 rooms were built at a cost of Rs. 600. each and were offered to the members of the Society on the execution of a deed in favour of the society to pay monthly instalments as fixed by the Board of Directors. An instalment of, say, Rs. 4 per month at the end of 10-12 years entitles each tenant to become the owner of the house. The colony was named after Messrs. Harvey & Co., the Managing Agents of the Madura Mills. Since there are about 600 members in the colony, it was found necessary to open a branch at Harveypatti to supply them with provisions. Accordingly a branch was opened on 6-12-42 and is now located in building constructed from the stores funds at a cost of Rs. 13,183-5-3. The branch is working with a separate staff and is having sales of about Rs. 300 per day.

The bulk of the sales in the stores is only of rice. Formerly, arrangements were made to obtain paddy when it was available cheap in the season and convert it into rice. For this purpose the stores engaged three rice mills for hulling paddy. In actual practice it was found that the hulling charges were heavy and the yield of rice was not up to expectations. So a rice mill at Sellur was taken on a rent of Rs. 370 per mensem for the hulling of paddy under the management of the stores. The rice mill is able to hull about 250 bags of paddy per day and there is a regular supply of rice to the Stores. An electric motor is being installed in the Mill to increase the output.

3. *Financial condition of the stores* :

The current year is the fourth year of the working of the stores. The paid-up share capital on date is Rs. 86,878. The Madura Mills is giving a subsidy of Rs. 5000 every month to make up the loss on account of fluctuation in prices of articles sold by the stores. The stores received Rs. 35,000 in 1940, Rs. 30,000 in 1941, Rs. 60,000 in 1942 by way of subsidy. The mills have increased the monthly subsidy to Rs. 10,000

from 1-1-43. Very little amount has been utilised in the past for the purpose for which it was intended. The bulk of the subsidy so far received is kept in reserve. There is an amount of Rs. 1,30,000 under this head. The stores has invested Rs. 500 and Rs. 100 in shares with the M. R. C. C. Bank and M. R. C. W. Stores respectively and a reserve fund of Rs. 3,220-3-0 with the M. R. C. C. Bank. The stores is incurring Rs. 1200 nearly towards the establishment charges every month. The Stores worked at a profit of Rs. 3,225-6-0 during the year, 1941.

There was a Senior Inspector working as secretary from its commencement till 15-12-42 when he proceeded on leave. In view of a large amount of transactions nearing a lakh of rupees the Board found it necessary to apply for the services of a Co-operative Sub-Registrar to work as Secretary. Accordingly the Government sanctioned the services of a Co-operative Sub-Registrar from the beginning of the current year.

4. Concessions Granted by the Madura Mills:

Many are the concessions that are enjoyed by the Mills Workers' Co-operative Stores from the Madura Mills. The following are some of them. (1) A spacious building has been placed at the disposal of the Stores at a nominal rent of Re. 1 per mensem. (2) The Mills have undertaken to recover the dues of the members from their wages and salaries. (3) Again a subsidy of Rs. 5,000 per mensem was received from the Madura Mills from March, 1940 to September, 1940 and again from July, 1941 upto December, 1942. This subsidy has been increased to Rs. 10,000 from January, 1943. (4) The Mills granted during 1942 a special subsidy of Rs. 6,630 to enable the store to sell cloth for special occasions like Deepavali and Xmas at a concessional rate of 12½ per cent. less than the cost price. (5) Whenever there is need of funds for the purchase of paddy or other provisions for stocking purposes, Madura Mills places the necessary funds at the disposal of the Stores as loan at 4 per cent. interest.

5. Conclusion:

The success of the Stores is largely due to the untiring efforts and supervision of its President Sri S. R. Varadarajulu Naidu. Above all, it owes its continued prosperity to the benevolent care with which it is fostered by Mr. J. M. Doak, Managing Director of the Madura Mills. The workers must be grateful to these two gentlemen for their large-hearted sympathy and practical benevolence.

The Wynad Fruit Growers' Co-operative Marketing Society, Limited.

The Wynad Fruit Growers' Co-operative Marketing Society, Ltd., in the Wynad taluk of the Malabar district was organised and started in 1939, for the benefit of orange growers of that taluk, by eliminating middlemen and bringing producers and consumers in closer touch.

WORKING OF SOCIETIES

During the first two years the society was not able to market the fruits; all that it did was to stock and sell copper sulphate for spraying the trees. An attempt at grading the fruits was made, but had to be given up owing to the disloyalty of the members. However in 1941-42, through the efforts of the department, the society was able to market oranges on a large scale, in the Bangalore Market through the branch there of the Kodur Fruit Growers' Co-operative Society. Some consignments were also sold through the Mangalore Fruit Growers' Marketing Society and through agents at Coimbatore, Ottapalam and Calicut. The society sold oranges for Rs. 24,851-4-0 and copper sulphate for Rs. 350 and earned a net profit of Rs. 738-14-0 in 1941-42. Though the bulk of the quantity pooled belonged to the directors of the Society, this venture on the part of the Society has helped to demonstrate the advantages of co-operative marketing to the small garden owners.

The Society has 16 members on rolls, with a paid up share capital of Rs. 710. Other relevant figures are given below:—

Year.	Number of members.	Paid up share capital.	Sale proceeds.	Commission earned.	Net profit.
1939-40 ...	16	Rs. 710	Rs. A. P. 26 7 0	Rs. A. P. 144 14 0	Rs. A. P. 134 2 0
1940-41 ...	16	710	350 0 0 Copper Sulphate.	...	25 2 0
1941-42 ...	16	710	350 0 0 Copper Sulphate. 24,851 4 0 Oranges.	1,299 2 0	738 14 0

The South Kanara Fruit Growers' C. S., Mangalore.

