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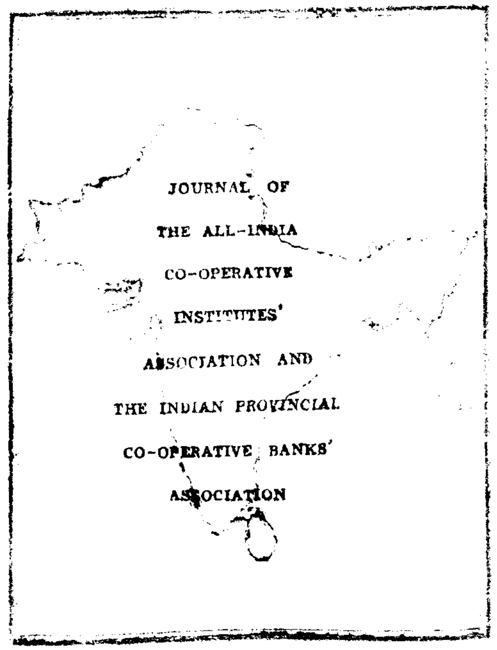
The INDIAN CO-OPERATIVE REVIEW



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EDITORIAL NOTES

KHADDER AND CO-OPERATIVES

We publish in this issue an article on Khadder in war period. After an examination of the figures relating to the production and sale of Khadder in that period the writer of the article draws the following conclusions: (1) The bulk of Khadder consumed in the country cannot be attributed to sentiment alone in favour of Khadder but largely to economic considerations also. The relative prices of mill-yarn cloth and Khadder have been the deciding factor in the purchase of Khadder by most consumers. (2) Commercial Khadi cannot, therefore, be made a success unless mill competition is suitably controlled and regulated in the interests of Khadi industry. At the same time the creation of adequate weaving facilities and a favourable sentiment in favour of Khadder are also essential conditions for the success of any scheme of self-sufficiency in the matter of Khadder in addition to the economic factors above mentioned. In the early years of the present war there was a dearth of mill-yarn which gave some impetus for the production of Khadi. Events have shown that it was purely a temporary phase. At the end of the war the competition from mills is likely to be intensified even to a larger degree. The mill-owners, who have helped the war effort, are sure to clamour for concessions, rebates and quotas, and, having secured their interests, raise the price of yarn to stifle the handloom weaver. So the supply of handspun yarn must be tackled on an independent and sounder basis and reliance should not be placed on exigencies created by war economy.

The Co-operative Movement may have something to contribute in this direction. The Movement has so far hardly touched even the fringe of the problem of production of Khadder in this country. The production of Khadder is the result of two combined productive activities—handspinning and handloom weaving. These two occupations, generally speaking, are pursued by different sections of people.

We have in almost every province and State in India a number of weavers' societies organised on a co-operative basis. But few of them use handspun yarn in weaving the cloth produced by them. So they cannot be called Khadder societies. We are not aware of the existence of societies—except perhaps a handful here and there—in which both handspinners and handloom weavers are members and Khadi is produced by their co-operative labour. For instance in the province of Madras in the year 1939 while the number of weavers' co-operative societies was 174, that of spinners' societies was 5, that of Khadder production societies was 3 and that of Khadder sale societies was two. The number of handloom weavers' societies rose to 228 on 30th June, 1943. The handlooms on work in the societies in the pre-war year (1938-39) were a little over 4,000 supplied with mill yarn worth about Rs. 45,000, and on 30-6-43 the number of such handlooms which were put on active work by weavers' societies was about 24,000 supplied with mill yarn worth over Rs. 55 lakhs.

The question how far the activities of spinners and weavers can be co-ordinated in a single co-operative society does not seem to have been so far investigated to our knowledge. It is perhaps a very difficult object to achieve having regard to the fact that both spinners and weavers are widely scattered over a large number of villages and pursue their occupations either on individualistic basis or as mere wage-earners under capitalistic middlemen who trade in handloom cloth. The Madras Committee on Co-operation, 1939-40, who discussed this problem briefly observed in their report: "We desire to commend to the Government the desirability of promoting the production of Khadder with the aid of the All-India Spinners' Association through the agency of its primary production societies". We presume that by the "primary production societies" the Committee mean handloom weavers' societies. If these are to be promoted through the medium of the All-India Spinners' Association, they will necessarily have to use only handspun yarn. There is no reference in the report to promotion of societies for handspinning, very likely, because it is not practicable to organise them. In the next paragraph the Committee recommend that the primary production societies should be affiliated to the Provincial Handloom Weavers' Co-operative Society by taking shares and becoming members. If they are so affiliated they will be at liberty to use either mill-yarn or handspun yarn. As a matter of fact the primary production societies affiliated to the Provincial Handloom Weavers' Co-operative Society in Madras almost exclusively use mill-yarn. We wish the Committee were a little more explicit in regard to their intention in making this recommendation in relation to the promotion of Khadder production through the All-India Spinners' Association and the Provincial Handloom Weavers' Co-operative Society respectively. What can be and ought to be attempted, in our opinion, is the creation of an agency to co-ordinate the production activities of the spinners and weavers who pursue their occupations separately. When such co-ordination is attempted by the All-India Spinners' Association, that will be the organisation for the pooling of all the handspun yarn and supplying it to the handloom weavers. Handspun yarn must necessarily come from large number of spinners who can be found in almost every village if only they are encouraged to take once more to the *Charka*. Handspinning, generally speaking, being a subsidiary occupation pursued by various classes of people in their spare hours, it will be difficult to attempt to organise co-operative societies of such spinners even on the basis of a society for each village. So the need for an agency to prevent exploitation of handspinners by profiteering middlemen and to find a market for the yarn spun by them becomes all the more necessary in the absence of facilities to organise the spinners themselves on a co-operative basis. It is this function that the All-India Spinners' Association has been attempting.

Can we envisage the possibility of the All-India Spinners' Association converting itself into a federation of weavers' co-operative societies for the production of Khadder? We seen no *a priori* reasons against the possibility of such a conversion, particularly because the Khadder industry and the Association have popular sentiment and an appreciable measure of public patronage in their favour. We are not merely dreaming in making this observation. The All-India Spinners' Association itself seems to be thinking on some such lines. In its report for 1941-42, it is said that, having experienced some difficulty on account of some lack of funds, "Our Board has from time to time very carefully examined the question of securing more funds. It decided to secure donations, to raise long-term loans, loans on pledge of cloth stock and to raise capital out of small deposits from workmen. *The last item has a significance all its own.* The very existence of the Association and all its activities are in the interests of our workmen, the artisans. It is but meet therefore that they should co-operate with us in supplementing the funds which are to be used for their own benefit. There being a very large number of them, over four lakhs, a small contribution from each of them will go to make a substantial sum. There is no doubt that as time passes on and when they come to their own and are able to appreciate the position well, they will come to regard the Association as their own, as its name, the Spinners' Association, indicates. More and more contribution in money by them towards the working of the Association will be helpful in course of time, however long it may be, in achieving this consummation. The branches of the Association have therefore been instructed to raise funds in this manner. Some of them have already begun it. We trust this step will prove of immense value to the progress of work of the Association." This is virtually a co-operative approach to the solution of the problem.

Such a transformation of the All-India Spinners' Association into a federation of primary Khadder production societies has some obvious benefits. It will create in those engaged in the production of Khadder a new sentiment for the Association, as reorganised, that it is their own society and with their co-operative effort they can build a solid structure on the existing sound foundations. The present aim of the A.I.S.A. is to remunerate adequately the spinner and the weaver by raising their wages to the utmost extent possible. Various estimates have been published of the proportions in which the price paid for a piece of Khadder by the consumer goes to the wage-earner and to the cost of production, in terms of raw material and overhead charges. One estimate says that it works out to 3/5 and 2/5, that is, 60 and 40 per cent, respectively; other estimates put it at even 70 and 30 per cent respectively. There is no reason why under an association of co-operative organisations for production of Khadder, the spinners and the weavers, should not continue to derive these benefits of adequate wages. At present, in spite of the great solicitude on the part of the A.I.S.A. to promote the economic welfare of the spinners and weavers of Khadder, there is great disparity in the wages earned by spinners and weavers in the different parts of the country. In the last quarter's issue we published certain results of investigation made in some of the deltaic tracts of the Coastal Andhra on the basis of some *spinners' accounts* selected on random sample method. They show how miserably low the wages in that part of the country are. We publish, in this issue, the results of a similar investigation made on the basis of *accounts of some weavers* of the same region, who use handspun yarn exclusively. The results show considerable variation in the wages earned by the weavers at different periods between September 1941 and May 1943. Computed in terms of wage earned for cloth weighing 1 lb. the weavers earned somewhere between As. 11 and Rs. 1-2-0 between September 1941 and November 1942. Then the All-India Spinners' Association seems to have further raised the wages of weavers and as a result thereof they earned a little over Rs. 2 per lb. of cloth between March and May 1943. We require more objective data of this nature gathered from other regions also before we can have a real idea of the position in regard to these wages.

We are confident that when the spinners and the weavers are organised on a co-operative basis both the industry and the workers will reap the full benefits of co-operative enterprise. Dr. Pattabhi Seetharamayya, in his article on the Economics of Khadder, contributed to the Year-Book and Directory of Indian Co-operation, 1942, says: "The Economics of Khadder would be to make the poor less poor—give at least a half meal to the starving, a *langoti* to the naked, and a thatched shed to the houseless, and, in one word, do the largest measure of good to the largest number of people." These objects are more likely to be better achieved by the pursuit of co-operative ideals, principles and methods in the production of Khadder.

VILLAGE GRAIN BANKS AND FOOD CRISIS

Sjt. Vaikunth L. Mehta, Managing Director of the Bombay Provincial Co-operative Bank, the well-known co-operator and social worker, has contributed to a recent issue of the Bombay weekly "Social Welfare," an interesting article on "Village Grain Banks". The underlying idea of the proposal is to organise and ensure an adequate supply of food grains, wherever it is possible, on a basis of village self-sufficiency. He considers that the decentralised self-sufficiency which is aimed at in his scheme in no way involves a conflict with the central governmental control of food supplies in the deficit areas. They are not rival projects. On the other hand the village grain banks scheme will be a powerful auxiliary to the central control scheme.

It is true that the idea of having a store of grain for every village is not a new one in India. But it has long gone out of vogue as a result of the administrative system and land revenue policy introduced by the British Government. But there are instances where even under the present administrative system and disrupted rural economy grain depots have been occasionally organised on co-operative lines or through direct government agency in backward areas. The main idea of the village grain banks is to maintain sufficient stocks of grain to feed the community even in normal times. Sjt. Mehta suggests that the operations of these grain banks at the outset are to be limited to such quantity of the principal food grains in a village as will be adequate to feed for a period of one full year the entire population of the village according to the ration of 1 lb. per day for every adult and child over 6 and half of that quantity for children below 6. This restriction is rendered necessary on account of the present shortage of food grains available in India, particularly in areas where the production of food grains is not sufficient to feed the local population or which have run short of their normal supplies. He recognises the interdependence of the rural producers and their immediate neighbours, the urban consumers' and the need to so work the scheme of grain banks as to harmonise the interests of both. He says that this is possible only if in every village sufficient grain is stocked for the full requirements for the next 12 months of the entire population of the village—workers as well as dependants. After these are properly provided the rest of the stock should be made available for use outside the village; the surplus would go to meet the deficits of other areas.

He suggests the conducting of a preliminary census of the residents of the villages dividing them into three categories—the owners of land, tenants and labourers. In regard to the scope and object of this census operation, he says: "The census will have a two-fold object: to note down what quantity of the principal food grain which is to be stored will be required by families in the various groups—the workers as well as their dependants. At the same time, figures will be recorded of the quantity of food grains that will be produced by the two former groups—owners and tenants—according to the acreage cultivated by them. Out of their total production, each of these will be called upon to provide to the bank a quota which covers first their own requirements and secondly, *pro rata*, the requirements of the labouring population. The total requirements of the last named class will be determined and, to meet these, owners and tenants will be called upon to contribute to the pool in proportion to their production. An additional contribution, approximately, of about 5 per cent may be requisitioned for the helpless, aged and poor, usually fed by charity and also to cover driage, etc." These in brief are the main features of Sjt. Mehta's scheme set out as nearly as possile in his own words.

The scheme was, no doubt, published by Sjt. Mehta after the Food Grains Policy (Gregory) Committee Report was published. Since then, however, the Food Conference convened by the Government of India to consider that report has met and made certain recommendations to the Government of India and the Government have also announced their decisions on those recommendations. The three important decisions so announced relate to (i) statutory price control, (ii) rationing, and (iii) provincial procurement with central direction and control. The Gregory Committee, the Food Conference and the Government of India also seem to agree on the necessity of India importing, during the war, food grains at least to the extent of a million and a half tons per year. Sjt. Mehta had no opportunity of taking these recent developments into consideration in formulating his scheme. His main purpose is to give some useful guidance to rural welfare workers to

conserve the *Kharif* crop on proper lines to meet, in the first instance, the consumption needs of the villagers themselves.

The question, how far the scheme of Grain Banks based on a decentralised scheme of pooling the produce of each village in the village itself can be made to fit in with the Government's scheme of provincial procuration of food grains with central direction and control, will no doubt, be examined by Sjt. Mehta himself later. Apart from this, we consider, the ration of 1 lb. (16 oz.) per day is inadequate. It is true that the minimum ration of 1 lb. of food grains per head is suggested by the Gregory Committee, but we feel that this estimate needs further scrutiny. In any scheme that may be formulated by the Government or by Social Welfare Organisations for conserving food grains in the villages primarily for all sections of the village community before the surplus is diverted to deficit areas, the question of adequate ration deserves serious attention.

As regards the surplus which can be made available to meet the requirements of the deficit areas the scheme gives us no indication. According to estimates given by the spokesmen of the Central Government, roughly ¾ of the produce is consumed internally by the producers themselves and about ¼ is being placed on the market; or to be more precise, about 14 million tons of food grains, out of a total production of 52 million tons, are said to be the available surplus. Whether, in a scheme under which not only the land-owing agriculturists but also non-land-owning cultivators and field labourers are to be fed during the whole year, there will be any surplus, and if so, how much of the produce will be left, after the producers meet their own requirements of consumption and outside obligations to the State, to the creditors and others, are points on which more light is required. There may be some villages in which the produce is in excess of the requirements of the villagers themselves. But they are exceptions.

We presume that the scheme does not contemplate any elaborate programme of building godowns or other kinds of receptacles for storage of grain pooled in the village grain bank in each village, and that the grain bank will utilise the existing storage facilities particularly in the houses of larger producers on some agreed terms.

In the absence of standardisation or grading, the produce raised by the several producers, if pooled together, will result in cutting down the price of good varieties to the detriment of those who used better seed and adopted improved methods of cultivation and produced better quality of the same kind of food grains. A general reluctance on the part of the villagers to put their produce in a common pool was noticed by us in localities which we visited in order to make some local enquiries, in another connection some years ago. These and other difficulties should be met before a scheme of grain banks can be made a success. In any case, as local conditions vary widely from region to region, modifications to the scheme will have also to be made to suit these conditions. The benefits of Sjt. Mehta's scheme, if it can be successfully introduced, the central aim of which is to conserve the food grains in each village primarily for the villagers themselves —all sections of the village community—before diverting the surplus to deficit areas, are obvious in any future long range programme of conservation of food with a view to make village self-sufficient in regard to food supply.

REORGANISATION OF CO-OPERATIVE EDUCATION AND THE UNIVERSITIES

We find that increasing attention is being given to the reorganisation of co-operative education in almost all countries as a result of the universal desire to enable the national co-operative movements to play their proper role in post-war reconstruction schemes. From the very inception of the movement in Great Britain the importance of co-operative education was realised by the pioneers of the movement. It was the educational ideals of those early co-operators that in fact created the germs of the underlying motive of what in Europe they call "Independent Working-Class Education". Co-operation was all along conceived as part of a larger movement of national reconstruction based on the ideals of economic freedom achieved through associated effort. This was the spirit which animated Thomas Hodgskin who appealed so early as 1923 for the formation of a Mechanics Institute in London and this spirit has been maintained all through by Western co-operators.

The Co-operative College, Manchester, founded in 1919 was the first of a series of co-operative colleges which have sprung up in Europe and America. Plans are now ready to establish a new co-operative college and to shift it from the Holyoake House to a more suitable home of its own. We publish in this issue an extract from an article contributed to the *Co-operative Review*, Manchester, for August 1943, on 'Co-operative Education Centres' by D. F. which gives a brief account of the efforts that have been and are being made for providing efficient educational centres where co-operation would be studied—whether co-operation is regarded as a social force or a business concern. In fact we started the first volume of *The Indian Co-operative Review* in 1935 with a series of articles on 'Co-operative Education' written by eminent co-operators and educationists. As one of those contributors put it 'Co-operation has become a big progressive factor in the economic life of nations and if in some countries it is not successful it is due to lack of co-operative education.' The objective which co-operators in other countries kept and still keep before their minds has not, however, been so far reflected in our co-operative educational schemes in India. We in India have so far done little or nothing to create or foster the spirit necessary for the reconstruction of our social and economic structure through co-operation, and to produce teachers of co-operation who can train men and women suitably equipped for the task. In our endeavour to give a new orientation to the co-operative movement in planning for a new socio-economic order we must give a very prominent place to the reorganisation of our system of co-operative education. The Madras Committee on Co-operation, 1940, recommended the establishment of a College of Co-operation affiliated to the Madras University for higher studies in Co-operation.

This, in our opinion, is a right approach to the problem. The Co-operative College, Manchester and the Co-operative Educational Institutions on the continent of Europe which drew their inspiration from the British College were, no doubt, organised and run by the co-operative institutions themselves. The leaders of the co-operative movement there, which in its origin and development, was essentially a working-class movement, had perhaps not sufficient faith in the Universities which were largely dominated by and catered to the needs of the aristocratic and the bourgeois classes. With the democratisation of the system of public school education and of the Universities the reason for the old suspicion or antagonism should disappear even in Europe. In any case in India higher education in Co-operation can be imparted with better effect and to more useful purpose, in our present conditions, in the free and cultural atmosphere and influence of the Universities and Acadamies. For a proper study of Co-operation and a grasp of its principles and ideals much more is needed than what is now taught in our so called co-operative training institutes and schools. We may be permitted to state once more the essentials of higher co-operative education. Prof. Stuart, speaking at the Co-operative Congress held in Gloucester in 1875 said: "If the mass of our members are not sufficiently instructed in economic science, in the facts of commerce, in the state of this and other countries, in the history of trade, *in general knowledge, of what you aim at and how you seek it,* I say if the mass of our members are not sufficiently instructed in these things, there arises a real danger to the co-operative movement. Your members become a hindrance and your positions become a peril and your productive endeavours will continue to be a failure which they too often hitherto have been." Mr. K. C. Ramakrishnan, in his interesting article on "Universities and Scientific Study of Co-operation" contributed to the first volume of this *Review*, stated the essentials of advanced co-operative education in these words: "It is essential for the advanced student of co-operation to get a thorough understanding of the *milieu* in which he has to work, the complications of the competitive regime and the best methods of breaking through the economic and social shackles which have hindered development of co-operation. Without a course on general economic theory and history and some specialised branches of economics—according to the form of co-operative activities concerned—like rural economics, industrial organisation, banking and currency, and labour problems the teaching in our co-operative institutions can only be mechanical and empirical and is apt to mislead with its short-range views. Rural economics is the branch of economic studies that is of vital importance for a proper approach of the difficult problems connected with agricultural co-operation in which India is more interested." As D.F. puts it in his contribution to the *Co-operative Review*, Manchester, referred to above, "the function of a co-operative college is not simply a case of teaching the people the organisation of the movement but the social purpose and nature of co-operation." The place of Universities in the scheme of co-operative education is now being recognised very widely on both the sides of the Atlantic. Some countries instead of organising a separate co-operative college under the direction of the movement have allowed such work to be undertaken by the existing higher educational bodies. Extension Departments which are virtually of the nature of a faculty of co-operation have been opened in some Universities. The Colombian Institute for Co-operative Study which has carried on its work of co-operative research and education hitherto as a private institution was incorporated on the 2nd May, 1943 in the University of El Cauca.[1] The incorporation of the Institute in the University is claimed to be an important step forward in the co-operative educational advance in Latin America. There is universal desire in India to overhaul the entire system of education in the country and the Convocation Addresses delivered by eminent Indians drawn from all ranks of public life, in the last few months stressed on the

1. For the declaration of principles read and approved when the act of incorporation took place, see page 109 of *The Review of International Co-operation*, July, 1943.

need to give a new orientation to our University education in accordance with modern requirements. Mr. S. V. Ramamurty, I.C.S., Adviser to the Governor of Madras, drew pointed attention in his recent address to the Andhra University Convocation to our economic deficits in various directions and said that if we were to make good these deficits "the content and direction of education need also to be recast". Should the study of Co-operation, Rural Economics and allied subjects not have a place in the scheme of our reformed Universities?

We hope that the All-India Co operative Institutes' Association and the Indian Provincial Co-operative Banks' Association will devote greater and more sustained effort to this question of reorganisation of co-operative education and make it an important plank in their programme and formulate a suitable scheme on lines best suited for post-war India. The scheme like all other schemes for national advancement may have to wait for its fruition till a National Government is set up in India. But we must be ready with our plans sufficiently in advance of that date.

THE HYDERABAD EDUCATIONAL CO-OPERATIVE COLONY

We have published elsewhere in this issue extracts from the Fourth Annual Report (and Appeal) of the Hyderabad Educational Co-operative Colony. We may briefly set out the origin, aims and objects of the Colony and the nature of the work contemplated by its organisers as can be gathered from the reports and other literature sent to us by Capt. J. W. Petavel, Manager of the Colony. This colony is said to be the outcome of the efforts of practical minded Indians like the late Sir Ausutosh Mukherjee, Vice-Chancellor of the Calcutta University and that this movement in India was only a part of a world movement. The leading practical economists in every country saw during the last great war that the post-war world would be confronted with grave social and economic problems like unemployment and poverty existing side by side with abundance of productive power, both human and mechanical. They saw too that man tended to be either enslaved or displaced by the machine, and that it was impossible to eliminate the latter from the world under existing conditions. They felt that it was wiser to adjust things than to despair or plan revolutions. They felt too that the world would immensely benefit if the machine could be made a servant of man.

Thus a new socio-economic scheme was evolved namely the *New Co-operation*, in other words, non-selling enterprise. In this new system processes, methods and machines would be mere "tools" for the benefit of man. United communities or colonies would be formed for the mutual benefit of the members. Production would be carried on for use and not for sale in the commercial sense. All the members, young and old, would work co-operatively and only for a part of the day, both on land and in factories, and would receive remuneration in kind as and when they need those commodities. Thus the twin evils of unemployment and poverty would be eliminated. Also a positive benefit would be conferred on the members since the ample spare time they would have would be utilised in pursuits that make men vigorous both in body and mind. In short this New Co-operation would create a socio-economic state in the political one—*an imperium in imperio.* A colony or united community is but a beginning of this New Co-operation whose ultimate aim is the planning of the whole political state on these socio-economic lines, otherwise called the new co-operative lines.

The Hyderabad Educational Co-operative Colony is meant to be a pioneer institution in this direction. It has been started under State patronage and is being managed by Capt. J. W. Petavel, who has toiled for thirty years by now to realise his vision of a new co-operative state under the most discouraging conditions. From the report already alluded to, we learn that children are very successfully being educated both in the three 'R's and crafts. The work of the colony, it is reported, is so satisfactory that two other Indian States also are proposing to commence work on similar lines. We hope that facilities will be given in several parts of the country for the starting of such colonies, so that the movement may be given a very fair trial on a fairly extensive scale.

THE INTERNATIONAL CO-OPERATIVE ALLIANCE—A CONSTITUTIONAL HURDLE

There is an agitation in England over the position of Mr. Vaino Tanner as the President of the International Co-operative Alliance. Mr. Vaino Tanner was for some time Premier and has been for several years a very influential member of the Finnish Government. Since Finland decided to ally herself with the Axis powers and fight on the side of Germany in the present world war, Mr. Tanner has naturally been completely cut off from the life and work of the International Co-operative Alliance. No action which he has taken or may take as a member of the Finnish Government can, for obvious reasons, in any way prejudice the position of the International Co-operative Alliance. So the question of his continuance as President of the Alliance is being raised in Britain in the press, in co-operative board-rooms, in meetings and conferences. It is also being discussed with members of the Central Committee of the Alliance. We have recently received, in our capacity as a member on the Central Committee of

the Alliance, a communication from the Administrative Secretary of the International Co-operative Alliance, embodying a statement issued by the Executive of the British Co-operative Union and unanimously adopted by the British members on the Central Committee of the Alliance. The attitude taken by many of the British Co-operators in this matter is "that by using his influence to keep Finland in the war on the side of Germany, by his friendship with Hitler and the help which he is personally giving to Hitler Mr. Tanner has betrayed the fundamental principles of the International Co-operative Alliance and all that Co-operation stands for and that he should be removed from the Presidency of the Alliance."

The membership of the International Co-operative Alliance comprises the national co-operative movements in thirty-five countries and its Central Committee consists of representatives of these thirty-five countries. The President of the Alliance was elected by the Central Committee in accordance with the constitution of the Alliance by reason of his position as an eminent co-operator both in national and international movements. It is conceded that a section of the membership of the Central Committee has no power to remove Mr. Tanner from the Presidency under the constitution. He can only be displaced by the election of a new President by the Central Committee itself when a meeting thereof can be convened after the war; and it is, therefore, agreed on all hands that no action of a final character can be taken now in regard to the Presidency of the Alliance. The Administrative Secretary of the International Co-operative Alliance in the meantime has addressed the members of the Central Committee individually to ascertain whether they would agree to the proposal that until a meeting of the Central Committee can be convened to elect a new President, Mr. R. A. Palmer, Vice-President of the International Co-operative Alliance, should be recognised in all the communications, etc., of the Alliance as Acting President.

Speaking for ourselves we feel that the *spirit* of the constitution seems to contemplate that the President for the time being shall be one who can participate in the activities of the International Co-operative Alliance, whatever may be the political complexion or the diplomatic alignment of the Government of his country so long as that country continues to be a member of the Alliance. Mr. Vaino Tanner is obviously not in a position to participate in the activities of our Alliance. Nevertheless, the *letter* of the constitution prevents his removal. The question of embodying in the constitution an express provision to deal with a similar situation, if it should unfortunately arise in future, may be one to be tackled in the scheme of the post-war reorganisation of the Alliance itself in accordance with the aims and objects of the new world order. So we feel that under these circumstances the proposal of the British Members of the Central Committee to recognise Mr. Palmer as Acting President is reasonable as a *via media* to tide over an anamolous situation. Mr. Palmer, our present Vice-President, has given ample proof of his ability to lead the International Co-operative Alliance and has been virtually discharging the functions of a *de facto* President ever since Mr. Tanner has been cut off from the activities of the Alliance. We have, therefore, signified our assent on behalf of the Indian Co-operative Movement to the proposal of the British Members of the Central Committee of the Alliance. In this we hope we have the support of the Co-operators in India.

C. W. S. DONATES FOR INDIA RELIEF COMMITTEE

The India Relief Committee (London), with a view to adopt measures for a nation-wide campaign to relieve famine in India, has convened an assembly presided over by the Labour Member of Parliament Mr. Clement Davis. The co-operators of Britain, we are glad to note, have shown their sympathy with the movement by the Co-operative Wholesale Society donating 500 Guineas, for the purpose. Among the other donors, workers in an air-craft factory in South of England, a group of R.A.F. pilots, a miners' lodge in South Wales, groups of school children, housewives and Indian workers were also mentioned. The amount of public sympathy that famine in India has evoked in Britain can be judged by such spontaneous response from co-operators and working classes in Britain and from the following resolution passed by the General Executive Council on the Transport and General Workers Union Day: The resolution says that the Council was "profoundly shocked by the revelations of the terrible famine which has been allowed to overtake the people of Bengal in spite of warnings." The Executive Committee of the Transport and General Workers' Unions is the largest Trade Union in the world; that Committee has also put forward a unanimous demand for the resignation of Mr. L. S. Amery, Secretary of State for India "as a first step towards complete revision of the British policy" and the resolution was sent to the British Prime Minister. The India Relief Committee has passed a resolution "calling on the British people to press the British Government to send further supplies of food, medical necessities and clothing to the distressed areas in India and asking that a high priority of shipping and air transport be allocated so that supplies could be sent without delay." We hope this agitation which is now supported by influential public opinion in Great Britain will carry weight with the Governments in England and India.

AGRICUTURAL PLANNING—ROLE OF LAND MORTGAGE BANKS

BY

THE HON'BLE V. RAMADAS PANTULU

The Central and the Provincial Governments seem to have thrown out some broad hints of their intentions to give a sort of priority, in their post-war reconstruction programmes, to the reorganisation of agricultural industry and the improvement of the income and standard of living of agriculturists with all that it implies. Publicists in India, particularly those who are interested in Agricultural Economics also now give prominence to the subject in their speeches and writings. Economists who met at Walchandnagar (Poona Dt.) under the auspices of the Indian Society of Agricultural Economics, in the last week of December, discussed the place of land mortgage banks in programmes of post-war reconstruction of agricultural economy in this country. Co-operators must likewise take stock of the achievements and failures of their own institutions with regard to the improvement of agriculture and the plight of those who depend upon it, as organisation capital and credit are essential for any enterprise. In the hope of stimulating the interest of co-operators in India, particularly the readers of this Review, in the subject, I venture to give expression through these columns to my own views on the future of the land mortgage banks in India. In assessing the value of land mortgage banks as aids to the reconstruction of agriculture in India, a brief statement of the immediate causes which led to the growth of the existing banks and the present state of their working may prove helpful.

As a result of the catastrophic fall in the prices of agricultural commodities and of land values during the acutest part of the depression period, 1929-1933, the burden of agricultural debt increased in two ways. Firstly, it automatically increased two to three fold in terms of commodity prices. By a fall of 50 per cent in the prices of the commodities an agriculturist who borrowed Rs. 100 had to pay Rs. 200 or sell twice the quantity of the commodity which came to the same thing. Secondly, there was the actual accretion to the volume of the old debt owing to defaults in repayments, due to loss of repaying capacity, as a result of the fall in agricultural incomes. The agrarian situation became really serious. The anxiety caused by such an economic position led to some furious thinking and among the measures suggested to deal with it, the development of institutions which would provide credit for long terms at reasonably low rates of interest to liquidate the bloated debts of the agriculturists was taken up seriously. The expectations of those who launched out the scheme were, however, not fulfilled in any appreciable measure. It soon became evident that the replacement of an old loan by another long term loan was not after all very beneficial to the debtor. Under the most advantageous system of repayment, namely, amortisation by equated instalments, the debtor will have to pay over a long period fairly large amounts of interest besides principal. Even if the loan carries no more than 6 per cent interest, which is the lowest rate now charged by any land mortgage bank in British India or Indian State, the debtor will have to pay Rs. 743-12-0 in addition to the principal on a loan of Rs. 1,000 repayable in 20 years. The relief thus afforded can go little way to really improve the economic condition of the debtor in most cases. The fact was that the land could not bear the burden. It was not possible for the land mortgage institutions to quote more favourable terms or to be less exacting in their standards of security, caution in the selection of eligible borrowers or observance of rules of business which regulate their working. Sound banking principles and the need to safeguard the interest of the debenture-holders and other investors from whom loanable funds were attracted demanded adequate margins between borrowing and lending rates and the elimination of a large bulk of agriculturists from the benefits of the scheme, for only those who had substantial security to offer and who possessed the required repaying capacity could be served by these banks.

Therefore, the need for drastically cutting down the present volume of the accumulated debt itself, as it cannot be repaid in its entirety under any scheme of gradual discharge, coupled with measures to prevent future exploitation of the agriculturists' needs by money lenders forced itself on us. State interference by legislative and executive action became inevitable. So in recent years measures were initiated by the Provincial Governments for scaling down the debts of the agriculturists and giving other modes of relief to agricultural debtors through what are known as the Debt Conciliation Acts and the Debt Relief Acts. In some of these legislative measures provision was made not only to reduce the volume of the debt but also to compel creditors to receive repayment of the scaled down amount in small instalments without or with nominal rates of interest. In such cases the relief afforded was more tangible and effective than any that a land mortgage bank could give. If we may compare the remedy of

long term loans dispensed by land mortgage banks repayable in small instalments to medical treatment for the disease of rural indebtedness, we may compare the operations of the Debt Conciliation Boards and Debt Relief Courts in scaling down the debts of the agriculturists to surgical treatment for the same malady. In the Central Provinces and Berar, the surgical treatment seems to have proved more effective and speedy than the medical treatment. In Bengal also the operations of the Debt Conciliation Boards seem to have minimised the demand for loans from land mortgage banks as well as the need for the expansion of these banks at present, if they are to lend only for discharge of prior debts. The high price of agricultural products and land values have had similar effects. It is unsafe to rely to-day on old estimates of unproductive accumulated rural indebtedness contained in text books which soon become out of date in regard to figures of such estimates or on reports drawn up years ago mostly between 1927 and 1933—the tail end of a declining boom and the midphase of a deepening depression. Substantial portions of it may have been conciliated or scaled down often even without resort to Debt Conciliation Boards, or Debt Relief Courts. Portions of it may have also been discharged with the increased agricultural incomes or by sale of comparatively small portions of holdings at high prices or fresh loans raised on new hypothecations at substantially lower rates of interest, lower than even those charged by land mortgage banks. It will be worthwhile carrying out some investigations in select areas to ascertain such facts. Bodies like the Economic Boards and the Indian Society of Agricultural Economics, Bombay, will be rendering valuable service if they take up the task.

The progress and working of the existing land mortgage banks in India should be studied in the back ground presented above. The present position may now be briefly summed up. In British India, Madras has made notable progress. Next come Bombay and then the Central Provinces and Berar. While there are Provincial Co-operative Land Mortgage Banks in Madras and Bombay to finance the primary banks, the Provincial Co-operative Bank of the Central Provinces and Berar finances the primary banks there. In the rest of British India there are a few land mortgage banks working in Bengal, United Provinces, Ajmer-Merwara and Orissa. But the number of these banks and the volume of their business in these provinces are negligible. Those in Bengal were financed for a time by the Bengal Provincial Co-operative Bank from out of its own resources and now with the aid of the financial accommodation given by the Provincial Government. Those in the United Provinces derive their finances from the short term resources of the district and the central banks as there is no Provincial Co-operative Bank there; so also in Ajmer-Merwara. A land mortgage bank was registered in Orissa for the province without any primary land mortgage banks and it has advanced a few loans with the financial aid of the Provincial Government. The land mortgage banks in the Punjab and Assam are practically defunct and they were either liquidated or are under the process of being wound up.*

Among the Indian States, Mysore, Baroda and Cochin have land mortgage banks. While Mysore has a Central Land Mortgage Bank to finance the land mortgage societies, Cochin has only one bank which directly caters to the needs of the agriculturists and Baroda has two independent primary banks which discharge a similar function. Unlike Madras and Bombay where the formation of a number of primary land mortgage banks preceded the establishment of the Provincial Co-operative Land Mortgage Banks which in their turn helped the formation of more primary land mortgage banks which are now affiliated to their Provincial Land Mortgage Banks, in Mysore the Central Land Mortgage Bank and the land mortgage societies financed by it practically grew up side by side.

The long term credit (extending up to twenty years) dispensed by these banks in British India as well as the Indian States for the relief of indebtedness is however negligible except perhaps in Madras, in comparison with the rural credit provided through the village credit societies. Taking India as a whole the amount of financial accommodation now enjoyed by members of these banks is about Rs. 4 crores of which Rs. 3 crores are from Madras.† As a result of the steep rise in

*The Punjab was the first province to start land mortgage banks with the registration of the famous Jhang bank in 1920. In the decade that elapsed since then a dozen land mortgage banks were organised by 1929-30 whose working capital and loan transactions were round about Rs. 12 lakhs. But registration of new banks and issue of fresh loans were stopped since then. Curiously enough the year 1929-30 which witnessed a new enthusiasm for the formation of land mortgage banks and the establishment of such banks in other parts of the country synchronised with the virtual close down of the enterprise in the Punjab which forestalled all the other provinces by a decade. In Assam the assets of all the four land mortgage banks, that is, loans outstanding in them, amounting to a little under Rs. 3 lakhs, have become frozen long ago.