This society was started in 1939 with a few shareholders on its rolls since then it has been steadily improving and its membership has also increased. Most of its members are fruit growers. Its jurisdiction extends to the whole of the district of South Kanara. It has helped to give an impetus to the people of the district to grow more fruits. Consequently a number of orchards with fine fruit trees are springing up in parts of the districts. It has also helped to make the district fruit minded. The society chiefly deals in fruits such as Kew and Mauritius pineapples, graft mangoes, saphodillas (saphotas) papayas, and in vegetables, both Indian and English. Honey collected by its members and also imported from Coorg are available for sale. Fruits supplied by the members and also imported from Coorg are available for sale. Fruits supplied by the members are available for sale in the summer season i.e. up to the end of June or July. Vegetables and pineapples are available in the winter season also commencing from November and lasting till January or February. Saphodillas are available for sale throughout the year.

When local fruits are not available for sale, the society imports fruits such as Kulu Apples (from Punjab) Sathukudis (Batavian Oranges) English vegetables, etc., on a fairly large scale to meet the demands of the public.

THE MADRAS JOURNAL OF CO-OPERATION

In addition to sale of fruits, the society deals in graft plants of different varieties of mangoes, saphodillas, rose grafts and other kinds of plants. It is also encouraging the growing of sathukudis in the district and with that object in view it has imported Sathukudi grafts and has sold them to its members and others.

Seeds of different kinds of vegetables such as tomatoes, radish, carrot and other local varieties, are also available for sale.

Orders for fruits available in the society are promptly being attended to. Due attention is paid to packing, etc. The rates quoted are reasonable varying with the demand and supply for these fruits which are seasonal. The following are some business particulars of the society for the last 2 years and more.

Year.	Members.	Share capital.	Sales as owner.	As Con-signor.	Commission earned.
		Rs.	Rs.	Rs.	Rs.
1940-41	58	365	219	78	95
1941-42	64	445	425	3,343	337
for 7 months	7	480	333	2,159	202

The Board of Directors consists of 7 members who are active fruit growers. The society is gradually overcoming the initial difficulties.

The North Malabar Fruit Growers' Co-operative Marketing Society, Ltd.

The North Malabar Fruit Growers' Co-operative Marketing Society, Ltd., in the taluk of Kottayam in the Malabar District, was started in 1937 with the main object of arranging for the sale of fruits grown by garden owners in the taluk, to their best advantage. The activities of the society are in actual working confined to marketing of pineapples and suckers. The season for pineapples is from May to July and the variety generally grown is the Kew. The average weight of a fruit of the season will be about 6 lbs., the minimum weight of fruits sent outside being 4 lbs., and the maximum 10 to 12 lbs. The chief markets are Bangalore, Hyderabad, Bombay and Calcutta. The Board of Directors arranges for the pooling and the sale of the pineapples grown by members. In 1937-38 they consigned 7,664 lbs., of pineapples to the Bangalore market and realised Rs. 673-9-3. The society earned a commission of Rs. 17-9-2 on the sale. In 1938-39, 9,800 suckers valued at Rs. 357-0-1 were collected from members and sold to the Agricultural Inspector at Mandya, Hospet, Guntur and Kavali and to the Superintendent. Irvin Canal Farm, on indent system at 5 per cent. commission. Of late, owing to the difficulties of transport the society has not done much in the way of marketing. It sold pineapples for Rs. 181-8-0 in 1941-42, and earned a net profit of Rs. 35.

The working of the society during the last three years is indicated below:—

Year.	No. of members.	Paid-up share capital.	Sale proceeds.	Net profit.
		Rs.	Rs. A.	Rs. A.
1939-40	34	135	1,848 2	21 2
1940-41	34	135	1,157 10	17 4
1941-42	34	135	181 8	35 0

Recent Utterances.

Address of the Hon. Mr. V. Ramadas Pantulu on the occasion of the Joint Session of the Standing Committees of the All India Co-operative Institutes' Association and the Indian Provincial Banks' Association.

I have no new co-operative problems to present to you or any new solutions to our old maladies to offer. But every old problem is assuming a new garb and every old principle is calling for a new application in the present conditions of the world. The present conflagration had shaken the very foundations of political organisations, social order and economic structure in almost every country in the world. Every nation is looking forward to the emergence of a new world order built from the bottom upwards on more stable and sound political, social and economic foundations. The present "price and profit system" is universally condemned. It was described by an eminent economist of the New York University in a recent address as an "outmoded creaking economic instrument." The recent utterances of international co-operators and the proceedings of international co-operative gatherings reveal the lively interest which co-operators all over the world are taking in evolving plans to make co-operation play its proper roll in our task for the future. In all countries there is marked dissatisfaction with the present mode of production and distribution and the desire to overhaul the system thoroughly is universal. The objects aimed at are a fair deal to all agencies employed in production and distribution and an effective control to the consumers over the means of production and distribution. One notable feature of utterances at the international gatherings is the growing realisation that co-operative action must be on the national as well as the international plans and that wherever there are national planning committees the national co-operative organisations should form planning committees of their own to collaborate with the work of the national committees. This is as it should be for two reasons. The essence of co-operation is that while it postulates the liberty of each unit it enjoins all the units to work for the good of each unit and each unit to work for the good of all the units. In the next place the international character of the movement does not call upon any country which is a member of the co-operative commonwealth to overlook issues which are peculiarly national or policies imperatively dictated by its own internal economy. No single problem that awaits solution can be satisfactorily solved either purely on an international or purely on a national basis but most problems can be solved by a harmonious blending of national and international policies and programmes. Even in regard to the difficulties created in the internal economy by the war they are brought about by varied causes. The *Country Woman* (London) in a recent issue puts the matter thus: The shortage of food, taking the most simple instance, is due to "complete cessation of imports in countries that had always to get from abroad a large proportion of their foodstuffs like Belgium and Greece: diminished productivity due to lack of imported fodders and fertilisers, as in

THE MADRAS JOURNAL OF CO-OPERATION

Denmark and Holland; actual war conditions and disruption of transport as in Yugoslavia: excessive requisitioning as in Poland, where even peasants are starving because they have to give up all their produce. In most countries two or more of these causes are operating at the same time." So in any planning for the future each of these countries must guard against recurrence of similar conditions.