†In Madras which started land mortgage banks in 1925 and made the greatest progress, the total value of debentures issued is a little under Rs. 4 crores of which Rs. 2·95 crores are still in circulation. The amount of loans outstanding and due to the Central Land Mortgage Bank is Rs. 2·45 crores on 30-6-'43. In Bombay the amount of loans outstanding from members in the land mortgage banks was Rs. 33·31 lakhs on 30-6-'42. In the Central Provinces where the Provincial Co-operative Bank finances the land mortgage banks the total loans outstanding against the primary banks and due to the Provincial Bank on 30-6-'42 was Rs. 13·56 lakhs. In Bengal the total working capital of land mortgage banks on 30-6-'42 was Rs. 6·81 lakhs. In United Provinces the outstandings in the land mortgage banks against their members amounted to Rs. 2 lakhs on 30-6-'41. In Ajmer-Merwara the amount of loans outstanding against their members was Rs 90 thousand on 30-6-'41. At the end of 1940-41 in Orissa the amount of loans due from individuals was Rs. 84,000. In Mysore the total amount of loans sanctioned by the Central Land Mortgage Bank which is the sole financing agency up to 30-6-'43 was Rs. 22·81 lakhs of which about Rs. 18 lakhs were outstanding on 30-6-'43. In Baroda the amount of loans outstanding against members was Rs. 7·2 lakhs on 30-6-'41. In Cochin the total amount of loans sanctioned by the bank till 16th August, 1943 was Rs. 24·05 lakhs of which about Rs. 18 lakhs were outstanding.

price of agricultural produce and land values there has been of late a definite decrease in the demand for land mortgage loans while the inflow of repayments is larger and speedier.

In any long range programme of post-war reconstruction of the agricultural industry, the utility of land mortgage banks as agencies mainly to liquidate prior debts will recede to the back ground. Even now though the constitutions of all these banks provide for long term credit, not only for liquidation of prior debts but also for the improvement of land and development of agriculture, so far their transactions are practically confined to loans for liquidation of prior debts and even that to a practically negligible extent compared with the magnitude of indebtedness which they are expected to deal with. It is said that owing to the rigid or inelastic methods of business adopted by these banks some farmers who dig wells or effect other costly improvements to their holdings first obtain accommodation for the purpose from sowcars and other private lenders mostly on personal credit and later approach the land mortgage banks for loans on the security of lands on which improvements are effected to discharge loans contracted from other creditors for such improvements. If this is so it is not a healthy line of development. The Co-operative Movement itself should evolve a scheme to cover such cases and provide for the initial risk involved in accepting as security land on which improvements are to be effected. For this there must be co-ordination between the several grades and types of co-operative credit institutions. Short term funds for periods of say five years within prescribed limits may be made available as intermediate term loans for initial outlay on improvements which as they proceed gradually enhance the value of the land and make it more acceptable as security for long term loans. I feel no hesitation in saying that land mortgage banks can if properly organised play a very important role in the transformation of our agricultural economy which is now a deficit economy, into a surplus economy and in increasing the income and raising the standard of living of the agriculturist. In other words, their utility in our future planning lies largely in their potentialities to place at the disposal of the industry adequate productive long term credit for effecting permanent improvement to the land, to make two blades grow where one grows now and to bring new land under the plough. Colonisation schemes, projects of irrigation and reclamation of land, now classed as "uncultivated waste" or "not available for cultivation", development of fruit growing and dairy farming, installation of suitable plant and equipment in processing societies and the like require credit and capital repayable in a period, say, five to twenty years and the land mortgage banks should be so reorganised as to fulfil these functions. This line of development requires substantial State aid. The productive long term credit of the type required will be of little benefit if the loans are to carry interest at the present level. Land cannot simply bear that burden. So by subsidies and other suitable modes of financial aid, the rates of interest on land mortgage loans for productive purposes and land development schemes should be brought down to two or three per cent.

In most countries, besides direct State aid, the Central Banks (Reserve Banks) make over a substantial portion of their profits from note issue and other sources to the land mortgage credit institutions. Similar line of action may be adopted in India also. Indeed in India, where agriculture is the predominant occupation of her teeming millions and her land is the chief source of national wealth, there is a stronger case for State aid to agriculture. The fortunes of agriculture are now unfortunately shaped by wrong hands to an undesirable extent. The future line of land reform in this country should be in the direction of weeding out the functionless landlord and the parasitic middleman who sap the economic vitality of the cultivators so as to make this land of ours the home of peasant proprietors with better economic stamina. But peasant proprietors in any country and more so in India are men with limited means. Unless productive credit and capital in an adequate measure and for periods suitable to the nature of the improvements are made available to them, they cannot put the land to the best use and adopt improved methods of agriculture so as to increase its yield which is now distressingly low per acre compared with most other countries. This function is best discharged by co-

operative credit institutions of the right type and land mortgage banks constitute a very important class of such institutions. Their contribution to our national economy will therefore be by no means negligible. They will form an integral factor in our future planning, the main object of which should be to enable the farmer to make agriculture which not only provides food for our teeming millions but also raw materials to our industries, fulfil its function more effectively in our national economy.

REHABILITATION OF THE CO-OPERATIVE MOVEMENT IN BOMBAY PROVINCE FOR THE YEAR 1941-42

Note By

The Registrar, Co-operative Societies, Bombay.

(Note.—The text of the summary of the Annual Report on the Working of the Co-operative Societies in Bombay Province for the year 1941-42, officially released, appeared in our last issue. This note by the Registrar not only embodies the statistical information contained in that summary but also gives a comprehensive view of the rehabilitation of the societies in the Province during the year and contains interesting additional information.—Ed.).

General Progress:—During the year under report, 150 societies were registered and 44 societies were ordered to be wound up. An analysis of the types of societies registered during the year shows that progress is made in all branches of co-operation. It is satisfactory to note that the number of Agricultural Thrift and Credit Societies which emphasise the aspect of thrift and make it incumbent on the members to sell their produce to co-operative institutions registered during the year is 48 as against 18 agricultural credit societies. Similarly, 40 agricultural credit societies, 4 multi-purpose societies and 8 better farming societies were also registered during the year. This comparative increase in the number of agricultural non-credit societies and multi-purpose societies not only indicates that the agricultural co-operative movement is developing in several directions other than credit such as marketing, improvement of agriculture, etc., but also that they covered a much larger area than newly registered agricultural credit and thrift and credit societies. Similarly, as regards non-agricultural societies the increase in fresh registration has been well distributed; out of 48 societies, 22 are salary earners' and urban credit societies, 4 housing, 7 producers' and 8 consumers' societies.

Agricultural Credit Movement:—During the year, 1941-42, the policy of weeding out bad societies and of cautious expansion was continued to be pursued as a result of which 22 societies were ordered to be wound up and 70 societies were registered. The year thus witnesses an increase in the total number of societies from 3,777 to 3,825. There has been a decrease of Rs. 5½ lakhs in the working capital of these societies which now stands at Rs. 264 lakhs, which

could be attributed to the elimination of the working capital of societies that have gone into liquidation and curtailment of the loans outstanding with members. The work of classifying debts of societies into frozen, bad and doubtful can be said to have practically been completed. Out of the total loans of Rs. 205 lakhs outstanding on 30-6-1942, only Rs. 6 lakhs represent bad debts.

In accordance with the policy of writing off losses on account of bad debts against the reserve fund, societies wrote off an amount of Rs. 1,20,219 against the Reserve Fund during the year as compared with Rs. 1,65,018 written off during the previous year. The policy of granting concessions to the debtors of societies—both on individual and collective basis—was continued during the year. Total concessions granted during the year amounted to Rs. 1,99,277 in 1,621 societies as against Rs. 1,65,640 in 2,372 societies granted during the previous year.

Multi-purpose Societies:—During the year, 1941-42, 4 new Multi-purpose Societies were registered while one was ordered to be wound up bringing their number to 73. There has been an all round progress in membership, share capital, reserve and other funds and loan operations of these societies. These societies supplied agricultural and domestic requirements of the value of Rs. 1,21,838 and sold agricultural produce of the value of Rs. 3,96,848. They earned a commission of Rs. 9,460 on the year's working. It cannot, however, be said that all these societies have been doing well and experiencing no difficulty. The work of these societies is influenced by various factors such as the energy and ability of the staff working in them the nature of the crops grown in the tract and the social and economic habits of members. In some societies too much emphasis is laid on credit, whereas the initial share capital etc., is not very substantial. This is the case in a number of societies in the Deccan district. Local competition of traders at minor market places, inability on the part of multi-purpose societies to bring together sufficient produce of their members for sale and consequent inability to show a distinct advantage to members in respect of sale of their produce as compared with the sale through local traders, want of experience of sale and similar work on the part of office-bearers of societies and want of trained paid staff are amongst the causes which have operated against the successful working of several multi-purpose societies. In the whole, however, the societies are adjusting themselves to local conditions and circumstances and making headway.

The difficulty experienced by these societies in the matter of having trained staff is partly solved by the appointment of trained Rural Assistants as Secretaries in the case of some societies. Most of the societies have been availing themselves of Government grants by fulfilling the conditions prescribed for the grants. Some of them obtained grants from rural development boards also for specific needs. They were, however, not in a position to avail themselves of the facilities of long term Government loans at a low rate of interest for construction of godowns because the cost of building materials has soared up and the owned funds of the societies are comparatively small.

Land Mortgage Banks and Long Term Finance:—In the field of long term finance, the Bombay Provincial Land Mortgage Bank continued to show steady progress. Its share capital increased from Rs. 4·71 lakhs to Rs. 4·92 lakhs. It made advances to the extent of Rs. 5·54 lakhs in respect of 377 loans to the primary banks. The bulk of this finance was granted for redemption of old debts. In the course of the year Government decided to guarantee the third series of debentures to the extent of Rs. 5 lakhs and pending the issue of these debentures, granted a temporary advance to the extent of Rs. 1 lakh to the bank. There was no increase in the number of primary land mortgage banks which remained stationary at 17. Their share capital increased from Rs. 3·31 lakhs to Rs. 3·53 lakhs. The total outstandings also increased from Rs. 30·69 lakhs to Rs. 33·31 lakhs. The total amount due for repayment during the year was Rs. 4·49 lakhs, out of which recoveries to the extent of Rs. 3·97 lakhs were effected. The total overdues at the end of the year were Rs. 1·14 lakhs as against Rs. 1·25 lakhs of the previous year.

Agricultural Non-Credit Societies:—The agricultural non-credit movement has, more and more, been coming into its own. It has been making steady progress from year to year without any appreciable setback. The number of such societies increased by 34 bringing the total to 413. These societies represent the best organised effort in the direction for rural development. On the business side of rural development, societies undertaking agricultural marketing including processing of agricultural produce, have been most prominent and vigorous in this province. The total sales effected by these societies rose from Rs. 114 lakhs to Rs. 130 lakhs which is exclusive of the sale effected through the sale shops of central banks and agricultural credit and multi-purpose societies. When it is remembered that the total fresh finance given to agricultural credit societies was not more than Rs. 77 lakhs and the finance given for current agricultural operations was Rs. 57 lakhs, the volume of total sales would go to show that the sale movement is not, as is sometimes supposed, a mere appendage of the credit movement and that it can, in a large measure, stand on its own legs. The

cotton sale societies numbering 45 in all, constitute the most important institutions among the sale societies. The cotton sale societies in Gujerat and Karnatak continued to play, as usual, a notable part in the co-operative marketing of the cotton crop. These societies effected sales of cotton to the extent of Rs. 73·69 lakhs. The Gadag Cotton Sale Society, which celebrated its Silver Jubilee during the year sold cotton of the value of Rs. 9·30 lakhs as against cotton valued at Rs. 12·03 lakhs during the previous year. It continued to be in charge of the seed multiplication scheme initiated by the Indian Central Cotton Committee and distributed improved seeds to the extent of lbs. 10·66 lakhs. The cotton sale societies in Gujerat continued to do valuable work. The societies in the Surat District and the Broach Sub-Division sold cotton lint of the value of Rs. 24·53 lakhs and cotton seed of the value of Rs. 3·63 lakhs as against cotton lint of the value of Rs. 24·50 lakhs and cotton seed of the value of Rs. 3·21 lakhs during the previous year, while the societies in Ahmedabad Division realised nearly Rs. 6·5 lakhs by sale of cotton and cotton seed.

A remarkable feature of the cotton sale movement during year is the scheme for multiplication of Jarilla seed and the marketing of Jarilla lint through the agency of co-operative societies initiated in the East Khandesh District. The scheme which was drawn up by the Director of Agriculture in consultation with the Registrar of Co-operative Societies visualises the organisation of 16 sale socieites on the model of societies in the Surat District. Government has extended substantial assistance to the scheme and it is gratifying to note that although the orders on the scheme were received in June, 8 societies were registered before the close of the year.

Another step forward in co-operative marketing movement was the registration of the Bombay Co-operative Marketing Society. The Society is the first of its kind to cater to the needs of the various interests like producers, consumers, traders etc. It is designed to satisfy the long-felt need of a central purchasing and sale agency for agricultural and consumers' societies. The Society started its business in January 1942 and has been able to make a good beginning. Its total business of perishable articles and other goods such as jaggery, hessin cloth, etc., amounted to Rs. 15,965, and that in food grains and pulses amounted to Rs. 1·43 lakhs. Owing to lack of adequate transport facilities, the Society has not been able to make much headway in the direction of establishing contact with district organisations and primary producers and making arrangements for the sale of their produce.

Banking in General:—In view of the adverse effect, the withdrawal of the facilities of free transfer of funds is likely to have on the extension of banking facilities through the Co-operative Banks and Societies, a representation had been addressed to the authorities of the Reserve Bank of India by the Bombay Co-operative Banks' Association in this Province with a request to place the Provincial Co-operative Banks on the same footing as scheduled banks in the matter of remittance facilities and to treat the affiliated central co-operative banks as branches of the apex banks for purposes of inland exchange. It is gratifying to note that the authorities of the Reserve Bank of India have accepted the proposal, though with certain modifications and subject to certain conditions, one of which is the maintenance by the Provincial Co-operative Bank with the Reserve Bank of India of a minimum balance equivalent to 2½ per cent. of the Bank's demand liabilities and 1 per cent. of its time liabilities. Central co-operative banks which accept certain prescribed conditions under this arrangement have also been recognised for purposes of remittance of their funds as branches of the provincial bank. The proposal addressed to the Government of Bombay to continue the facility of free transfer of funds strictly for bonafide co-operative purposes at its own expenses referred to in the last year's report, was not accepted by Government. Because of these handicaps, the volume of inland exchange business has been affected to some extent and showed a decrease during the year. Funds received and remitted by cheques and hundies amounted to Rs. 8,63,97,694 and Rs. 11,65,08,294, as against Rs. 10,72,53,000 and Rs. 12,92,43,000 for the previous year. Even these figures bear eloquent testimony to the important position co-operative banking occupies in this Province, in regard to the movement of funds. The question of acceptance of cheques drawn on co-operative banks at Government treasuries in payment of Government dues, was finally decided and Government passed orders to the effect that at places where cash business of the treasury is conducted by the branch of the Imperial Bank of India or the Reserve Bank of India, cheques on local banks should be accepted in payment of Government dues, such as land revenue, tagai instalments, irrigation fees, subject to the conditions mentioned in Financial Rule 4 of Financial Publication No. I.

The discussions which the Provincial Co-operative Bank had, during the year, with the Reserve Bank of India regarding the lines on which satisfactory arrangements for the discounting of agricultural paper could be evolved have borne fruit and the Reserve Bank of India drew up a scheme for the grant of accommodation to the Provincial Co-operative Bank under Sec. 17 (2) (b) and Sec. 17 (4) (c) of the Reserve Bank of India Act by way of crop finance and marketing

credit. The proposed arrangements will not only be useful in establishing contact with the Reserve Bank of India, but will also be helpful when there is a stringency in the money market. It is hoped that the machinery once set up will in the course of time afford facilities for extending agricultural co-operative credit and finally for cheapening its cost.

A striking feature of the financial situation during the year was the fixation of minimum prices of securities issued by the Central and Provincial Governments. The exclusion, however, of Corporation Bonds from the scope of minimum prices fixed for Government securities and the refusal of certain banks to grant accommodation against the security of certain Corporation Bonds had made the exact position of the class of Corporation Bonds some what obscure; to remove this uncertainty in their position, the Government of India issued a communique towards the close of the co-operative year, announcing that the Central Government and the Provincial Governments acting together would stand behind the Indain Port Trust, Municipal and Improvement Trust securities and would not allow the finance of the issuing authorities to be so disorganised as a result of war developments as to prevent sufficient funds being made available for their services and payment on maturity. This announcement coupled with the willingness of the Reserve Bank of India to purchase such securities with the approval of the Central Government in cases of proved necessity, at prices based on the minimum prices, already fixed for Central and Provincial loans after allowing for differences which normally prevailed between the prices of Government securities and the Corporation Bonds, had the desired effect of steadying the prices of this class of securities. Banks having holdings of this type of scrips in their investment portfolios should, therefore, be able to wipe out, at the close of the co-operative year, the adverse difference that may have existed previously in their market value and their book cost. As regards the adverse difference, if any, existing in the market value and the book cost of premium securities held by them, the policy already enunciated by the Registrar in consultation with the Banks' Association in the matter of writing down their book value to their face value as on the date of redemption by annual provision for depreciation during the whole period of redemption would be followed as heretofore.

The Urban Credit movement continues to progress satisfactorily. The number of full-fledged urban banks having a share capital of Rs. 20,000 and above and doing banking business increased from 60 to 64. Many of the Urban Banks have introduced modern methods of banking and are flooded with deposits despite the low rates of interest quoted by them. The services rendered by these Urban Banks to those sections of the urban population which are engaged in trade and small scale industry and to other sections employed in the service of Government, Local Bodies, and big commercial or industrial concerns are very valuable and the urban credit movement in this province has maintained an easy lead over the rest of India.

Bombay Provincial Co-operative Bank and Central Banks:—The resources of the Bombay Provincial Co-operative Bank increased by nearly Rs. 28 lakhs, bringing the total working capital to Rs. 2,79,75,381, the bulk of which comes from deposits from individuals and societies. Fresh advances amounting to Rs. 27,49,634 and repayments to Rs. 29,71,598. The repayments in the case of liquidated societies amounted to Rs. 1,96,693 as against Rs. 1,49,265 during the previous year. The total outstandings due from banks and societies at the end of the year were Rs. 74·20 lakhs as against Rs. 75·28 lakhs of the previous year. The position of the Bank in respect of liquid resources has also been very satisfactory. As against the total deposit liabilities of Rs. 240 lakhs, the bank held liquid resources to the extent of Rs. 170 lakhs, the proportion of these resources to the total liabilities being over 70%. The bank repaid during the year the first two series of the debentures to the extent of Rs. 6,30,000. The year's working resulted in a profit of Rs. 90,720 as against Rs. 46,540 of the previous year, and the bank declared a dividend of 3½ per cent. as against 3 per cent. of the previous year.

The number of district central banks remained unchanged at 11. The share capital, reserve and other funds and the number of members recorded a satisfactory increase. It is also a matter of satisfaction to note that inspite of the conditions created by the war, the year under report recorded a considerable increase in the figure of deposits, which is an indication of the growing confidence of the investing public which these banks enjoy. Consequent on the increase in their share capital, deposits and reserve and other funds, the working capital recorded an increase from Rs. 303 lakhs to Rs. 331 lakhs. The banks could not, however, utilise their entire resources in the movement itself as out of the working capital of Rs. 331 lakhs, only Rs. 86·42 lakhs were advanced by way of loans. Out of the total amount of Rs. 116 lakhs due for repayment during the year Rs. 67·15 lakhs have been recovered, unauthorised arrears being Rs. 25·78 lakhs working out at 22·1% to the amount due for repayment. The owned capital of the banks was Rs. 55·14 lakhs, representing 16·6% of their total working capital. All the central banks worked at a profit during the year.

Bombay Provincial Co-operative Institute:—During the year under report, Government passed orders sanctioning reorganisation of the constitution and functions of the Institute. Under its revised constitution, the main duty of the Institute will be to impart education to members of co-operative societies and to workers in the Co-operative Movement. The Institute would act as a co-ordinating agency in all matters pertaining to co-operative education and function as a body of experts in matters relating to education. It would also function as a focussing centre of non-official opinion on various subjects affecting the movement and for representing it in proper quarters. It would carry out educational work in the districts through the agency of district boards of supervising unions, whose revised constitution provides for institution of education committees for doing the duties of education and propaganda. The revised constitution also visualises the formation of ad-hoc committees for educational activities common to more districts than one and publication of books, leaflets and journals on co-operative matters. The Institute adopted the new constitution after the close of the year and elected Sir J. A. Madan, I.C.S., C.I.E., as Chairman of its executive committee.

Supervision:—The year under report was notable for the overhauling of the system of supervision over co-operative societies. The scheme of supervision, as originally sanctioned by Government, was revised with a view to remedy the existing defects and to make the system more efficient. The salient features of the revised scheme are:—

(1) the creation of a Provincial Board of Supervision with the Registrar as Chairman and two non-official members to serve as the central authority for the supervision scheme.

(2) the revision of the constitution of the District Boards of Supervising Unions. The revised constitution of the District Boards of Supervising Unions provides for two committees—supervision and education. The supervision committee is intended to take the place of the old managing committee and undertake the functions of supervision, while the education committee is intended to perform the duties in regard to education and propaganda under the general guidance of the Bombay Provincial Co-operative Institute. To enable the Department to maintain a close touch with the working of the boards, the local district co-operative officer or Auditor has been given a seat on the supervision committee as its secretary. The newly constituted Provincial Board of Supervision held two meetings during the year and passed important resolutions which have been communicated to District Boards for necessary action. The revised scheme of

supervision will, it is hoped, show better results and ensure efficient supervision over the working of rural societies.

General Remarks:—The conditions created by the war brought in their wake problems which had an important bearing on the various types of co-operative institutions and movement as a whole. Transport difficulties were experienced by several co-operative institutions, particularly sale societies, but notwithstanding these difficulties it is a matter of satisfaction to note that the effect of the war on the movement as a whole has not been unhealthy. The movement played its part in enabling its members and constituents and helping Government in bringing about the necessary adjustment of economic conditions to suit war economy. To the "Grow More Food Campaign" which is vital to the welfare of the people of this province, it rendered assistance which the Director of Agriculture described as "invaluable and extensive". Similarly, central financing agencies and certain well-managed co-operative societies and banks prepared schemes for fair price grain shops which were taken in hand after the close of the year. Plans were also prepared by several societies of different classes to serve their members and incidentally others for purchases and distribution of their requirements, particularly foodstuffs. The war gave an impetus to the District Industrial Associations. The large orders placed by Government with these associations to meet the requirements of the Army have stimulated their activities and increased their potentialities for relieving unemployment among handloom weavers.

On the whole, the year under report has been a year of progress. Those parts of the movement, such as apex and central banks, agricultural non-credit societies and urban banks and salary earners' societies, which were already strong, have further accession of strength. The agricultural credit societies which were for several reasons, lagging behind also increased in number and improved their business and financial position to an appreciable extent.

REHABILITATION OF THE CO-OPERATIVE MOVEMENT IN C. P. AND BERAR

Effects of the War

Note By

The Registrar of Co-operative Societies, Nagpur.

At the commencement of the war the co-operative movement in this province, particularly in Berar, was facing the most severe financial crisis it had ever known in the whole of its history. The Provincial Government had to intervene and facilitate the introduction of a scheme for the rehabilitation of those banks which were most severely affected by this crisis. The banks affected were amongst the more important ones in the Central Provinces and Berar. The other banks, which were not required to be brought under the rehabilitation scheme, were only just recovering from the economic depression of the years proir to the commencement of the war, with the result that during the first few years of the war it was not possible for the co-operative institutions to give much attention to contributing to the war effort. Contributions to the war effort were confined to such co-operative societies which were not under any financial strain, and which also depended on a certain measure of help from Government. The Central Provinces and Berar Weavers' Co-operative Society, Nagpur, which has a membership of about 350 handloom weavers of Nagpur, supplied over 3,000 hand-woven wollen blankets valued at about Rs. 21,000 for the Army Department through the Indian Stores Department during the year 1941-42. In addition, this society supplied and still continues to supply hand-woven woollen blankets and other articles of clothing to the various departments of Government, including Government hospitals, in accordance with the orders received by it. The Textile Expert to the Government of Central Provinces and Berar has always willingly helped this society in supplying goods against orders received from the various departments of Government. Likewise, there have been a few other instances of co-operative war effort elsewhere in this province; and, amongst these may be mentioned the activities of the Vegetable Growers' Association at Chhindwara which undertook to supply a large quantity of potatoes grown by cultivators in that district to the Army Department.

The credit for helping in the solution of one of the most difficult problems arising out of the war situation goes however to the stores societies in Nagpur and elsewhere in the province. These societies were constituted and organised with commendable rapidity and they undertook very efficiently to distribute controlled foodgrains to a large portion of the population in the areas within their jurisdiction. In the City of Nagpur alone there are now twenty three stores societies with an aggregate membership of about 6,000. These societies cater to the needs of a large part of the population of the City. Stores societies (also known as consumers' stores) have also been started at several other towns in the province and quite a number of proposals for registration of such new societies are pending for examination in the office of the Registrar, Co-operative Societies, Central Provinces and Berar. The District Council, Nagpur, is considering the question of promoting and encouraging a net-work of stores societies all over the district for ensuring efficient procurement, and distribution of food supplies in the district in accordance with the plan of the food department of the Provincial Government. It is hoped that the stores societies which have grown so spontaneously and which have managed their affairs efficiently hitherto, will continue to function even after the food emergency passes away, and will organise themselves for playing their part in the solution of the post-war problems of reconstruction. The Provincial Government has very recently appointed a special staff of one Assistant Registrar and three Circle Auditors to look after and direct the activities of stores societies and other non-credit societies in the province, and it is hoped that the special staff will organise such societies efficiently by the time they are called upon to take part in the solution of the post-war problems.

Mention must also be made in this note of District Growers' Associations in the Chhattisgarh Division. Under the able guidance of Rao Bahadur D. R. Moharikar, Assistant Controller of Prices and Food Supplies, The Balaghat District Growers' Association which was registered as a co-operative society recently has already done valuable work by undertaking to purchase grain wholesale as an agent of the Food Department of the Government. The other District Growers' Associations in Chhattisgarh Division, namely those at Raipur, Bilaspur and Drug, will also shortly undertake to do the same kind of work for Government. This work on the part of these Associations will ensure additional income to the cultivators which otherwise would have been absorbed by hastily organised services of middlemen from outside. Steps will be taken to maintain the efficiency of these Associations at a high level at the end of the war, so that after the war they can

undertake co-operative marketing and co-operative production in the rural areas and so serve the cultivators under peace time conditions as well.

The co-operative constitution is eminently suited for cottage and small scale village industries. On the termination of the war, a large number of demobilised fitters, mechanics and other technicians will be returning to their homes in this province. Such of these technicians as cannot be absorbed in existing Indian industries can perhaps find a solution for their future in small industrial units constituted on co-operative lines. This subject is also under examination in the office of the Registrar, Co-operative Societies, Central Provinces and Berar and it is hoped that with the help of the Village Uplift Organiser and of the new staff recently sanctioned by Government, concrete steps will be taken in this direction by the time the province happens to face the problems of demobilisation.

Thanks to the increase in land values due to the war the Central Banks in the province whose assets had been locked up in land before the war were able to realise a good income by the sale of such lands during the boom period and to tide over the financial crisis in a much better manner than was expected at the commencement of the war. These banks are thus now in a position to look forward to resuming normal activities within their jurisdiction in the not distant future. It is hoped that arrangements will in due course be completed whereby these banks will be in a position to be of real help to the people of this province in respect of not only credit but also of co-operative marketing and production in the post-war period.

WAR SUPPLIES THROUGH CO-OPERATIVE SOCIETIES IN U. P.

Note By

The Deputy Registrar, War Supplies, U.P.

For some time past the Industrial Co-operative Societies of the Province had been supplying gauze, bandage cloth, jaconet cloth, etc., in large quantities to the various departments of the U. P. Government. Some orders received from the other Governments were also successfully executed.

In 1940 the Supply Department felt dissatisfied with the supplies made by the contractors of certain types of goods and approached the local Government to organise cottage workers for war supply work. Thus it was in the latter half of 1940 that co-operative societies took up the work of war supplies and secured a trial order for the supply of 3,000 sets of tent components valued at over Rs. 40,000. This order was executed promptly and satisfactorily. Enquiries for the manufacture of various other articles followed, so much so that the Registrar had to create a special section in the department to deal exclusively with war supply work.

The articles supplied to the Defence Department cover a large number of varieties. They may be classified under the following three main heads:

A. **Hemp:**—Camouflage nets of various sizes, tat pattie, tent components, feeding cloth for bullocks and ropes.

B. **Textiles:**—Cotton camouflage nets, battle dress anklets, cotton pattie and stockings, cotton vests, gauze, bandage, towels, tape niwar of various sizes, sheeting cloth, nazri, dusters, napkins, etc.

C. **Miscellaneous:**—Military hats, A.R.P. hats, boots, bottle covers, mosquito nets, dams, canvas buckets, etc.

Over 65,000 workers are employed in the manufacture of the above articles. By eliminating the middlemen better wages could be paid to workers, most of whom were in rural areas spread all over the province.

The value of supplies already made comes to about Rs. 50 lakhs and orders of about Rs. 12 lakhs are in hand.

All manufacture has been organised and is supervised by the U. P. Co-operative Industrial Federation, either through co-operative societies of industrialists or branches of Federation spread all over the province. The Federation is working under the supervision of the Deputy Registrar, War Supplies who works as the Honorary Secretary of the Federation. The necessary staff for supervision has been provided to the Federation. The local Government has also helped the Federation with a fairly large interest-free loan.

With the decrease in the requirements of the Supply Department the value of orders of the Federation has decreased and in order to continue providing employment for the workers the Federation has recently taken up the preparation of cloth for civil needs of the public.

The qualities produced included cloth like garha, sarees, dothies, shirting cloth, etc., for civil consumption. The total production of this cloth exceeds 9 lakhs yards. This branch of work is being consolidated and improved upon and the 'co-operative standard cloth' has already found its way in the remotest corners of the province. Civil cloth so produced will be distributed as far as possible through co-operative sale depots and other co-operative societies. If necessary the services of the dealers of 'Government Standard Cloth' will also be utilised.

THE CO-OPERATIVE MOVEMENT IN BARODA AND SUPPLY AND DISTRIBUTION OF FOODSTUFFS DURING WAR EMERGENCY

Note By

The Registrar, Co-operative Societies, Baroda.

The problem of shortage of food-stuffs and other requirements was keenly felt during the preceding year even though war is going on for the last four years. The State, though most of its population is living in villages and carrying on agriculture as principal industry, used normally to remain a deficit area regarding food-stuffs on account of its taking to more and more money-crops like cotton, oil seeds, etc. Of the four revenue districts of the State, Mehsana and Amreli districts produce food-stuffs in larger quantities than their normal requirements; and this surplus production satisfies to a certain extent the requirements of the other two revenue districts of Baroda and Navsari, but rice and wheat have got to be imported from outside provinces.

Just after the commencement of war, the flow of normal trade was disturbed by the imposition of restrictions regarding the export of food-grains and other materials by the Provincial Governments and native states and hence deficit districts of Baroda and Navsari began to experience hardships. Steps were immediately taken to arrange the available supply from the two surplus districts to the two deficit districts, and for further deficits, an arrangement was made to obtain supplies from the British provinces wherever it was possible to do so.

Sugar is not produced in the State in sufficient quantity to meet the requirements of its population. There is only one sugar factory at Gandevi, but its production is of a small fraction when compared with the total demand of the population. The necessary requirement is therefore recouped by obtaining a quota basis accepted by the Government of India. Sugar is supplied to consumers on a rationing basis. Kerosene is also imported from outside, and whatever quantity is receivde in the State is distributed to the public on the same lines.

As mentioned above, the population of the state has to depend for their deficit food-stuffs and other necessaries of life upon outside provinces. This caused abnormal rise in prices with the result that the State had to enact Price-control Act, in the year 1939, according to which prices have been fixed for retail and wholesale dealings. To

check merchants and mercenary people from hoarding food-grains and other necessaries of life with a view to have large-scale profiteering, the Food Grain Act was put in force in the year 1942. In the same year Food-grains' Future and Option Prohibition Order was passed by the Government and finally Food-grains Movement Control Order was passed to restrict their exports. During the time when the Government was engaging its attention in taking necessary measures by way of enforcing the various enactments mentioned above with a view to check profiteering, it was equally aware of the necessity of organising a fair system of distribution. The Co-operative Societies were recognised as the best type of agencies to undertake this work and the Government was pleased to order as follows:—

"One of the weakest points in our distribution system is that the villages suffer at the expense of the towns. To prevent this, licences may be freely used in the names of rural Co-operative Societies for the needs of their members and other people of the villages. The Registrar of Co-operative societies should see that in the remoter areas i.e., areas far away from market towns, co-operative societies are utilised for this purpose. This is an important point and an effort should be made in this direction." Further the Government was pleased to pass an order on 18-1-43 which is as follows:—"In villages, the problem is mainly of sugar and kerosene. The distribution work should be done through the agency of co-operative societies as far as possible; the supply to them should be on the basis of the population of the villages served by them. Failing co-operative societies, the village panchayats should be utilized for the purpose or traders strictly supervised by village panchayats and the Government."

According to the above mentioned two Government orders, the Registrar, Co-operative Societies issued instructions to the co-operative societies to undertake the supply of necessaries of life to their members as well as to other people residing in their respective areas of operation and they were further instructed to obtain licences, and secure permits for successfully undertaking this work. Now societies were also organised where they were required. The societies rose equal to the task and a good number of these societies willingly undertook to do this work for the benefit of their members as also as a piece of social service to the communities residing in these villages.

From the beginning of the year 1942-43, prices of commodities began to soar high much above the expectations, and hence people began to feel the indirect pangs of war. To relieve the people from distress, the Government at various stages was pleased to pass necessary orders encouraging co-operative societies to undertake the work of supply and distribution of food-stuffs, sugar and kerosene. The following table will show how the work of distribution was going on in the year 1941-42 and how it rose during the ensuing year:—

Year.	Banks.	Societies.	Consumers' stores.	Total No. of Societies.	Total sale in lakhs.
					Rs.
1941-42	4	13	5	22	3·97
1942-43	7	162	12	181	19·35

The arrangement through 181 societies including consumers' stores for the supply and distribution of food-stuffs, sugar and kerosene satisfied the needs of 733 villages and towns having 5,83,527 inhabitants, viz. one fifth of the entire population of the State. This should be looked upon as satisfactory, in spite of the number of difficulties their workers experienced in obtaining materials and managing the affairs in a business-like manner.

The following represents the main commodities supplied by the co-operative organisations:

(1)	Food-grains	Rs. 8·08 lakhs.	(6)	Kerosene	Rs. 0·22 lakhs.
(2)	Sugar	„ 7·43 „	(7)	Cloth	„ 0·08 „
(3)	Molasses	„ 2·20 „	(8)	Soaps and Match boxes	„ 0·05 „
(4)	Miscellaneous	„ 0·84 „			
(5)	Oil and condiments	„ 0·45 „		Total	„ 19·35 „

Consumers' stores only do not account for the whole of the distribution work as mentioned above. Over and above these stores, the central financing institutions, rural credit societies and non-agricultural societies also took up this work as a side activity for the benefit of their members beyond their normal transactions.