It is a matter of common knowledge that India's financial position and the economic condition of her masses hardly bear comparison with those of many other countries which are involved in the war; figures in support of this have been adduced often in the past and it is not necessary to repeat them. Let us see now the war has affected Britain and India! In Great Britain the number of tax payers in the lower category of £500 which stood at about 3,000,000 before the war has now risen to 9,500,000 and their income also has risen from £23 million to £270 million. Again workers' earnings in Britain are reported to have risen by about 70 per cent. while the cost of living has only risen by 20 per cent. In regard to America it has been said that from August 1939 to August 1942 while the price received by the farmer had risen by 85 per cent. that paid by the farmer had risen by only 23 per cent. There are no similar estimates for India. But most people believe that the cost of living in regard to the bare creature comforts of man such as food and clothing alone must have risen in this country by about 400 per cent. over the pre-war figure. Have the wages and salaries risen any where near 400 per cent. So in what sense can we say that the problems of post-war economic reconstruction of India are similar to those of countries like Britain and America? As one Indian economist puts it "there is no doubt whatsoever that taking the real sacrifices of the people, that is, sacrifices in terms of welfare, into consideration, India's burden is the heaviest when compared with a number of foreign countries including the mighty United States of America, Great Britain and her Dominions."

In some respects India is no doubt favourably situated particularly in regard to her natural resources and capacity to make herself self-contained at least in respect of food and clothing. Nevertheless, we now find that India is unable to adequately feed her people. The existence of a problem like shortage of food in a predominantly agricultural country like India, with her seven lakhs of villages where eighty per cent. of her population, whose wants are few, whose diet is sparse and whose standard of living is perhaps the lowest, live mainly occupied in working on the land, is an anomaly for which no parallel can be found in the civilised world. This regrettable position is not merely the outcome of the situation created by the war. In spite of her resources and potentialities India has been a backward country in the matter of agricultural production. The phenomenal poverty of the population result in low agricultural production which in its turn leads to increased poverty. Thus things have been moving in a vicious circle for generations. The evil has been aggravated by oppressive and irrational

RECENT UTTERANCES

systems of land revenue and land tenures. Prospects of removal of these handicaps to Indian agriculture are not yet in sight. It is, therefore, no wonder that Indian agriculture is in the main a deficit economy and as a mode of living is at best precarious. So the insistence of the co-operative movement in India to lay special emphasis on the need for her self sufficiency effort, at least to grow all the food she wants and to make all the cloth she needs, is legitimate and is certainly not anti-co-operative or anti-international. Similarly in regard to development of India's industries, trade and commerce the theory of *laissez-faire* or the free trade principles of the orthodox economists will not suit her. If there should be "managed free trade and managed currency and exchange" in the new world order, they should be "managed," so far as India is concerned, by her in her own interest and not by others who profess or assert to have a right to "manage" her affairs for her. She must chalk out her own lines of national planning and in that process we must endeavour to put the principles and methods of co-operation to the utmost possible use.

But what are India's chances of being able to chalk out her own plans of post-war reconstruction? India is really a part of the British colonial empire to which political and economic freedom is still an object of future goal. It is only when India labours in her own interests and is able to use her own resources that she can succeed in raising the standard of living of her people. But in the imperialistic system under which she is governed this ideal is not attainable. We can accomplish nothing without first achieving political and economic freedom. This point has been very forcibly brought out by Dr. J. P. Warbasse in a notable contribution which he recently made to the pages of the *Review of International Co-operation* on "Co-operative World Organisation after the War." He says; "Among the exploited colonial peoples, the co-operative method changes the nature and the result of their efforts. Instead of exploitation in the interest of others, they labour in their own interest to produce for themselves and to use the resources of the lands upon which they work for the elevation of their own standard of living and culture." It is precisely what India wants to do. She wants her people to labour in their own lands upon which they work for the elevation of their own standard of living and culture. She can only do so if she becomes self-governing. British co-operators have often assured us, and in fact have asked me to convey to you through the Indian National Co-operative Movement, their readiness to stand by us in our endeavour to shape our own economic destinies. It is up to us to tell our British comrades that the first plank in the programme of post-war economic reconstruction of India is securing for her true political and economic freedom. All else is dependent on that. We in our turn assure them that we realise that victory for the democracies is necessary for the continued existence of the free co-operative institutions throughout the world and that we in India are therefore with them in their endeavour to win the war and the peace.

No item of the programmes of post-war reconstruction has attracted so much attention, particularly in the western countries, as the comprehensive plan of compulsory social insurance. The first concern of every man, woman and child is to have some real security after the war and a minimum standard of life and not to face the dreadful uncertainties—the blizzards and hazards of life and work any more. Freedom from want is a freedom that men and women will vote for, work for and fight for and the *Co-operative Review* of Manchester predicts that, if there were a general election now on the issue of the Beveridge Report alone, candidates who are opposed to the report will forfeit their deposit. It does not mean that there are no vested interests even in England strongly opposed to the scheme of compulsory social insurance and allied services. But in the opinion of British co-operators who are competent to speak on the subject it appears that "the war has already swept away the conservatism of life and that many overdue changes are now easy of attainment. "The British people are eager to embrace a new and wider measure of co-operation of all for all."

Alluring as all this is, what about India? Is there a plan of post-war social security for India? So far as we know, there is not. Indeed one prominent Indian publicist says that it is unthinkable for India. While this may be accepted in a broad sense taking India as a whole and so long as no National Government is established in this country, we need not accept this as the last word on the subject. Mr. Thomas, Superintendent of Insurance, Government of India, I think, is more near the mark when he says in a recent contribution to the *Indian Journal of Social Work* that the achievement of a widespread system of Social insurance of India is bound to come in due course, but will be gradual in coming beginning with the more urgent services like sickness insurance. There may be room for difference of opinion on details, such as, which service should be treated as more urgent. But the main difference between India and countries to which the Beveridge plan is meant to be applied is this. The idea of social insurance, though not on a universal and compulsory basis, has been in operation in several important spheres of social life in those countries for decades. But in India we have to practically write on a clean slate. To me it appears that any attempt to evolve and work a scheme for relief of unemployment should succeed and not precede planning for removing unemployment or providing employment for every able-bodied person who is willing to work. Similarly insurance for relief of sickness must follow a well-conceived scheme of national health insurance and not precede it. In England the National Health Insurance Schemes were first tackled on to the activities of the Friendly Societies, which have done yeoman pioneer work in the field. But no social welfare movement in India has yet shown any active and practical interest in similar schemes. As in the case of the human organism, so in the case of social organism relief by way of therapeutic treatment can prove effective and of permanent value only when continued healthy existence of the organism is

ensured in an environment which is made congenial to such existence by constant attention paid to prophylactic and hygienic measures.

I am tempted to say a few words about the effects of inflation on our co-operative credit movement. If I attempt to deal with it I must do so without adequate data. I have tried to get contributions to the *Indian Co-operative Review* from several provinces and states in order to get some light on the extent to which the increase of purchasing power has enabled members of our societies to discharge their old debts and how it affected their fresh borrowings. In other words whether the repayments to the societies and central banks have been larger than in the pre-inflation period and whether the economic position of our members has improved. The answer to such questions in its turn depends upon how far the rise in the prices of agricultural produce has benefitted our cultivating members and to what extent such rise is offset by the rise in the cost of living due to increase in the cost of commodities and services all round. But I have not been able to get any information on the subject. It is perhaps not a matter for surprise. Collation, classification and publication of statistical information relating to co-operative credit institutions is now solely vested in the departments of co-operation. There is no other source from which we can get statistical information on a district and provincial basis. There is really no reason why our provincial organisations like the provincial banks and the provincial institutes should not be invested with the duties of collection and publication of such information. India is perhaps the only country where even central and apex co-operative organisations have to depend upon the state departments of co-operation for statistical information. The Government of India have given a useful lead to the provincial Governments by transferring the duty of compiling and publishing statistical information relating to co-operative organisations on a provincial basis to the Reserve Bank of India. It is time we urge upon the provincial and state Governments to follow the lead of the Central Government and afford the necessary facilities to our provincial organisations to collect and publish such information which is very necessary to have a real grasp of the trends of the movement and to evolve suitable schemes for its reform.

One of the effects of inflation cannot, however, escape our notice. It is the growing idle surpluses in some of our central and apex co-operative banks. The accumulation of these surpluses is mainly the result of the discrepancy between the increase of the purchasing power (expansion of currency) resulting from the methods of war finance adopted in this country and the dwindling volume of consumers' goods and services so much in demand by the civilian population. If India's productive effort grew simultaneously with the increase of her purchasing power this discrepancy would not have arisen. The increased volume of money which cannot be utilised for purchasing the necessary consumers' goods and services will naturally find its

way into credit and savings institutions in the first instance. But if no shackles are placed on our national productive effort these savings would find an outlet into industries, trade and commerce. But the past and present industrial policies pursued in this country militate against such a development. Moreover, even to the extent there is scope for such outflow the co-operative credit institutions are at greater disadvantage than commercial and other credit agencies as the scope for investment of the funds of the co-operative banks is severely restricted by the statute. It is for us to find out whether and if so in what directions the mounting surpluses in our credit institutions could be utilised for the economic benefit of our members and if necessary of non-members as well under a well-conceived and carefully worked plan of productive co-operative credit.

I understand that in some parts of India schemes are being evolved to invest part of these surpluses in the purchase and stocking of foodstuffs and other domestic necessities through co-operative stores and sale societies. It is said that in Madras, central banks either from their own resources or out of their borrowings from the Provincial Bank will advance moneys to the central or wholesale stores, which are recently formed to co-ordinate the activities of the primary stores, whose number has grown enormously of late and the central or wholesale stores are presumably expected to buy goods in bulk and distribute them among the primary stores for retail trade. It is proposed to try the scheme in thirty-four towns to begin with and provide accommodation to the extent of thirty-four and a half lakhs of rupees.* Besides guaranteeing repayment of these loans, the Government of Madras have also provided for free services of a number of departmental inspectors to ensure that the stores are efficiently run and properly managed and to keep down the cost to the ultimate consumer. The Government are certainly entitled to our grateful thanks for these financial and allied reliefs. This mode of investment by way of loans to stores to purchase consumer goods is, however, now looked upon as a purely temporary and war-time measure and does not afford a satisfactory solution even partially for the absorption of our surpluses. While it is welcome as a war measure, in my opinion, this is not a healthy line of development either in regard to the utilisation of our surpluses or the consolidation and expansion of consumers' movement. In any case we must make every endeavour to see that these new stores do not die with the termination of the war but will continue to function as permanent limbs of our peace-time organisation.

I feel that at this juncture when strenuous propaganda is being carried on to grow more food there is great scope for utilising the machinery of co-operative credit to finance the cultivator for the growing, processing and

*The T. U. C. S., the famous Triplicane Store, has been helped with direct financial assistance by the Government of Madras. A loan to an extent of three lakhs of rupees has been granted, rupees one lakh free of interest and the other two lakhs at favourable rate of interest.

marketing of his products. In the process of resuscitating agricultural industry by a better regulated system of agricultural credit many of our one hundred thousand rural societies can be so re-organised, if necessary with wider functions than merely providing credit, as to help the agriculturist to grow more food and cash crops, to encourage co-operative farming, to promote the collective acquisition and co-operative use of the more expensive types of farm machinery and equipment and the establishment of a closer relation between the farm and the factory. Developed on proper lines co-operative banking is bound to play a very important role in the scheme of our national planning, particularly in the sphere of rural finance and marketing. All the so called surpluses in our credit institutions are insignificant compared with the financial needs of the agriculturists if there are sound schemes at work to cater to them.