NOTE ON THE CURRENT FOOD CRISIS AND THE ACTIVITIES OF THE CO-OPERATIVE SOCIETIES OF THE BAKARGANJ DIVISION

BY

MAULVI A. JABBAR,

Assistant Registrar of Co-operative Societies, Bakarganj Division, Bengal.

To combat black marketing and to distribute Government-controlled goods equitably within municipal and rural areas of the district of Barisal, two schemes were drawn up by the Assistant Registrar, Mr. A. Jabbar with the encouragement of the Hon'ble Minister Mr. J. N. Mandal and the Registrar of Co-operative Societies, Khan Bahadur Mr. Choudhury Afsar Ali, the Collector Mr. Palmer and the Chairmen of the local Municipalities. The Barisal Municipal area was divided into 10 units and 10 co-operative stores, and societies were granted 6,696 ration cards for distribution of ration to people whose earnings fall below Rs. 25. In addition, they served the members and other local gentry with kerosene, sugar, pulses, *atta*, rice, etc. In mofussil municipalities, supply of commodities was arranged through Urban Banks, Central Banks and Co-operative Stores. At Bhola, one Central Co-operative Bank, three Urban Banks and one Store; at Patuakhali, one Urban Bank and one Store; at Perojpur, one Urban Bank, one Store and one Central Co-operative Bank; at Nalchiti, one Store; and at Jhalakati, one Store, catered to the inhabitants of the said localities the necessaries including standard cloth.

As for supply in rural areas, Union Co-operative Stores have been established in almost all the unions of the Sadar sub-division where the crisis was very acute. The constitution of these Union Stores is composed of the President and members of the Union Boards, Union Food Committees, D.S. Boards of Palli Mangal Samities, etc. The total number of such stores is 85. They had their supply from the local Central Banks and Urban Banks which were wholesale dealers of the Government-controlled goods. They retailed their stuff at controlled rates to the members and other inhabitants of the Union equitably, as far as practicable.

The Collector of the district, Mr. Palmer, has been very kind to issue instructions to all sub-divisional officers and supply officers to arrange supply of Government-controlled goods through Co-operative Stores and Societies exclusively where possible. The sub-divisional officers, the supply officers and the officers of the Jute Regulation and Rural Reconstruction Department have heartily co-operated with this move and the price of all commodities was kept under control and black marketing was practically stopped with the establishment of co-operative societies for the purpose as detailed above. The authorities and the local public are all now convinced of the utility and importance of the co-operative societies in making equitable distribution of foodstuffs easy and possible at controlled rates. Demand for such societies has, therefore, greatly increased and fresh applications are pouring in every day with the recommendations of the officials, men of importance and leaders of Radical Democratic Party, Barisal.

The Arya Laxmi Co-operative Bank distributed its own stock of rice to its members at Rs. 11-4-0 while rice was selling at Rs. 30 to Rs. 35 per maund. The Barisal Central Co-operative Bank and the Bakarganj Sunderbans Sale and Supply Society, Khepupara distributed rice at concessional rates to their staff, members and depositors.

THE KHADDAR INDUSTRY IN WAR PERIOD

BY

VISWANATHAM TEKUMALLA, M.A., B.ED.

The khaddar industry was revived in 1921 when Gandhiji declared that "khaddar is the symbol of Indian unity, the bread of hundreds of thousands of homes in this poverty-stricken land."[1] In appealing for its revival, Gandhiji's aim was to make it a means of self-sufficiency in clothing rather than a source of commercial gain. He desired that people should spin chiefly for their own use and that any surplus yarn might be sold with advantage to the spinner; for the income of one pice per hour of spinning could be none too small for the poor villagers. In 1925 the All-India Spinners' Association was started with a view to popularise khaddar as a necessary prelude to self-sufficiency propaganda. The Association devoted itself to "1. Production and sales, effective marketing of the products by hawking and exhibitions; 2. Improvement in the quality of yarn and cloth; 3. Reduction in the cost and price."[2] Thus the industry took a turn towards commercialisation.[3] But the original object of self-sufficiency was not entirely forgotten; only it was not seriously promoted.

The industry soon showed itself a potent factor in Indian economic life and progressed fairly well during the decades that followed its

1. Khaddar work in India; Published in 1922 by the All-India Congress Khaddar Department.

2. Gandhiji in "Young India" dated, October 21, 1926.

3. Regarding the constitution of the A.I.S.A., Gandhiji wrote, "I know that there is no arrogance in giving an autocratic character to the Association. Commercial bodies can never be democratic. And if hand-spinning is to become universal and successful in this country, its non-political and purely economic side must be now fully developed. That development is sought to be attained by the A.I.S.A.'—"Young India" dated, 1st October, 1925. Though Gandhiji sought to avoid commercialisation by imparting the Association an autocratic character, which was a lesser evil, yet this commercialisation became inevitable.

revival. But the progress was rather uneven and subject to strong political and economic influences: steady progress was maintained till 1930 due to the peace in the country and the propaganda of national leaders and khaddar enthusiasts. Then came the set back when the Economic Depression reduced the purchasing power of the people, the Satyagraha Movement of 1931-32 removed many khaddar workers and sympathisers to gaol, and the cult of Swadeshi, reiterated by the national leaders, began to be interpreted by some interested persons (like mill-owners) as implying the use of the Indian mill cloth as freely as khaddar. In 1935 due to Gandhiji's pressure, the programme of self-sufficiency (which was the original aim) and a scheme of wage-enhancement with a view to make spinning not merely a subsidiary but an independent occupation received impetus. Many private producers did not favour this wage-enhancement scheme. Hence, they seceded from the A.I.S.A; and thus began the keen rivalry between the A.I.S.A, and the uncertified khaddar organisations. This new orientation of the A.I.S.A. policy, however, tended to improve the khaddar industry to some extent. But by far the most speedy improvement was seen when the Congress Ministries came to power in the country. Production in square yards increased in 1938 by 73% over the production in 1937; but unfortunately there was no commensurate increase in sales. Consequently production had to be regulated in 1939.

This was the situation at the outbreak of the present war. Now I shall endeavour to state the condition of the industry during war period. For a clear study of the condition of the industry, the past four years of war may be conveniently divided into three periods: the first: from the outbreak of the war to the middle of 1942—the period of uncertainty; the second: from the middle of 1942 to the middle of 1943—the period of abnormal but favourable conditions; the third: from the middle of 1943 to the present day—the period of swing towards normality with less favourable reactions on the khaddar industry.

First period:—This period was a long one but one of uncertainty. For a proper understanding of the condition of the industry during this period, the following tables will be of value:

KHADI PRODUCTION AND SALE OF A.I.S.A. AND CERTIFIED CENTRES

		1938	1939	1940	1941	1942 (Jan.-June)
Andhra	Production:					
	(a) Sq. yds.	10,17,900	8,97,604	7,86,027	10,12,785	4,38,417
	(b) Value, Rs.	4,60,551	4,35,950	4,06,020	5,89,417	2,52,996
	Sale: Value, Rs.	2,93,430	3,12,812	3,46,384	5,00,450	2,43,189
Tamilnad	Production:					
	(a) Sq. yds.	33,04,073	23,85,110	17,49,898	23,95,034	15,17,181
	(b) Value, Rs.	16,57,472	11,84,987	10,46,091	14,21,249	9,01,716
	Sale: Value, Rs.	9,83,976	10,88,321	10,16,371	11,45,235	7,28,236
India	Production:					
	(a) Sq. yds.	1,25,59,594	1,13,32,964	95,51,438	1,20,39,478	95,44,798
	(b) Value, Rs.	54,94,436	50,08,416	51,36.983	70,37,987	49,64,443
	Sale: Value, Rs.	54,98,620	64,84,724	77,62,750	96,12,281	19,70,795

(From the Annual Reports of the A.I.S.A.).

The figures in the table generally show an increase from year to year in production and sales of the A.I.S.A. and certified organisations. Production and sales of the uncertified organisations also progressed likewise. There was some progress in self-sufficiency khaddar also. Yet this progress was not commensurate with the potential needs of the period; nor was it a healthy one. Unfortunately it was a period of confusion among the consumers, capitalists and artisans. Though the prices of raw materials were rising, the consumers were unwilling to pay correspondingly high prices for articles. They were rather willing to defer their needs to a future day with the hope that the war could terminate early and ease the situation. Capitalists, both individuals and institutions, studied the buyers' attitude and desired to keep the prices of khaddar as low as possible. The A.I.S.A. was particularly successful in this respect since the Congress Government granted an annual subsidy for the promotion of the industry. For 1939-40 the Government subsidy was Rs. 3,67,627-8-0 for India of which Madras received Rs. 1,99,297-8-0 Consequently though the wage enhancement to Rs. 0-3-0 per day of 8 hours necessitated an increase in the price of khaddar by about Rs. 0-2-0 per yard, the actual increase was only Rs. 0-0-6 per yard about the end of 1940. This deliberate stabilisation of prices by the A.I.S.A. prevented to some extent the private producers from enhancing their prices. The net result of this absence of increase in prices was that the wages did not increase appreciably. For example spinning wages in some parts of the West Godavari District increased only by about Rs. 0-2-0 per lb. over the former rates and carding rate by Rs. 0-0-6 over the former rate of Rs. 0-3-0 per viss, and weaving by about Rs. 0-0-6 over the former rate of Rs. 0-4-0 per yard. Even the wage enhancement of the A.I.S.A. was no great advantage to the spinners since the application of the strength test system[1] generally resulted in a reduction of wages by about 12½%. Of course this strength test system was condemned as detrimental to the interests of the spinners and given up about the end of 1940; yet some small deductions continued to be made in yarn value for bad spinning and so on. This stagnation in the general wage level during a period of favourable war conditions placed the poor artisans in a fix: The spinners, though their number registered an increase, felt obliged to believe that their new occupation might not after all be as steady and remunerative later on as expected at first and that if after some time the demand for handspun yarn fell the labour they had spent in learning to spin would be an economic loss to them. The weavers, though their number also increased, found themselves obliged to weave handspun yarn and mill-yarn according to circumstances. For example, some khaddar weavers began to weave mill yarn since mill cloth rose in price. But since 1941 mill yarn became very dear and these mill yarn weavers suffered a great deal.[2] This unsteadiness of the khaddar buyers' market and labour market prevented khaddar production from expanding to an extent commensurate with the real needs of the country in war time.

Second period:—The second period was a short one but one of abnormal activity. It is essential to know exactly the circumstances that led to these abnormal conditions. Some confusion was perceptible among the people, particularly of the Coastal Andhra, since April '42 when Cocanada and Vizagapatam were bombed by Japan. This confusion increased on account of the disturbances that followed the arrest of the Congress leaders in August 1942. In October '42 there were strikes in the mills which affected production of yarn and cloth. Insecurity and inadequacy of transport facilities made the problem of distribution very keen all the country over. The prices of food-stuffs and other necessaries of life rose sharply due to scarcity and maldistribution. This situation gave rise to speculation. Anticipating an abnormal rise in textile prices, the mill-owners, the agents and merchants began to stock goods. This step had the desired effect; for

1. The strength test system was a system of payment of yarn price in accordance with a schedule of rates based on the various grades of strength of the various counts of yarn.

2. A.I.S.A. Report 1940.

a bundle of yarn of 60s. which cost Rs. 6/- before the war now cost over Rs. 35/-. It was just at such a time that the demand for cloth also increased due to three causes: (1) Consumers who had postponed their needs for about 3 years hoping for an early conclusion of the war and consequent fall in prices were now disillusioned and obliged to purchase their requirements even at high prices; (2) some people, apprehending a further rise in prices, wanted to stock goods and thus save further expenditure; (3) since marriages should not be celebrated during the years of the Godavari and Krishna Pushkarams (river festivals coming once in 12 years) which will come in 1944-45 the Hindus, particularly of the Andhra, began to celebrate marriages in 1942-43. So there was a great demand for cloth even at high prices.

These circumstances offered a unique opportunity for small spinners and weavers, for they could now be sure of high wages. Every artisan began to borrow a little capital and invest it profitably in spinning or weaving. About November '42 mill-yarn became as costly as hand-spun yarn and during the subsequent months the former sold higher than the latter. Some mill-cloth merchants began to trade in khaddar. Some certified khaddar producers tried to get their certificates cancelled by the A.I.S.A. so that they might do business independently and profit well. Yarn was bought by some private dealers at higher rates than the A.I.S.A's. The whole khaddar market was disturbed by private uncertified organisations and small independent artisans. The A.I.S.A. saw that artisans were escaping their fold and exploiting the situation unmindful of their own future position and that of the industry. And with its native resolve to run the industry on an even keel towards its goal in the best interests of the artisans, it raised the wages of the spinners and of the weavers. The provisional report of the A.I.S.A. for 1942-43 says, "Our various branches have effected suitable increases in the wages of the spinners varying from 25% to 75%. The weavers have been given considerable increases cent per cent. in many cases and in some instances even 200% or more." For the convenience of the artisans who had to waste time in hunting for food materials, some cheap provision stores were opened in some of the A.I.S.A. branches.

Thus during the second period there was a very satisfactory demand for khaddar; and the problem of wages also was tackled in such a way as to attract more labour. One would naturally expect that in such favourable conditions the production of the A.I.S.A. increased abnormally. But it was not the case. The severe policy of the Government towards the A.I.S.A. in August '42 and the following months prevented the A.I.S.A. from executing its plan of production. The effect of the Government policy on the A.I.S.A. Branches has been expressed by the Provisional Report of 1942-43 thus: "The Governments of Bengal, U.P., and Orissa closely followed the example of Bihar and ruthlessly suppressed our work there. Our Provisional Branches of Rajasthan, Gujarat, Punjab, C. P. and Maharashtra and Assam have not been spared too, though the interference there has not been as severe as in the former four branches. We have not had reports of any interference of the type by the Madras Government in our Provisional Branches of Kerala, Tamil Nadu and Andhra and by the Bombay Government in our Provisional Branches of Karnatak and Bombay. We find that the work in these branches has not been disturbed on that account. The severity of the action taken by the different Provincial Governments has varied from province to province. Whether or not the Government have taken any action in a branch the repercussion on the whole has been a definite setback in our production activities."[1] The extent of the set-back is indicated in the following table published in the Provisional Report of the A.I.S.A. for 1942-43:

Name of the head.	As per Report 1941-42.	Present position (estimated) 1942-43.	Decrease.
Capital employed	Rs. 50,00,000	25,00,000	25,00,000
Value of production per month	Rs. 8,00,000	4,00,000	4,00,000
Total number of artisans	3.5 lakhs	2 lakhs	1.5 lakhs
Wages distributed per month	Rs. 5 "	3 "	2 "
Number of villages covered	15,000	8,000	7,000
Number of centres	1,200	800	400

1. "As Government have begun to interfere in our work, we have been reluctant to increase our production activities any where even in places where there has been little or no interference. In fact, we have curtailed our activities because of this loss of confidence."—Provisional Report, 1942-43.

The following table relating to Andhra and Tamilnad shows how production suffered even in regions where there was no Government interference:—

Year	Andhra.		Tamilnad.	
	Area in sq. yds.	Value in Rs.	Area in sq. yds.	Value in Rs.
1941-42	10,49,140	6,41,904	29,84,021	17,86,347
1942-43	6,52,830	5,76,642	26,13,971	19,92,367

This set-back in the A.I.S.A. production activities was taken advantage of by some clever artisans and private organisations. The A.I.S.A. could no longer influence the prices because it could not cope with the demand appreciably. So the private producers could enhance the prices of their cloth and yet have good sales.

Third Period:—The third period is very short but is enough to indicate the precise nature of the development of the industry. Ever since the rocketing of textile prices began, the public started an agitation demanding State intervention. After several years of laissez faire the Government at last intervened. In August '43 the Government issued the Yarn and Cloth Control Order and fixed the ceiling prices of yarn and cloth, thus penalising the selling of cloth by the cloth dealers above the prices fixed. In September '43 the Textile Commissioner with the Government of India issued a warning that "if these prices are found to be high, the Control Board will no doubt examine the question afresh and take suitable steps to revise these prices if such a revision is justified."[1] The sale of standard cloth, both mill-made and handloom-woven has also commenced at several places. The marriage season also has practically ended for the Hindus. Consequently the situation has become less tense. The prices of mill cloth have been reduced by 40%[2] and dealers in mill-yarn cloth are eager to clear their stocks as early as possible so as to evade the effects of the Government's textile legislation. Mill-yarn cloth is now available in considerable quantity for the public.

This new turn in the textile market has affected the khaddar industry. Khaddar has been unable to cope with the new situation

1. *The Indian Express,* dated, 7th September, '43.
2. Fall in prices of cloth *The Hindu,* 11th November, '43.

for the following reason: While the high prices of mill-yarn cloth were not due to a great increase in costs of production but only artificial raising, the prices of khaddar were due only to high costs of production. As the Provisional Report of the A.I.S.A. for 1942-43 says, "The spinning wages have been raised by about 50%. The weaving wages have generally increased cent per cent. The price of cotton shows a rise of more than 75%. Added to this is the increase in the cost of dye-stuffs, chemicals, transportation charges. Though every effort has been made in the past to keep the percentage of over head charges as low as possible, with the increased cost of living everywhere some rise has also had to be effected on this account." Consequently while mill-yarn cloth prices could be reduced considerably without much difficulty, khaddar prices could not be reduced likewise.[1] The present shrinking of the demand for cloth and the absence of an appreciable reduction in khaddar prices have resulted in the accumulation of stocks every where. It has been reported that even in the Rayalaseema (Ceded Dts.) where the khaddar industry has been introduced as a famine relief measure, there are huge unsold stocks of khaddar. The general cry is now for clearing the accumulated stocks as early as possible and provide further employment to the artisans.

It may here be stated to the credit of the khaddar movement that in spite of the mutual competition among several khaddar organisations, the producers strained every nerve to supply as much cloth to the people as possible. In their endeavour to increase the supply they gave importance to two points: (1) relaxation of normal policy in respect of quality and variety; (2) revival of self-sufficiency.