There are many other subjects of great topical interest which are included in the long and exhaustive agenda before you. It is not possible for me to deal with them all. If, however, I may single out one important topic it is the question of the standard cloth for the poor. In the past we laid considerable stress on the duty of the Government to provide the poor with clothing at prices suited to their means. The standard cloth scheme is no doubt taking shape. But the hardship suffered by the handloom weavers and the consumers of cloth are so great that they require more prompt and effective attention. Here again, I have not been able to get information for publication in the pages of the *Indian Co-operative Review* about the schemes in operation in regard to relief to handloom weavers and bringing down the price level of the cloth worn by the poorer classes. From a report in the press which appeared this week it appears that the Madras Government contemplate to have the standard cloth manufactured in the villages, as a cottage industry and that the distribution of yarn, collection of finished cloth and distribution for consumption are all to be undertaken through the medium of the co-operative societies. The Madras Government have also helped the Madras Handloom Weavers' Provincial Co-operative Society to get an overdraft accommodation to the limit of ten lakhs of rupees from the Madras Provincial Co-operative Bank to ensure supply of yarn to its member societies. I have no doubt that we who are gathered here would like to know what is being done in other provinces and States in this matter.

Before I conclude, I desire to convey to you a personal desire of mine. I am anxious that the tradition of co-operative activities, which are associated for the last two decades with this hall in which we have met to-day, should not terminate with my life. The *Indian Co-operative Review* had its birth here a little over eight years ago. Nothing can give me greater satisfaction than the thought that this work continues to be carried on in this hall, which I now dedicate to the Indian Co-operative Movement, with a request to you as representatives of the Movement to accept this small gift as a humble token of my love for the Movement. Such library as I have, which is not on view here to-day, goes with it. As soon as convenient I shall execute a trust deed to clothe the gift with legal validity. I do so in the hope that this hall will be a true temple of co-operation into the portals of which class antagonism, sectarianism, communalism, party spirit and factional strife shall have no entry. Let us convert every one of our co-operative institutions into a temple of Akbar's dream and instal co-operation in it.

"A temple, neither Pagod, Mosque nor Church,
But loftier, simpler, always open door'd
To every breath from heaven, and Truth and Peace
And Love and Justice came and dwelt therein".

It is premature to indicate the precise nature of the work that is to be carried on here or the agency which is to do it. But the main idea is to create facilities for study and research in co-operation and rural economics and to give opportunities to young men and women to train themselves for the spread of the gospel of co-operation—for carrying its life-giving message to the doors of those who are waiting to receive it. We have abundance of literature; we have also competent teachers to co-operate with us in our task; and too we have facilities for publicity. But all these are of no avail unless we have the right type of men to shoulder the responsibilities of the movement and to popularise its ideals, aims principles and methods. We want not only such men, but a very different environment for them to work in. There is no reason for pessimism or despondency. If we have faith in the religion of co-operation and in ourselves and continue to discharge our duties with that exalted sense of duty that the task demands and in a true missionary spirit, a new generation of men and women shall soon arise "with flame of freedom in their souls and light of knowledge in their eyes" to succeed to the glorious heritage of a new, united and free India.

Studies in Agricultural Economics—Study No. 1

THE FARMER HIS WELFARE & WEALTH

BY

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

WITH A FOREWORD BY

DEWAN BHADUR SIR T. VIJAYARAGHAYACHARYA, K.B.E.

Prime Minister, Udaipur State and

*Ex-Vice-Chairman, Imperial Council of Agricultural Research,
New Delhi.*

Price Rs. 10 nett

Personally I can honestly call this book a fascinating study. It is so true a picture of the country-side. I congratulate the author on the result.

T. Vijayaraghavacharya.

Published by:

THE CO-OPERATORS' BOOK DEPOT

9, Bakehouse Lane, Fort, Bombay.

*Presidential Address of Sri Dewan Bahadur C. S. Ratnasabhapathi
Mudaliar on the occasion of the Tamil Nadu Co-operative Land
Mortgage Banks Conference.*

It is very kind of the authorities of the Co-operative Central Bank, Kumbakonam, to convene this Conference of the Tamil Nadu Primary Land Mortgage Banks, under the auspices of the Tamil Nadu Co-operative Federation. The two main functions of a linguistic Federation are to conduct the Journal of Co-operation in the mother tongue and to convene the regional conference from time to time. Accordingly, the Tamil Journal, "Kooturavu" of the Tamil Nadu Co-operative Federation is, for the last ten years, spreading the message of Co-operation among the villagers; and this periodical conference is intended to focus public opinion on the day to day problems of Co-operators of the Tamil Districts. I thank the authorities of the Conference for the honour they have done me in asking me to preside over this session of the Conference.

When the invitation came to me from the Chairman of the Reception Committee, I accepted it with alacrity, because of the opportunity of meeting the Co-operators of the Tanjore district and the other parts of the Tamil Nadu.

The Tanjore District is far-famed as the nursery of Statesmen and able Administrators. This tradition of public life has been well maintained by the successive leaders of the Co-operative movement in the Tanjore District. I am glad to find my esteemed friends Sri. Rao Sahib G. S. Srinivasa Mudaliar and Sri. Rao Bahadur N. R. Samiappa Mudaliar are among the silent but active leaders of the co-operative movement. Politicians are always in the limelight and when they settle down to constructive work through the co-operative movement, the cry is raised that "Stagnation" has set in and that public life is dull. But the truth of the matter is that young men are actually thirsting to do silent work among the villagers. They only need training and adequate payment on a missionary scale. It is noteworthy the co-operative movement has attracted large number of public-spirited men in our country.

The co-operative movement has been well described as promoting Brotherhood in economic life. It shows the middlepath and saves the people from the extreme evils of Capitalism on the one hand and of Communism on the other hand. The time is now opportune to make a synthetic approach to every aspect of the co-operative movement. A world-view of the Co-operative movement reveals the fact that the agriculturists form the bulk of membership of the co-operatives. The reason for this is not far to seek. Almost all over the world, agriculture is the basic industry and it is no wonder that the producers are conspicuous as members of co-operative societies whether in the East or West. This tendency is quite noticeable in a predominantly agricultural country

like India. Students of Economics often remind us of the evils of sub-division and fragmentation of holdings. But curiously enough, the fragmentation mentality is not confined to the tillers of the soil. The habit of studying problems and dealing with them in a piecemeal fashion is hard to disappear, though the Linlithgow Report on Agriculture in India stressed the importance of co-ordinating the activities of the Nation-building departments. Separate treatment of a subject is necessary for the sake of convenience, but in reality, life is one and indivisible. It acts and reacts in spite of compartmental method of study and action. The trend of events today proves this.

The War situation has accentuated the food problem whose solution depends on co-ordinated effort between District and District, Province and Province and Provinces and the States. A synthetic approach is rendered necessary by the recent formation of the Food Council at New Delhi. One other instance is the Agricultural Credit Department of the Reserve Bank of India which is issuing the Review of the Co-operative Movement in India. Its publication enable us to visualise the progress of the Co-operative movement all over India. The Co-operative movement has been passing through a crucial phase and a periodical stock-taking of its general position, of the problems it is facing and the attempts that are being made to solve them, of its specific achievements and failures, and of the progress, recorded in the different spheres of activity should be of assistance to official and non-official workers alike. Such a collective view of the significant new tendencies and developments in different parts of the country should provide material for comparing and co-ordinating efforts, suggest new ideas and enable one province or state to benefit from the experience of another.

The short history of the Co-operative Land Mortgage Banks in our province is full of lessons to us as well as to the rural workers of the States and the other provinces. The Punjab first led the way in giving long-term credit through the Land Mortgage Banks. The first society was started there as early as the year 1920 and a few more banks came into existence in the years before the beginning of the depression. The defaults of Directors and honorary workers largely contributed to their failure in the Punjab.

In our Province Land Mortgage Banks were started as an experimental measure in 1925 in a few select districts. Some of those worked with limited success while some did practically no business. The need for a Central organisation to form a link between the investing public and the agriculturists was felt, as that appeared to be the only way by which the required long term funds could be raised and passed on to the agriculturists at a favourable rate of interest. The Central Land Mortgage Bank was formed in the year 1929. There are now 119 banks affiliated to the Central bank, 62 in Tamil Nad, 51 in Andhra Desa and 6 in the West Coast. The bank has so far lent a sum of Rs. 3,64,43,965 out of which a sum of

Rs. 1,11,09,135 has been repaid leaving a balance of Rs. 2,53,34,830 (Rs. 1,21,60,742 from 51 banks in Andhra Desa, Rs. 1,27,80,899 from 62 banks in Tamil Nad and Rs. 3,93,189 from 6 banks in the West Coast).

The Central Land Mortgage Bank passed rules for issue of loans for land improvement in the year 1941 and circularised the primary land mortgage banks to popularise these loans. Only 3 to 4 applications for land improvement have so far been received. The Directors of the primary land mortgage banks should take up this work in right earnest. The prices of agricultural commodities have risen and it is admitted on all hands that the food grains produced in the province are not adequate to meet the requirements of the entire population. The Government have been urging on the agriculturists the need to grow more food. The ryots should take advantage of the existing favourable conditions and improve the yield of the land. Large tracts of land in the province are lying fallow. It is said that one-eighth of the arable land in the province is lying fallow. Such land should be brought under cultivation to fill in the gap between production and demand. The Central Land Mortgage Bank will do its best in assisting the Government in their "grow more food" campaign by issuing land improvement loans. The Committee on Co-operation recommended that grant of loans by Government under the Agriculture Improvement Loans Act for land improvement in areas served by land mortgage banks should be discouraged. I trust that the Government would use the machinery of land mortgage banks for issue of land improvement loans for which purpose co-ordination of the activities of land mortgage banks with the Revenue Department, is called for. I hope the authorities would consider how best this could be brought about.

The Committee has also recommended that land mortgage banks should grant loans for the purchase of lands in special cases. The Central Bank is at present sanctioning loans for the purchase of lands where such purchase is for the purpose of rounding off of holdings. The bank is also agreeable to issue loans for purchase of lands to enable an agriculturist to make his holding an economic unit. Applications for loans for purchase of lands have not come and when they come, they will be considered on their merits as recommended by the Committee on Co-operation.

Representatives of primary land mortgage banks have often ventilated the grievance that the rate of interest charged to the individual borrower is higher than the rate at which money could be had in these days. I understand that in some cases loan applications were being withdrawn as the applicants were able to procure money at cheaper rates of interest, than the lending rate of the primary banks. Under the orders of the Government, the Central Land Mortgage Bank is keeping a margin of 3 per cent. between the borrowing rate on debentures and the lending rate to the ultimate borrower out of which it allows 1 per cent. to the primary banks keeping for

itself 2 per cent. I have recently addressed the Registrar of Co-operative Societies, requesting him to consider whether the time has not come for reducing the margin from 3 per cent. to 2 per cent. I trust that this representation will meet with sympathetic consideration at the hands of the Government.

Loans have been advanced by the land mortgage banks repayable in 20 annual instalments with the idea that the agriculturist will repay the loan from the income from his lands and retain the land, in tact for the family. With the rise in value of produce and land some of the borrowers are selling a portion of the land and clearing off their debts to the land mortgage banks. I agree that the ryot should take advantage of the favourable prices now prevailing and clear his debts provided such an action is to his ultimate good. The difficult times as passed through during the last depression have not been forgotten by the agriculturist. With this nightmare haunting his mind he is thinking that he should take immediate advantage of the prevailing high prices, sell a portion of the land and clear his debt. By thus precipitating matters he is frustrating his original plan of repaying the debt from his income and retaining the entire land in tact for the family. This is a point which stands examination by the representatives of land mortgage banks. The agriculturists ought to take a long view of the matter. Apart from this, their purchase by non-agriculturists and absentee land-lords would add to the problems of post war reconstruction. Institutional credit is always good to the ryot and it is better he utilises the present high prices to improve his holding and if possible acquire new property without incurring fresh debts. Viewed in this perspective, it appears desirable that the present tendency for clearing the land mortgage bank's loans by sale of land, should cease.