1. Though for some months after the outbreak of the war the progressive spinning wage system obtained, yet when the textile problem became acute, it was replaced by the flat rate system. By it, the price of yarn of any grade between 12s. and 25s. was fixed at Rs. 0-1-9 per hank for some time and at Rs. 0-2-3 per hank later on. The spinners took advantage of this concession and began to spin only yarn of lower counts. Moveover

1. The Secretary of the A.I.S.A. (Andhra Branch) has stated in his letter to me, dated 12-10-'43:—"The other uncertified khadi dealers have reduced the wages of both the spinners and weavers which permitted a reduction of about Rs. 0-5-0 to 0-6-0 per yard in the sale prices of their cloth. Our prices remained stationary from 1st April, 1943 to this date and there seems to be no possibility to reduce these prices further owing to further increase in spinning wages proposed from August 1943.... The sales have fallen to some extent".

the novices in spinning spun only coarse yarn of below 10s. The following table shows how the quality of the cloth suffered during the war period:—

Table showing the average area in sq. yds. of cloth of one lb. weight.

	1939	1940	1941	1942 (Jan.-June)	1942-43
Andhra.	4·00[1]	3·86	3·94	3·84	3·75
Tamilnadu.	4·10	3·85	3·67	3.63	3.66
India.	..	3·10	3·05	2·91	..

With regard to variety the A.I.S.A. Report of 1941-42 says, "The need of the hour being to supply the bare necessities of clothing to the largest number of people possible, our Board has recently decided to reduce the manufacture of coloured coatings and coloured shirtings, and use the yarn so spared for dhoties and saries. The aim of the Association will, for the time being, be to make available to the general public larger quantities of simple khadi curtailing the production of fancy varieties.

2. Since the initiation by the A.I.S.A. of the new policy in 1935 according to which progressive self-sufficiency was to play a very important part, self-sufficiency began to receive considerable attention. There are two kinds of self-sufficiency: (a) the buying of cloth by workmen for their own use and as part of their wage; (b) *real* self-sufficiency by which spinning is done not for wage but for the spinners' own or family's use. In November 1940 the khadi council defined self-sufficient poeple as habitual and full khadi wearers who regularly spin at least 7½ hanks (of 840 yds. each) of yarn per month for their use. The limited scope for expansion of khaddar production on an adequate scale was soon realised by the people and many people began to spin for their own use. Spinning schools were started by the A.I.S.A. for the benefit of amateurs. The A.I.S.A. undertook to weave the self-spinners' yarn or give cloth in exchange for yarn. The unfavourable attitude of the Government towards the A.I.S.A. in 1942-43 afforded scope for self-sufficiency to develop further since the A.I.S.A. limited its production appreciably. But the inadequacy of implements and raw-materials acted as limiting factors. Yet there was some expansion of self-sufficiency.

1. 1938-39.

7

The decrease in quality of yarn and the expansion of self-sufficiency brought two problems: (a) the problem of weaving; and (b) the problem of transport. (a) A very large part of the yarn supply was from new recruits to spinning. It was coarse and also not strong. And "weavers accustomed to weave mill-yarn cannot be easily persuaded to take to hand-spun yarn especially as yarn coming from unskilled spinners is not sufficiently strong."[1] Consequently there was an inadequacy of looms to weave hand-spun yarn. Considerable quantities of yarn accumulated every where. For example, at Avanigadda a first variety centre of the Krishna delta, there were in May '43 about fifty bags of yarn weighing nearly 1,500 lbs. (b) Since all grades of yarn could not be woven by all weavers, yarn of a particular grade had to be sent to a particular centre for weaving. This was not quite easy because there were many transport difficulties in the country.

The course of the khaddar industry during the present war made clear at least three important points: (a) A very large part of the khaddar consumption in the country cannot be attributed to sentiment alone in favour of khaddar but largely to economic considerations also. The relative prices of mill-yarn cloth and khaddar were the deciding factor in the purchase of khaddar by most consumers. (b) Commercial khadi cannot therefore be made a success unless mill-competition is suitably controlled and regulated. (c) Even the much-longed-for self-sufficiency scheme cannot be an unqualified success even in war time unless favourable conditions such as adequate weaving facilities and favourable sentiment are created before hand.

Besides Masulipatam and Puritigada in the Kistna District, there are some other centres of Khadi production in the Coastal Andhra of which the following are important. In the Vizag District, Pondur and Chicacole are noted for their fine Khadder. Chintada, Singipuram, Narasannapeta and Budithi in that district are important as spinning centres. First Variety, i.e., Medium (18s—25s) Khadi is produced in Pithapuram and Sithanagaram in the East Godavari District; Guntur, Amrutalur, Cherukumalli, Repalle, Peteru and Kanagala in the Guntur District; Ghantasala, and Angaluru in the Kistna District; and Veerannakanupur in the Nellore District. Second Variety, i.e., Medium Coarse (12s—18s) Khadder is produced in Achanta, and Narsapur in West Godavari District; Guravareddipalem and Chilakalurupeta in Guntur District; and Kandukuru and Gudur in Nellore District. Coarse (8s—12s) Khadder is produced in Meliaputti in the Vizagapatam District; Tuni in the East Godavari District; and Palnad in the Guntur District.

1. A.I.S.A. Report 1941-42.

OUR RESEARCH WORKERS' CORNER

Weavers of the Deltaic Region of the Coastal Andhra

(A Study of Their Incomes)

(Contributed by a Research Worker)

The importance of Avanigadda of the Kistna Delta at a Khaddar production centre has been stated in my paper on the spinners' incomes published in the last issue of this Review. Here I propose to present a study of the incomes of the weavers of khaddar of the same centre. From my inquiries at Avanigadda, in May 1943, I learned that there were about 15 looms only working for the centre. Formerly the centre had many more looms, but all of them had been won over by some private producers and some former workers of the A.I.S.A. For instance, Potharlanka, a small village very near Avanigadda had some 20 to 30 looms working for the centre; but unfortunately when the A.I.S.A. worker in charge of those looms was severely warned for misappropriation, he resented the disciplinary action of the authorities and with the aid of some influential men of the locality who were interested in him, started business on his own account and pressed all the looms into his service. Since the number of looms fell and the stocks of yarn increased, the centre offered to supply looms to weavers who were prepared to work for the centre. But no weaver was forthcoming. The present weavers of the centre were plying their trade as a main occupation. Interested in finding out how the weavers and spinners of the same centre were faring, I studied the business accounts of four weavers of the centre. The following are the results of my study: Table given on P. 354.

The above table is based on the business accounts of four representative weavers of the deltaic region of the Coastal Andhra. Before recording a comprehensive study of the table with references to the original sources wherever necessary, six points may be mentioned here, for they facilitate a clear understanding of certain facts connected with the khaddar weaving industry:—

1. The division into periods of time adopted in the table is in conformity with the progressive pace of khaddar production activity and demand; it is also identical with the one adopted in the study of spinners' incomes (mentioned above) where details have been given.

TABLE SHOWING THE MONTHLY AVERAGE PRODUCTION OF CLOTH AND EARNINGS OF THE WEAVERS.

Period.	No. of Weaver.	Yarn given.				Cloth received.				Wages.	Cash paid.	Deposits.
		Knots.	Hanks.	Lbs.	Tolas.	Knots.	Hanks.	Lbs.	Tolas.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Sept. '41 to May '42	1.	30	8 2/9	17	17	28	5 7/9	16	6⅓	9 5 6	8 5 6	1 0 0
	2.	50	8	19	38	45	8⅔	17	25⅔	16 2 6	14 9 10	1 8 8
	3.	29	3⅔	12	13⅓	26	0⅓	10	27	8 5 11	7 11 3	0 10 8
	4.	24	4⅔	15	6	23	1	13	3	7 4 9	6 9 2	0 11 7
	Avge. for all	33	9	16	9	30	9	14	16	10 4 8	9 4 11	0 15 9
June '42 to Nov. '42	1.	32	0	18	15⅔	32	0	18	15	11 2 8	10 7 4	0 11 4
	2.	62	0	25	39	61	1½	25	13⅓	23 14 8	22 0 8	1 14 0
	3.	11	2½	4	23	11	2½	4	27	4 4 4	4 0 4	0 4 0
	4.	29	4½	16	13⅔	25	7½	14	7½	9 0 9	8 12 9	0 4 0
	Avge. for all	33	7	16	13	32	5	15	26	12 1 7	11 5 3	0 12 4
Dec. '42 to Feb. '43	1.	37	7	20	32	37	7	20	6	18 1 6	17 3 1	0 14 5
	2.	41	9⅓	19	11⅔	52	6⅓	22	15⅓	30 6 6	25 2 6	5 4 0
	3.	21	8	8	34⅓	21	8	8	28	11 1 4	10 12 0	0 5 4
	4.	66	1⅔	33	4	65	0⅓	30	14⅓	33 5 2	31 15 10	1 5 4
	Avge. for all	41	9	20	11	44	3	20	26	23 3 8	21 4 5	1 15 3
March '43 to May '43	1.	34	4	20	6⅓	34	4	19	8⅓	33 4 6	30 8 10	2 11 8
	2.	28	4⅔	14	6⅔	19	4⅓	9	22	20 3 8	17 1 0	3 2 8
	3.	15	4⅔	7	22	18	8	8	17⅛	19 6 3	17 2 7	2 3 8
	4.	21	⅔	9	27	25	6	10	29⅔	25 3 7	21 12 11	3 6 8
	Avge. for all	24	9	12	36	24	6	11	39	24 8 6	21 10 4	2 14 2

MILL CLOTH

	18-8-39	22-12-39	16-8-40	31-1-41	29-8-41	13-3-42	28-8-42	20-5-43
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Longcloth (Standard quality) per lb. ..	0 8 6	0 13 0	0 10 0	0 10 9	1 2 10	1 2 10	1 6 3	2 10 0
Yarn No. 20^s per lb. ..	0 6 1	0 9 9	0 7 10	0 8 4	0 14 10	0 15 0	1 1 2	2 13 0

(From Bombay Cotton Annuals).

KHADDAR: 1ST AND 2ND (MEDIUM) VARIETIES

Than No.	Punjam	Upto 1-7-42	1-1-43	1-4-43
		Rs. a. p.	Rs. a. p.	Rs. a. p.
2848 ..	20	0 15 0	1 3 0	1 14 0
2243 ..	18	0 13 0	1 0 6	1 11 0

	5-9-41	14-6-42	27-1-43	19-5-43
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Handspun yarn, 20^s per lb. ..	1 10 0	1 9 0	2 3 0	2 13 0

(Report of the A.I.S.A. (Andhra Branch).

FOOD PRICES AND COST OF LIVING

Vide P. 237 of the previous issue of this Review.

WAGES OF WEAVERS OF 1ST VARIETY KHADDAR.

Width	Punjam	31-12-41	25-7-42	10-11-42	25-12-24	4-3-43
		Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
50"	18	0 3 0	0 3 4½	0 3 10½	0 4 10½	0 8 0
50"	20	0 3 3	0 3 9	0 4 3	0 5 3	0 9 0

(Report of the A.I.S.A. (Andhra Branch).

2. The weavers were of average ability. They had experience of 15 years in weaving in general and some of them took to hand-spun yarn weaving in 1940 with the hope of earning higher wages.

3. The standard warp adopted by the centre is 15 yards which when woven, yields 14¾ yards of cloth of which half yard is allowed for wastage and loose ends and about 14¼ yards is given to the centre by the weaver. Calculations are done in terms of hanks and not of weight. About four hanks of yarn are given per *punjam* (120 threads) of standard warp. The weight of yarn and of cloth is recorded only formally. (One hank is 840 yards and 10 hanks make one "vara" or knot).

4. During the period under survey, there was a rise in the prices of cloth of all kinds as well as in the cost of living. The wages of weavers were increased from time to time. The details are given on P. 355.

5. Unlike hand-spinning in which wages at present do not usually include wages for the preliminary processes like carding and slivering, wages of weavers include the wages for preliminary processes done usually by women at home. In terms of money the wages for these processes were as follows: winding As. 1 per "vara"; warping As. 1 per "vara"; sizing As. 6 per warp for two men.

6. The transactions of weavers were done exclusively with the centre.

A study of the above table brings out the following points:—

1. **Yarn taken by the weavers:**—The weavers were less irregular than the spinners in the matter of visiting the centre. The monthly average quantities of yarn taken by the weavers during the first two periods were nearly equal. The quantity increased by 23·5 per cent in hanks in the third period, but fell by 26·5 per cent in the fourth period. The following details of transactions are interesting: During the first period the weavers went to the office for yarn at intervals of 5 days and 6 weeks. There was an interval of two and half months only once and even that in the case of a sickly weaver. The intervals were usually of over two weeks' duration each. In the second period the intervals ranged between 2 days and 50 days, the usual period not exceeding two weeks. In the next period the range was 2 days to 5 weeks and the usual interval was about 5 days only. And in the last period the intervals ranged between 1 day and 7 weeks, in most cases not exceeding about a week. The long intervals generally occurred

between the middle of January and of March. In respect of quantity yarn taken by individual weavers at a time, the figures ranged between 46 hanks weighing about 1¾ lbs. and 400 hanks weighing 18¼ lbs; but the average for all the weavers was about 200 hanks of about 9½ lbs. weight for the first part of the period and about 100 hanks of 5 lbs. weight for the second part. Probably this fall was due to the reluctance on the part of the centre to issue large quantities of yarn during a period of disturbances.

The larger part of the yarn was taken during the months of September to January. The monthly average for each weaver during the five months was 384 hanks weighing 17⅞ lbs. for 1941-42 and 421 hanks weighing 20¾ lbs. for 1942-43 as against the monthly average of 281 hanks of 13¾ lbs. weight for the rest of the period. This was because the five months are a period of festivals like Dasara, Deepavali, Sankranthi and Ramzan when the demand for cloth is generally larger than during the other parts of the year.

2. **Production of Cloth:**—The weavers usually returned every month cloth almost equal to the quantity of yarn taken; but since this policy had to be broken occasionally due to some circumstances, there were variations in figures over a long period. The variations were of two types:—(a) variations in the production of cloth in relation to the yarn taken in the same period; (b) variations in the production of cloth during different periods.

(a) In the first period the weavers produced on an average per month cloth less in quantity by 9 per cent than the quantity of yarn received in hanks during the month. In the next period also the quantity produced was less but only by 4 per cent. But in the third period production rose higher by 5·4 per cent. And in the last period it almost equalled the quantity of yarn taken.

(b) The monthly production in hanks increased over the figure of the first period by 5 per cent in the second period; and 4·3 per cent in the third one (during which the demand for cloth was at its highest); but it fell by 17½ per cent in the last period. The following details are interesting:

i. Since the weavers took care to weave cloth almost equal to the quantity of yarn given in the month, the variations in the quantities of yarn taken at a time hold good in the case of cloth returned at a time with a few exceptions here and there.

ii. The production of cloth increased during the period of festivals and decreased during the other part of the year. The monthly average production was 317 hanks of 14⅝ lbs. weight between September 1941 and January 1942 and 401 hanks of 19½ lbs. weight in the corresponding period of 1942-43 as against the monthly average of 286 hanks of 13⅝ lbs. weight for the other months.

iii. The period from February to May with the exception of April when the New Year's Day usually comes off was a period of relatively less production, for the monthly average production per weaver was 297 hanks weighing 13½ lbs. for February, March and May 1942 and 264 hanks weighing 12½ lbs. in the corresponding period of 1943.

3. **Quality of cloth produced:**—The yarn that was taken by the weavers varied in quality from period to period. In the first period the average count of yarn as also the average weight in hanks per pound was 21; but it gradually fell to 20·6 in the second, 20·7 in the third and 19·4 in the last periods. The yarn required for a pound of cloth was as follows: 21·6 hanks in the first period, 20·8 in the second, 21·5 in the third, and 20·5 in the last periods. A comparison of the two sets of figures, namely yarn taken and cloth given shows that the quantity of yarn used for a pound of cloth was in excess of the quantity which weighed one pound. This excess varied as follows: 3/5 hank in the first, 1/5 in the second, 4/5 in the third and 1 1/10 in the last periods.

4. **Wages:**—This is the most important part of the table, for the income of the weavers, like that of the spinners, is the index of the economic aspect of the khaddar industry. The average monthly earnings of each of the weavers showed an increase over the figures of the first period: the increase was by 7·5 per cent in the second, 126 per cent in the third and 138 per cent in the last periods. The following details may be noted: The lowest income of an individual weaver at a time was Rs. 1-6-0 (earned in November 1942 by weaving 45 hanks of yarn weighing 3¼ lbs.) and the highest was Rs. 19-4-3 (earned in January 1942 by weaving 577 hanks weighing 22½ lbs.). The lowest and highest monthly incomes of individual weavers were Rs. 1-13-9 (earned in November 1942 by weaving 46 hanks of 1⅞ lbs. weight) and Rs. 42-13-9 (earned in January 1943 by weaving 776 hanks of 36¾ lbs. weight).

In terms of earnings per pound of cloth woven the wages per weaver were Rs. 0-11-5, 0-12-4 3/5, 1-0-3, 2-0-8 for the four periods respectively. And in terms of earnings per hank of yarn woven, the figures were 6 1/3 pies, 7 1/7 pies, 10 pies, and 19 pies respectively for the four periods. In terms of earnings per weaver per day, the figures were Rs. 0-5-6, Rs. 0-6-5, Rs. 0-12-5, and Rs. 0-13-1. Here the following figures relating to the cost of living may be noted for comparative study:

Place.	October 1941 to June 42	July 1942 to December 42	January 1943 to March 43	April 1943 to June 43
Ellore.	100	127.7	152.5	172.25

The above details bear out the following points: (a) The wage-figures of the last two periods show an appreciable rise in earnings, but this increase was due mainly to enhancement of wages. It is significant that though the average quantity of yarn woven in the last period was less than that woven in any of the other periods, yet the income was larger than that in any other period. (b) Though in the second period the increase in wage was not commensurate with the rise in cost of living, yet in the last two periods the position was very favourable to the weavers. (c) Though the average wage per hank or per pound doubled itself during the last period, yet the average daily earnings did not show any appreciable increase during that period.

5. **Deposits:**—As in the case of the spinners deposit of a part of the income of the weavers was encouraged by the A.I.S.A. The usual amount deposited at a time was Rs. 0-8-0, but sometimes the weavers did not deposit anything at all. In very few cases in the first two periods the amount deposited at a time was as high as Rs. 3-0-0. The deposits varied with the periods of time. In the first two periods the deposits per quarter ranged between Rs. 0-4-0 and Rs. 7-12-0, the average amount being about Rs. 3-0-0. The smallest deposits were made in the quarter September to November 1942, probably because the steep rise in prices of foodstuffs without a commensurate rise in wages made it difficult for the weavers to deposit larger amounts. In the last two periods the deposits were considerable. The quarterly deposits for the third period were between Re. 1-0-0 and Rs. 15-12-0, the average amount being about Rs. 6-0-0. This increase in deposits was due to two causes: (a) the weavers did more work and earned larger incomes than before; (b) the A.I.S.A. granted some additional wages to the weavers for the month of February 1943 in view of the abnormal rise in cost of living, and the additional wages were credited to their deposit accounts. In the fourth period the amount of work done by the weavers was less but the deposits were larger than at any other time. The quarterly figures ranged between Rs. 6-0-0 and

Rs. 10-4-0, the average being about Rs. 8-10-0. This was due to two causes: (a) The weavers earned more due to rise in wages; (b) the increased wages were credited to their deposit accounts as additional deposits or additional wages. This tendency on the part of the weavers to deposit more and more in the last two periods may be taken to show that the wage increase was quite in keeping with the rise in cost of living.

6. **General Conclusions:**—The following general conclusions may be arrived at on the basis of the above facts: 1. The work of the weavers was less irregular than that of the spinners on the whole. But there were indications to the effect that their interest in khaddar weaving was stimulated by the rise in price of khaddar and an increase in their wages. 2. The increase in their average monthly income depended on an increased demand for khaddar cloth and an increase in the wages, which two circumstances were caused by the war. Probably when the demand for khaddar and the wages of labour fall after the war the position of the weavers will again be unenviable. 3. The weavers studied were typical of the weavers of Avanigadda, a centre of the deltaic region. So the conditions stated above may be considered applicable to the deltaic region of the Coastal Andhra.

INSTITUTE OF CO-OPERATIVE RESEARCH AND SERVICE

DRAFT SCHEME

The main objects of this Institute are: (1) Research in and stud of the aims, principles and methods of co-operation with a view t their practical application to reconstruction of our rural economy– reorganisation of our agriculture and development of village and urba industries and handicrafts, particularly those which provide subsidiar occupations to agriculturists and employment to artisans.

In other words the pursuit of an intensive study of agricultura and industrial co-operation with a view to utilise the co-operativ movement to a larger and more purposeful extent in the promotio of agricultural and industrial economy.

(2) Training of men and women who have faith in the principles of co-operation and aptitude to do social service and work among the masses for the dissemination of knowledge of co-operation among them (rural and urban population) with a view to enable them to organise themselves on a co-operative basis in order to raise their standard of living and bring about a change in their outlook on life by more efficient and successful pursuit of their avocations.

The idea is to create a band of workers devoted to the cause of co-operation and infuse in them the necessary spirit of service.

The work of the Institute in so far as the first object is concerned will be carried on by Research Students who have the necessary academic training in Economics and allied subjects and equipment for research work. In so far as the second object is concerned it will be carried on by trained social workers.

The Institute is intended to be an all-India organisation and its work will by no means be confined to the province of Madras, though the Head Office of the Institute will be located in Madras, in the premises dedicated in trust to the Indian Co-operative Movement by the Hon'ble Mr. V. Ramadas Pantulu, President of the All-India

Co-operative Institutes' Association and the Indian Provincial Co-operative Banks' Association.[1]

Under the auspices of this Institute, Provincial, State or Regional Co-operative Institutes or Specially Organised Committees may take up the work in their respective areas. The machinery for publicity of the results of the work done by those engaged in carrying out the programme of the Institute and other facilities which the Institute can provide, will be equally available to all parts of India. The Indian Co-operative Review which is the organ of the two All-India Co-operative Associations will naturally be the medium for the publicity of the results of work done in the several Provinces and States particularly those whose apex institutions are affiliated to the All-India Associations. Reports, Notes and Papers prepared by the research students will be scrutinised by persons competent to judge the merits of the work before publication. Any research student so working in the Institute will also be at liberty to submit the results of his research in the form of a thesis to any university, if he aspires to get a degree like D. Litt., or M. Litt.

Management:

1. (a) The management of the affairs of the Institute shall vest in a Board of Directors.

(b) The Board of Directors of the Institute shall consist of the members of the Standing Committees of the two All-India Co-operative Associations, namely, the All-India Co-operative Institutes' Association and the Indian Provincial Co-operative Banks' Association and will have a determining voice in laying down policies for the guidance of the Institute.

2. (a) The Board shall ordinarily meet at the time of the joint meeting of the Standing Committees of the two All-India Co-operative Associations.

(b) The quorum for a meeting of the Board shall be ten.

3. There shall be a Trustee in whom the properties of the Institute, both moveable and immoveable, shall vest.

1. The announcement was made in the Presidential Address of the Hon'ble Mr. V. Ramadas Pantulu to the joint meeting of the Standing Committees of the All-India Co-operative Institutes' Association and the Indian Provincial Co-operative Banks' Association held in Madras on the 24th and 25th April, 1943.

The Donor of the premises in which the Institute will be located, namely, the Hon'ble Mr. V. Ramadas Pantulu, will be the first Trustee. He will hold office for life or until he relinquishes his office.

(b) The power of appointing his successors for the place of Trustee shall be regulated by the rules to be framed by the Board of Directors, in consultation with the Founder.

4. There shall be a Committee of Management in Madras to look after the day to day business of the Institute and to control and supervise the work and, activities of the Institute, like research and training.

(b) The Committee of Management shall consist of five persons in addition to the Trustee who shall also be the Chairman of the Committee.

The Committee shall consist of two members of the Donor's family, one from among the members of the Board of Directors, residing in the Province of Madras, one Economist preferably one who is a member of the staff of the University of Madras, or the Andhra University or the Annamalai University or who is engaged in teaching Economics in a college affiliated to one of the above Universities, one Educationist who has specialised in co-operation and is actively associated with the co-operative movement.

Notwithstanding anything contained herein the first Committee of Management shall be nominated by the Donor and first Trustee and shall hold office for three years from the date of assuming office.

Note:—The mode of nominating or electing the five members to the subsequent Committees of Management shall be determined by the Founder in consultation with the Board of Directors.

(c) Till the first Committee of Management assumes office the work of the Institute will be in the sole charge of the Hon'ble Mr. V. Ramadas Pantulu, the Founder.

5. The Institute shall in due course be registered under The Societies Registration Act (XXI of 1860).

Immediate Programme:

To begin with it is proposed to start the work in Madras and to employ one or two research students who devote themselves to research in and study of the subjects indicated in objects one and two stated above These students will not only carry on research of an academic character inside the four walls of the Institute with the aid of text-books, and reports but will also be required to study problems of rural life and rural economy on the spot in selected areas, not only in this province but also in other provinces and States where there is scope for such work. One of the objective studies to be undertaken by these students will be the investigation into the causes that have led to the failure of particular types of co-operative institutions which were started in the locality—credit or non-credit, agricultural or industrial—with a view to ascertain the lines on which institutions with better chances of success may be organised in future.

It is hoped that this preliminary work will be of real value in evolving schemes of post-war reconstruction of our rural and urban economy in accordance with the principles and aims of co-operation.

Finances:

A note on the scheme of finances for the upkeep of the premises and for carrying on the work of the Institute is under preparation and will be circulated to the members of the Standing Committees of the two All-India Co-operative Associations as early as possible.

CO-OPERATIVE SOCIETIES AT WORK IN INDIA

INDORE

Review on the Working of Co-operative Societies, Holkar State, Indore, for the year 1940-41.

The report of the Registrar of Co-operative Societies, Holkar State, Indore, for the year 1940-41, gives a fair account of the strenuous efforts that are being made by the Department for rehabilitating the movement in the State. Referring to the expansion and development of the movement, the Registrar observes: "Expansion of credit societies as well as help in financing of non-credit activities on a large scale will have to wait as the Central Banks and the Department are pre-occupied with the matters pertaining to rehabilitation of the existing movement. This, however, cannot interfere with modest development of credit movement and non-credit activities. Attempts at reorganisation of Primary Societies by adopting various schemes of remissions and concessions to be granted to individual members are being made to improve the financial position of the societies." In spite of the fact that the agricultural co-operative movement in the State was passing through a period of stagnation and critical situation and the majority of urban societies were faced with the problem of multi-membership or rather over-borrowing by the same member from several societies, the organisation of 16 new societies—11 Bij Bhandars, 2 primary agricultural credit societies, 2 village better living societies and 1 urban society for the Harijan employees—is commendable. With regard to the lines on which future expansion of the movement is to be made, the Registrar says: "The expansion of the movement will now be undertaken from a different point of view. Providing cheap credit facilities will not be the main criterion of future expansion. Inculcation of thrift, financing for productive and economic purposes, linking of credit societies with co-operative marketing and supply, encouragement to such allied industry as dairying, poultry, etc., shall form the items of well planned development. Haphazard attempts at expansion are stopped."

The following extracts from the report will give a fair idea of the lines on which the rehabilitation of the movement in the State is carried on. "The measures adopted for giving relief to individual members of primary agricultural societies include facility to pay by instalments or where instalments are not fixed, to pay amounts that are fixed for repayments on the basis of produce and prices obtained during that year. They include remissions in interest according to the resources of the society and the bank. In a few cases where their capacity warrants, recovery in lump sum in a year or two with remissions in principal upto 50 per cent is also being tried. In many cases of old societies of Indore district, members who pay instalments regularly are not charged any interest at all. If there is any default in payment of instalments, interest is charged only on the defaulted amount. In cases where the outstandings are not supported by sufficient assets, interest is not charged at all and if the assets are insufficient or nil, the outstandings are allowed to be written off, on reports received through central banks. Such provisional arrangement is followed in respect of old societies of Indore district affiliated to the Indore Premier Co-operative Bank as well as in the old societies of other central banks. In the other group of societies like that of Bhikangaon, started between 1926 to 1930, where short term loans advanced have become overdue on account of depression, the policy followed is to recover the outstandings within 5 to 7 years. Here fresh financing is also continued within the limits and as per policy approved. In the third group of societies started after depression, short term advances are not locked up and the business is of quite a running nature. For the second and third groups of societies where business of financing is going on, the lengthy cumbrous procedure involving waste of time is stopped and arrangement to advance loans promptly is introduced. Normal credit statements for seasonal operations have facilitated this task. This normal credit also includes loans for domestic purposes and this new experiment is being tried in Nimar district. The adat shops opened at different centres by the banks arrange to sell the produce of members; an arrangement to supply domestic requirements of members through the adat shops is introduced as an experiment in Bhicangaon. The members are being educated in this new line of development and a modest beginning as a precursor of marketing and supply societies is made." "The policies of scaling down debts of individual members, making compromises with them and weeding out hopeless members and societies are pursued by the district central banks on the lines of the Indore Premier Co-operative Bank, with suitable modification."

Working of the Movement.—The total number of societies rose from 848 to 864. There was increase both in membership and in working capital during the year. The membership rose from 29,974 to 30,108 and the working capital rose from Rs. 89,82,257 to Rs. 93,41,659. The average membership per society fell from 35 to 34.8. The average working capital per society showed a fall from Rs. 10,605 to Rs. 10,812. The owned capital of the societies during the year under report was Rs. 29,65,816 as against Rs. 29,59,930 in the previous year. The owned capital formed 31.7 per cent of the total working capital as against 32.9 per cent in the preceding year. The borrowed capital of the societies consisting of loans and deposits held by the societies during the year under review was Rs. 63,75,843 as against Rs. 60,22,327 in the last year and worked at 68·3 per cent of the total working capital as against 67.1 per cent in the preceding year. The borrowed capital showed an increase with a corresponding decrease in the owned capital. The ratio of owned capital to borrowed capital was 1:3.5 in the case of central banks and 1:2·8 in the case of urban societies.

The loans outstanding at the end of the year under review amounted to Rs. 66,58,831 out of which Rs. 13,77,647 formed fresh loans. The corresponding figures of the previous year were Rs. 68,46,889 and Rs. 14,38,640. The recoveries during the year were Rs. 17,85,230 as against Rs. 16,14,111 of last year. The recoveries in urban societies and primary agricultural societies showed a rise during the year while recoveries were slightly reduced in central banks.

Central Banks.—There were six central banks in the State of which one was the Indore Premier Co-operative Bank. Of the other five banks, one was in Mehidpur district, one in Nemawar district and three in Nimar district. The membership of these banks was 2,321 of which 782 were societies and 1,539 were individuals. The total paid up share capital of these central banks increased from Rs. 1,91,665 to Rs. 1,92,419. The reserve fund showed an increase from Rs. 2,16,367 to Rs. 2,36,134 while other reserves showed an increase from Rs. 2,14,004 to Rs. 2,15,280. On the whole, the owned capital of the banks rose from Rs. 6,22,036 to

Rs. 6,43,833. The total borrowed capital consisting of loans and deposits had decreased from Rs. 26,20,056 to Rs. 22,96,473 during the year under review, i.e., by Rs. 3,23,583. The total working capital of the banks decreased from Rs. 32,42,092 to Rs. 29,40,305, i.e., by Rs. 3,01,786.

The central banks advanced Rs. 2,63,942 as loans to societies during the year. These advances include interest debited to societies. The total outstandings against societies stood at Rs. 18,45,08.

The Indore Premier Co-operative Bank is practically speaking an Apex Co-operative Credit Institution of the State and holds a unique position in the movement. Although in the initial stages of the movement for five years, financing the agricultural societies was done for all purposes including repayment of previous outside loans by their members, this policy of long term financing was stopped later on and since 1926 a definite policy of advancing only short term loans for productive purposes has been adhered to. The policy of financing individual members against tangible securities is being modified as per departmental guidance, in order to avoid risk involved in such business. The recent amendments in the by-laws of this bank have provided for necessary guidance and control of this business by the department, on the lines of the by-laws of the Bombay Provincial Co-operative Bank. A policy of advancing loans to members of agricultural societies against loose cotton with due safe-guards for preservation and multiplication of improved type of cotton seed is being introduced.

The membership of the bank during 1940-41 was 1,410 with a working capital of Rs. 22,64,135. The owned capital of the bank consisted of Rs. 1,39,066 as share capital and Rs. 2,01,813 as reserve and other funds. The borrowed capital was Rs. 19,23,254. The bank advanced Rs. 2,21,613, as loans to societies (including interest debited) and recovered Rs. 2,02,492. The loans outstanding against societies amounted to Rs. 12,41,750. The bank's lending rate to societies was 9 per cent; but for societies affiliated to new branches like Sendhwa and Nisarpur, 8 per cent interest was charged, so that the rate of interest to individual members might not exceed 12 per cent.

During the year under review, the bank took over charge of the Secretary Pay Fund staff which was working under the Indore Co-operative Central Association for effecting unitary control over the field staff of the bank. The bank placed in suitable centres in the interior its field staff to secure closer contact with societies and for guidance and supervision which was calculated to result in improvement of recoveries and the general working of societies. In the absence of local sale and supply unions, the bank opened its own adat shops at five centres and had also opened stores section in one of its adat shops at Bhikangaon. Modifications in the by-laws of the bank had been effected to enable it to develop these activities as well as general banking on the lines of Bombay Provincial Co-operative Bank. The bank agreed to take over the assets of the Susari Co-operative Central Bank and to serve the agricultural societies of the tract, as the experiment of running the Susari Central Bank with the finances and guidance of an indigenous banker failed.

The District Central Banks have been mainly financed by the Government as the deposit money was not found sufficient for loan business with affiliated societies. The lending rate of the Government was 6 per cent and the banks advanced loans to societies at 9 per cent. The borrowing rates on savings deposits were on an average 2¾ per cent and on fixed deposits from

2¾ to 3½ per cent. The business of the Maheswar and Kanńod Banks was said to be stagnant. The Sanawad Bank showed a better position in respect of deposits which was due to the public confidence gained by it on account of its expansion and development work as well as to a general improvement in its management. The Patlawad Bank also showed improvement in recoveries. It continued its policy of advancing short term loans to deserving societies. The share holders of the Susari Co-operative Central Bank moved for its voluntary liquidation.

Primary Agricultural Societies.—The number of primary agricultural societies at the end of the year 1940-41 was 782. These societies were of unlimited liability type. Excepting 3 societies in Narayangarh and 4 societies in Manpur which were directly financed by the department and 12 societies not affiliated to any bank, the others were affiliated to central banks. The number of individual members of societies decreased from 14,975 to 14,616. Looking to the number of villages and total rural population of the State, the movement appears to have touched only a fringe of it.

New advances of loans to members were Rs. 1,39,763. The recoveries increased from Rs. 1,69,575 to Rs. 2,11,083 as compared with last year. The amount of loans outstanding against members slightly decreased from Rs. 32,74,171 to Rs. 32,13,977. The reserve fund stood at Rs. 13,05,063. The borrowed capital of the societies was Rs. 17,57,131. The total working capital of the societies increased from Rs. 31,33,524 to Rs. 32,48,472.

Special Types of Societies:—Bij Bhandars (seed stores) are a form of thrift societies. The main principle underlying the working of these Bij Bhandars is to allow each member to avail of the grain for seed purpose within the limit of his savings collected in the form of shares. Interest by way of Sawan is charged on these advances and the seed loans are collected at the time of harvest along with the Sawan. The Sawan is credited to the individual accounts of shares after providing for the management expenses of the society. The response from the cultivators has been appreciable as can be seen from the comparative figures of the year under report with the figures of last year. During the year under review, the number of villages that organised Bij Bhandars was 58 as against 31 of last year. 10 new villages organised Bij Bhandars this year in Nemawar district and 17 villages from Depalpur Pargana also started the work. The membership during the year under review was 623 as against 352 of last year. The total seed collected during the year amounted to 1,931 *manees* as against 1,032 *manees* of last year. The number of Bij Bhandars registered during the co-operative year under review was 11 carrying the total number of registered societies so far to 21.