During the year 1941-42, a sum of Rs. 40,32,100 was disbursed to primary banks by the Central Land Mortgage Bank and a sum of Rs. 22,97,075 was collected during the same period. The corresponding figures for the nine months of the current co-operative year are Rs. 17,44,360 (disbursement) and Rs. 22,93,509 (collection). Consequent on this heavy collection, the loan amount outstanding from primary banks to the Central Land Mortgage Bank has fallen from Rs. 2,58,83,979 on 1st July 1942 to Rs. 2,53,34,830 on 26th March 1943. It is for you as representatives of primary land mortgage banks to devise ways and means of maintaining and improving the existing level of business.

The Central Land Mortgage Bank is now meeting the entire cost of the three Deputy Registrars and their staff, their travelling, contingent and other expenses which comes to nearly Rs. 28,000 per annum. The Deputy Registrars for land mortgage banks are inspecting officers and are doing duties similar to those carried on by the District Deputy Registrars in respect of ordinary co-operative societies. I do not see why the land mortgage banks alone have been asked to bear the cost of services which are rendered free to other societies. In regard to the cost of Co-operative Sub-Registrars, the Central Bank has been asked to pay a moiety of the same. In the year 1941-42, it amounted to about Rs. 44,000. These officers are assisting the agriculturists in obtaining loans to carry on their industry. The agricultural population forms the numerical majority of the people and so it contributes in a large measure to the finances and revenues of the province. Every institution which hopes to strengthen the financial and economic position of the agricultural population is, therefore, strengthening the resources of the whole

province. For these reasons, the Government should support the land mortgage banks in their work and not demand the cost of Co-operative Sub-Registrars as they are now doing. I trust the Government would reconsider their decisions on these matters and remit in its entirety the cost now being recovered from the Central Land Mortgage Bank.

Before I close I wish to bring it prominently to your notice that if Land Mortgage Banks are to prosper as business institutions, much of the delay in sanctioning loans will have to be avoided. Instances of delay at several stages in the disposal of loan applications have come to my notice and I felt that it would be possible for us to make land mortgage banks more attractive to the borrowers if the banks, as well as the Departmental officers worked with greater promptitude. For this purpose I consider that the control of the Government staff should be vested in the Central Land Mortgage Bank. Unless this is done, I am afraid, matters may not improve and delays tangibly removed.

I thank you once again, gentlemen, for your kind invitation to preside over this Conference.



*Be a Strong
and Healthy
Mother*

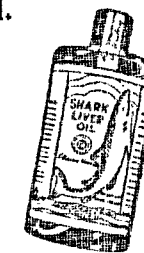
Guaranteed to contain
Vitamin D and more than
twice Vitamin A than
ordinary Cod Liver Oil.

**SHARK
LIVER OIL**



GOVERNMENT OIL FACTORY,

CALICUT.



Agents:—Messrs. Parry & Co., Ltd., Madras.

(For the Madras Presidency and the adjacent Indian States of Mysore, Hyderabad, Travancore, Cochin, Pudukottah and Sandur.)

Report of the Committee on Co-operation.

A list of the orders of Government on the remaining recommendations of the Committee on Co-operation is given below.

Government Orders

NUMBER

Report of the Committee on Co-operation

1. Effective legislation should be enacted (by amending section 14 of the Madras Debt Conciliation Act) for compulsory conciliation of debts, and facilities must be provided for scaling down debts on some principles definitely laid down by legislation.

2. Whenever an application is made by a debtor or a creditor, all the creditors of the debtor should, on receipt of a notice, disclose the debts due to them within a prescribed time and all the claims not so presented should be deemed to have been extinguished.

3. Suitable provision may be made to place scaled-down debts on a new footing with instalments for repayments.

4. Debt conciliation proceedings should not be confined to cases where creditors can be satisfied from loans from land mortgage banks.

5. A simple rural insolvency law on the lines recommended by the Royal Commission on Agriculture, the Indian Central Banking Enquiry Committee and other Committees should be enacted and insolvency tribunals should function in villages and promptly administer the law on the spot. If a separate enactment is not considered necessary, suitable provision relating to rural insolvency may be incorporated in the Debt Conciliation Act.

6. Protection must be given to the debtor not only to ensure to him a fair treatment in the determination and recovery of debts but also to prohibit his eviction without full compensation for improvements made by him if he is a tenant and to exempt his homestead and a minimum agricultural holding from attachment.

7. Legislation restricting alienation of agricultural land (apart from the land assigned to scheduled classes) is not favoured.

8. Existing mortgages of agricultural land in which the mortgagee has enjoyed the fruits of the land for not less than 25 years should be deemed to be extinguished.

9. No usufructuary mortgage of agricultural land should be permitted unless provision is made for automatic redemption within a fixed period of years, of which 20 should be the maximum.

10. Legislation should be undertaken for compulsory licensing of moneylenders. It should provide for proper maintenance of accounts by them, periodical inspection and audit of their accounts, fixation of a maximum rate of interest, imposition of an obligation on moneylenders to furnish periodical statements of accounts to debtors, prohibition of compound interest and the signing of the contract by borrowers, the contract being in the language of the district to which the borrowers belong.

11. The rate of interest prescribed under the Madras Debtors' Protection Act for other debts are high and require to be lowered.

12. Statutory restriction of credit by way of fixation of total future liability of agriculturists with a view to sterilization of credit is not supported.

These recommendations involve amendments to the Agriculturists Relief Act, Madras Debt Conciliation Act and the Madras Debtors' Protection Act and also fresh legislation for the regulation of money lending and the licensing of money lenders. The proposals for legislation in these cases have been deferred for the duration of the war.

36. The operations of land mortgage banks should be co-ordinated with schemes for debt conciliation.

37. Conciliation boards should give notice to the principal long-term agency concerned before they go on with their further proceedings.

38. Either the president or some other office-bearer of the land mortgage bank should be appointed a member of the conciliation board when it operates in a particular area.

44. There should be some machinery to compel creditors and others who may have a claim on the properties sought to be mortgaged to appear before the primary bank and to receive payment.

45. The assignment of mortgage bonds by primary banks to the Central Land Mortgage Bank may be dispensed with by suitable legislation.

57. Section 9 of the Madras Land Mortgage Bank Act should be amended so as to provide that the claim of the mortgage bank to the crop should be postponed to the extent of priority of the primary credit society; in other words, it should constitute a second charge.

58. Section 32 of the Madras Land Mortgage Banks Act should be amended so as to make it clear that debts incurred for improvements of lands for the creation of economic holdings should also be made binding on the minors of a joint Hindu family.

95. Primary societies should be given the first charge on the produce of members' holdings raised with the help of loans advanced or other requirements supplied for seasonal

No action is considered necessary on these recommendations.

The recommendation is still under the consideration of Government.

productive operations subject to the overriding claims of the State in respect of land revenue, up to the extent of the loan advanced.

170. Provision should be made in the rules for the constitution in big employees' societies of smaller bodies of representatives or delegates in the place of the present general body of members, in order to ensure a fuller consideration of the subjects and of proper representation of all sections of opinion.

314. Power should be given to the Co-operative department to give purchasers the delivery of possession of properties sold in execution of decrees or awards.

325. To prevent alienation of properties by members, no member of a society ordered to be liquidated should be free to alienate his property to the prejudice of the claim of the society during the pendency of the appeal to the Government and within fifteen days thereafter.

326. Properties of members should be made liable for immediate attachment by a specific application by the liquidator in that behalf.

332. Following the practice in some British Indian Provinces, the Madras Co-operative Societies Act should be suitably amended to provide for the winding up of the affairs of a society before its registration is cancelled.

339. Certain amendments to the Madras Co-operative Societies Act are suggested.

123. Propaganda and education among scheduled classes by proper men from their own community should be undertaken.

The proposals for legislation in these cases have been deferred for the duration of the war.

Government are of the opinion that the best method of achieving the object of this recommendation is to subsidise voluntary efforts such as the Gokulam

Government Orders

Method of Village Welfare Association. They have sanctioned a lump sum non-recurring grant of Rs. 500 to this Association by way of assistance to it to extend its activities with special reference to the training of workers to do service and propaganda work among the eligible communities.

The proposal for legislation in this case has been deferred for the duration of war.

The question of appointing special welfare officers for the uplift of hill tribes has been dropped for the present.

The recommendation involves amendments to Agriculturists Relief Act. The proposal for legislation in this case has been deferred for the duration of the war.

The recommendation is still under the consideration of Government.

The Registrar has already issued circulars on the subject. No further action is considered necessary.

125. Suitable measures for debt relief should be enacted for the benefit of farm labourers and landless workers.

126. Government should formulate a comprehensive policy and concert measures for the educational, social and economic improvement of the aboriginal and hill tribes based on the results of a detailed survey of their existing conditions.

127. The appointment of a special officer for an enquiry into the conditions of these classes is recommended.

129. Measures should be formulated for relief of existing indebtedness amongst the hill tribes by scaling down and conciliation.

130. Sowcars and merchants should be prevented from coercing the hill men into parting with their produce in settlement of their debts.

147. A continuous and intensive 'drive' by urban banks should be undertaken for the greater encouragement of the habit of thrift through the provision of extended facilities such as thrift certificates and hundi boxes.

223. Measures should be formulated (by legislation if necessary) for the adjustment of the spheres of the production of the powerloom and the handloom or to restrict the production of mill cloth by fixing quota or otherwise.

224. Adequate cess should be levied on the sale of mill cloth, Indian and foreign, at a rate sufficient to counteract the effect of competition.

228. The present annual subsidy is inadequate and should be increased, the Provincial and Central Governments bearing the increase in equal proportion. Part of the subsidy may be in the form of free services of officers.

291. The starting of a Co-operative College for aspirants for employment in the Co-operative Department and for higher posts in big urban and central banks, etc., is recommended. The College should be a Government College.

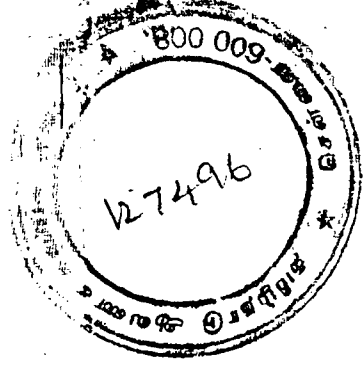
*, courses of study and syllabus should be settled by the academic authorities of the University.

*, Government should have the help of an advisory council for the constitution of the college.

The recommendations are under the consideration of the Government of India.

The matter has been deferred for the present.

The question has been deferred for the duration of the war.



செப்பனிலுதவத்தாக எடுத்திக
கொள்ளப்பட்ட

மாதம் 21, 1990

செப்பனிலு முடித்த

மாதம் 21, 1990

சுராய்ச்சி உதவியாளர்
கையொப்பம்

(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 Ebrathur Colony, Egmore " 8510.
TRIPPLICANE 111, Big Street, Triplicane " 86196.

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

Secretary: SRI 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.

(PHONE No. 8175.)

The Madras Provincial Co-operative Marketing Society, Ltd.

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;
- to act as agent of members for the disposal of their produce;
- to co-ordinate the activities of the various non-credit societies getting them into touch with the market, places of production and the prices prevailing in the presidency;
- to form a bureau of raw products available in the Presidency or elsewhere.

In the Head Office at Triplicane and

milled raw rice, boiled rice, Ghee, honey, oil, gingelly oil, turmeric powder, coffee and eggs.

Fruit Depot, at 38, Bunder Street,

and sapotas.

by purchasing your requirements.

by Sri V. Viyyanna, B.A., B.L.,

Sri R. Krishnamashari,
 ... Road, Madras.