The Gram Sudhar Sabha was organised last year at Bijalpur for economic and social betterment of Bijalpur. Its activities included a wider programme of rural uplift with special emphasis on thrift and allied activities for economic betterment of its members. The managing committee include the Patel, the Patwari, the Headmaster of the school, and the Sarpanch of the Gram Panchayat. Besides this Committee, it has an Advisory Committee, consisting of representatives of nation-building departments, such as Education, Health and Sanitation, Agriculture, and Co-operative and of the Indore Premier Co-operative Bank to guide in its working. The membership of the society during the year was 113 as against 84 of last year. The society carried on activities such as obtaining improved type of seeds from Agricultural Department, selling their produce through adat shops of the bank, rendering medical help to members through a small dispensary, maintaining an Akhada, organising a small library and general propaganda of rural uplift activities for training the members.

Adat Shops are working as good substitutes of agricultural marketing societies by securing better prices for the produce and by reducing unfair charges in the process of marketing. These adat shops, during the year, sold 5,216 cart loads of grain and cotton (806 cart loads of grain) of members and realised Rs. 3,27,167. The work of supplying improved types of cotton seed is also undertaken by some of the shops. The total quantity of seed so distributed during the year was 626 maunds. The Government sanctioned an amount of Rs. 1,000 as subsidy for these adat shops.

Non-Agricultural Societies:—The number of non-agricultural societies was 76 with a membership of 13,171. The paid up share capital of the societies was Rs. 5,81,808. The reserve and other funds stood at Rs. 2,48,834. The borrowed capital of these societies was Rs. 23,22,239 while the working capital stood at Rs. 31,52,881. The scope of activities of these societies was varied. They included 27 credit societies, 22 weavers' and artisans' societies, 5 purchase and sale societies, 1 production and sale society, 1 insurance society, 1 family benefit society, 1 Harijan society, 1 housing society, 11 *bij sabhas*, 3 propaganda institutes, 2 better living societies and 1 miscellaneous. Barring the 22 weavers' and artisans' societies which were of unlimited liability type, the rest could be called urban.

The Urban Credit Societies which numbered 27 had a membership of 11,896. Their paid up share capital was Rs. 5,75,089; reserve and other funds were Rs. 2,11,731; and working capital was Rs. 30,63,905. The borrowed capital was about three times the owned capital. The loans advanced during the year amounted to Rs. 9,73,942. The loans outstanding against the members amounted to Rs. 15,50,415 out of which Rs. 3,43,942 were overdues.

The Weavers' Societies which numbered 22 (19 weavers' and 3 artisans') had a membership and working capital of 224 and Rs. 50,644 respectively. The reserve fund amounted to Rs. 22,637 while the borrowed capital was Rs. 27,844.

Insurance Society:—There was only one insurance society with 420 members and a paid up share capital of Rs. 2,800. It issued 397 policies amounting to Rs. 2,62,300. The work of the society was stagnant.

Production and Sale:—There was one society under this class called 'Holkar State Normal School Sahakari Krishi Karya Sanstha.' It was a peculiar institution whose functions included rural uplift activities in addition to the agricultural co-operative production and production from cottage industries. It also maintained a dairy consisting of about 25 cattle. The agricultural section carried on farming on modern improved lines. The membership and working capital were 150 and Rs. 5,904 respectively during the year under survey.

Purchase and Sale:—There were five such societies with paid up share capital of Rs. 5,819 and reserve and other funds amounting to Rs. 4,311. Their borrowed and working capitals were Rs. 18,210 and Rs. 28,340 respectively.

The Indore Co-operative Central Association:—Last but not the least, there is the Indore Co-operative Central Association which was organised for carrying on the work of co-operative education and propaganda. With the change in its constitution which was recently effected, the Association assumed a position to represent the whole movement in the State. Under the new constitution the Association is expected to inculcate co-operative principles, infuse co-operative spirit, in fact, co-operative-mindedness for concerted activities not only at the primary strata, but also at secondary and apex planes and for reorganisation of co-operative activities. During the year the Association arranged to take examinations at which 10 students were declared "pass" out of 12 candidates who appeared at the examination. The subjects that were taught included the history, principles, and practice of co-operation, the present plan of reorganisation and development of the movemnt, banking with emphasis on co-operative banking, principles of accounts and audit, and co-operative law with special reference to the requirements of co-operative institutions.

MYSORE

Working of the Co-operative Movement in Mysore State during the year 1942-43.

There were 2,090 co-operative societies at the end of the year 1942-43, in the State, with a share capital of Rs. 55 lakhs and an aggregate working capital of Rs. 2.8 crores. The deposits held by them amounted to Rs. 140 lakhs and their net profits to Rs. 4.5 lakhs.

The total number of land mortgage societies was 66 with operations extending over 67 taluks, 3 sub-taluks and a portion of one taluk. The land mortgage bank has so far granted loans to the extent of Rs. 22.81 lakhs. The recoveries during the year were equal to the demand.

The existing conditions in relation to food supply have given a stimulus to the organisation of fresh consumers' societies and the opening of stores branches in the ordinary credit societies; there were at the end of the year 313 societies distributing foodstuffs to the public. The Malnad Areca Marketing Society with a membership of 1,115 and the Arsikere Cotton Marketing Society continued to do good work. The total number of marketing societies in the state rose to 30 of which 14 were organised during the year.

—*Mysore Information Bulletin*, September-October, 1943.

CO-OPERATIVE CONFERENCES AND MEETINGS

THIRTY-SECOND ANNUAL GENERAL MEETING OF THE BOMBAY PROVINCIAL CO-OPERATIVE BANK, Held on 25th September, 1943.

Extracts from the speech of Mr. R. G. Saraiya, Chairman of the Board of Directors:

"The year under review has been an eventful one in the history of the Bank. There has been an unprecedented increase in the resources of the Bank, and a considerable growth in advances against agricultural produce. Neither of these is an exceptional phenomenon. Deposits with us have increased during the year from Rs. 2·40 crores to Rs. 3·44 crores, the time deposits showing an increase of Rs. 17 lakhs and the demand deposits of Rs. 87 lakhs. The increase is evenly spread as between deposits from co-operative institutions and individuals. Rates of interest were brought down during the year; but this had apparently no effect on the inward flow of deposits the volume of which continued to rise as an outcome of the conditions of inflation which prevailed throughout the year.

Against the aggregate deposit liabilities of Rs. 3·44 crores, the Bank's fluid resources amount as at the close of the year to Rs. 2·43 crores, investments in Government and other authorised trustee securities standing at Rs. 1·05 crores, call and short term deposits with banks at Rs. 1·14 crores, and cash and balances with approved banks at Rs. 0·34 crores. Towards the close of the year, the Board decided to go in for a further increase in the Bank's investments in Government securities the figure of which stands today at Rs. 1·77 crores. The market value of the securities on the last day of the year was higher than the book value by Rs. 1,12,500.

It will be seen from the balance sheet that there is a reduction in the amount of loans due from co-operative societies. This reduction is gratifying in so far as it represents an improved position in regard to the repayments of their loans by members of societies. Loans due from working societies show a fall from Rs. 43·68 lakhs to Rs. 35·01 lakhs, while those due from societies under liquidation declined from Rs. 19·78 lakhs to Rs. 13·92 lakhs. Recoveries of the former type of loans were Rs. 37·94 lakhs whereas repayments against the latter amounted to Rs. 6·22 lakhs. These figures indicate the healthy reaction of the agriculturist members of societies to the rise in the prices of agricultural commodities that was witnessed during the year.

Another striking feature of the Bank's work during the year was the increase that had taken place in advances against agricultural produce. This was due mainly to the rise that had taken place in commodity prices. Our advances against *gul* were two and a half times those of the previous year, the factor responsible for this being the rise in the price of *gul* from Rs. 22 per *palla* to Rs. 48 per *palla*. Another commodity against which a larger volume of advances were drawn in the year was groundnut, the price of which was Rs. 35 per *palla* as compared with Rs. 13|8|- per *palla* in the previous year. The bulk of the Bank's advances against this latter commodity was to owners of mills stocking oil-seeds for their own consumption. Increases occurred in advances against other commodities including food grains; but they were confined to small trade centres where this type of banking facility was made available by us for the first time. Another satisfactory feature is the considerable rise that has taken place in the proportion of this type of advances allowed through the agency of co-operative institutions and the rise in the number of rural centres where members of agricultural societies have availed themselves of this facility. Had it not been for the operation of various types of controls on commodities, especially food grains the latter class of business would have developed on a still larger scale.

Another development that has taken place is in the direction of providing credit for marketing at rural centres. Coupled with this development was the progress made in some districts in organising the supply of agricultural and domestic requisites.

A noteworthy event during the year was the arrangement finally made with the Reserve Bank of India for securing accommodation for approved Central Banks for the financing of seasonal agricultural operations or the marketing of crops. Our Bank may well take credit for being the first Provincial Co-operative Bank in India to enter into arrangements with the central banking authority of the country for the discounting of co-operative paper.

For some years the rate of the Bank's dividend has gone down until it fell to 3 per cent in 1941. This year we propose that it should be raised to 4 per cent which figure, let us hope, we shall be able to maintain in future years. To enable the Bank to stabilise the rate of dividend, we propose to create a dividend equalisation fund for which Rs. 25,000 are to be set aside from the profits."

THIRTY-SEVENTH ANNUAL REPORT OF THE MADRAS PROVINCIAL CO-OPERATIVE BANK

The working of the Madras Provincial Co-operative Bank during the year ended with 30th June, 1943 resulted in a net profit of about Rs. 76,567. With the additions made and to be made the Reserve Fund would amount to Rs. 20,50,000 and the depreciation reserve to Rs. 13,00,000.

There has been a rise in deposits of all kinds, the increase in demand deposits being specially marked which rose from Rs. 77·99 lakhs on 30-6-42 to Rs. 113·56 lakhs on 30-6-43. On the 30th June 1943 the deposits of all kinds amounted to Rs. 290·91 lakhs as against Rs. 250·27 lakhs of last year. The liquid assets of the Bank on 30th June 1943 stood at Rs. 275·46 lakhs as against Rs. 193·58 lakhs of last year. To check the inflow of fixed deposits, the rates of interest were reduced and restrictions placed on acceptance of fresh deposits.

There was a shrinkage in the loan business. An amount of Rs. 15·95 lakhs was issued as ordinary loans and Rs. 33·91 lakhs as produce loans during the year as against Rs. 26·79 lakhs and 95·94 lakhs respectively issued last year. An amount of Rs. 29·40 lakhs was left outstanding at the end of the year of which Rs. 20·24 lakhs represent produce loans outstanding. During the year the Vuyyuru Co-operative Society sold its factory as a going concern to a Joint Stock Company and cleared all its dues to the Provincial Bank. The fall in loan business and the consequent surpluses almost throughout the year has resulted in very low profits for the

year. Available funds have again found their way into Government securities. This however entails payment of Income-tax as against normal business profits.

The Registrar has approved the suggestion of the auditors that a dividend equalisation fund and a bad debt reserve may be created to provide for the future. There are unclaimed balances in suspense and dividend accounts and provision is being made in the byelaws to carry such items to a special reserve. Draft amendments to byelaws to implement the above are placed before the General Body for adoption.

A scheme of inspection of the working of sale societies affiliated to Central Banks was worked during the year with a view to impress on Central Banks the need for taking proper measures in accordance with the rules framed by the Registrar in consultation with the Provincial Bank. The results of last year's work by the Inspectors of the Provincial Bank have been communicated to all Central Banks in the form of a review.

TWENTY-EIGHTH ANNUAL REPORT OF THE MYSORE PROVINCIAL CO-OPERATIVE APEX BANK

Extracts from the report of the Board of Directors on the working of the Bank for the year ended with 30th June, 1943:

At the close of the year, there were 167 preference share-holders holding 225 preference shares and 1,128 affiliated societies holding 3,507 ordinary shares. The subscribed share capital of the bank was Rs. 3,73,200 and the paid-up share amount was Rs. 2,56,066. The total amount of fixed deposits, current deposits, savings deposits and thrift certificates held by the bank at the beginning and close of the year were Rs. 24,85,775 and Rs. 27,87,014 respectively. The reserve and other funds of the bank at the close of the year stood at Rs. 3,96,189.

Advances to individuals amounting to Rs. 12,463 were given to depositors during the year. The amount due at the end of the year was Rs. 79,382. Of this, members owed Rs. 6,362 and non-members owed Rs. 73,020. One hundred and sixteen applications from societies for loans and cash credits for an aggregate sum of Rs. 3,37,068 were received during the year as against 127 applications for Rs. 3,68,525 in the previous year. One hundred and fourteen applications were sanctioned for Rs. 2,99,703. The total amount of loans and cash credits outstanding against the indebted societies on 30-6-43 was Rs. 18,40,013 as against Rs. 19,58,573 on the 30th June of the previous year. The amount overdue under all heads on 30-6-1943 was Rs. 11,74,542 as against Rs. 14,44,517 on 30-6-42. The percentage of recovery of loans to the total demand was 23·21 as against 15·23 during the previous year. The percentage of overdues to the total outstandings under all heads continued to show a downward curve. From 79·12 per cent on 30th June, 1938 it was brought down to 63·83 on the 30th June, 1943.

At the commencement of the year, there were 59 societies under liquidation owing Rs. 3,70,667 towards principal and Rs. 2,14,413 towards interest. At the close of the year, there were 65 societies under liquidation, owing Rs. 3,54,978 towards principal and Rs. 2,66,591 towards interest.

The working of the bank during the year resulted in a surplus of Rs. 62,139 as against Rs. 45,217 in the previous year.

THIRTY-FIRST ANNUAL REPORT OF THE CENTRAL PROVINCES AND BERAR PROVINCIAL CO-OPERATIVE BANK

On the 30th June 1942 the share capital of the Bank was Rs. 5,07,860 as against Rs. 5,09,430 of the previous year. It is said that this decrease is due to the redemption of shares held by defunct societies. The share capital has since increased and on 28th March 1943 it stood at Rs. 5,10,483.

The fixed deposits stood at Rs. 43,65,923 as compared to Rs. 46,05,876 on 30-6-1941 showing a fall of Rs. 2,39,953. The savings deposits rose to Rs. 19,63,397 as compared with Rs. 16,47,106 on 30-6-1941. On 28-2-1943, this section shows a further advance to Rs. 24,28,806. The current deposits show an increase of Rs. 40,494, the deposits under this head being Rs. 7,47,430 as compared with Rs. 7,06,936 on the 30th June 1941. This is in spite of the fact that the rate of interest was reduced from 1 per cent to ½ per cent from 1st April 1942. On 28-2-1943 the balance stood at Rs. 9,60,432. The Registrar's deposits stood at Rs. 37,64,733 as against Rs. 39,56,449 on the 30th June 1942. This amount is held in the name of the Registrar, Co-operative Societies and represents the reserve fund of central banks and societies, and fluid resource of the central banks, independent societies and the Provincial Bank itself.

Balances in loans and cash credits were as under:

	On 30-6-1941	On 30-6-1942
Loans	Rs. 33,07,430	Rs. 26,00,066
Cash Credits	Rs. 7,50,931	Rs. 3,851
Total. ..	Rs. 40,58,361	Rs. 26,03,917

On the 30th June 1941 the loans due from Central Banks under Section 42-B were Rs. 25,75,124. They were reduced to Rs. 19,19,035 on 30th June 1942, of which Rs. 17,16,124 were due from Berar Banks and Rs. 1,57,911 from C. P. Banks. Cash recoveries during the year from all kinds of societies amounted to Rs. 9,54,722 (Rs. 5,75,355) while the cash advances amounted to Rs. 2,59,084 (Rs. 4,55,506). A sum of Rs. 7,92,274 being ascertained losses, was written off during the year partly from the reserve for bad and doubtful debts, which is now nil, and partly from the reserve fund. Arrangements between Central Banks which had gone under Section 42-B and their creditors have been completed and the Provincial Bank has been a party to them.

Land Mortgage Banks Department:—The number of Land Mortgage Banks working in the province shows no change, it being stationary at 21. The total loans outstanding against them amounted to Rs. 13,55,849 on 30th June 1942. The total loans advanced to Land Mortgage Banks upto 30th June 1942 amounted to Rs. 17,51,633 while the year under report is responsible for advances aggregating to Rs. 1,06,296 as compared with Rs. 1,92,904 in 1940-41. Out of total loans advanced, loans aggregating to Rs. 1,23,750 were fully repaid.

The Bank maintained sinking funds for all the six series of Debentures floated so far, and the total holdings in these funds amounted to Rs. 1,89,939 on the 30th June 1942, standing in the name of the Trustee, viz., the Registrar, Co-operative Societies. The overdues against the Land Mortgage Banks amounted to Rs. 36,990 consisting both of interest and principal, which included overdues of the previous years, since 1938-39. On the 28th March 1943 the overdues amounted to Rs. 11,449. The Land Mortgage Banks are doing their utmost to recover the overdues and it is hoped that a major portion thereof will be recovered in the current year. The overdues are partly due to bad crops and partly to wilful defaults.

There is a substantial increase in the amount of loans given to individuals. The figure stood at Rs. 16,82,052 as against Rs. 7,36,553 of the previous year. The Bank opened six pay offices during the year. It is said that all the pay offices are working satisfactorily. The Bank earned Rs. 4,882 as compared with Rs. 2,081 in the previous year, in inland exchange business. It is likely that this figure may rise to Rs. 8,000 in the current year 1942-43.

FOURTH ANNUAL REPORT OF THE BOMBAY CO-OPERATIVE BANKS' ASSOCIATION

Extracts from the annual report of the Executive Committee on the working of the Association for the year ending 30th June, 1943.

Various questions of general policy affecting co-operative banking were considered by the Association during the year. The following two of the important questions dealt with by the Association will be of interest.

Investment of Surplus Funds by Co-operative Banks:—The problem of finding remunerative employment for their surplus funds by co-operative banks has been growing in its acuteness, especially since the outbreak of the war, mainly for two reasons. There has been a continued increase in deposits in spite of the reduction effected in rates of interest. There has been, at the same time, a fall in advances of all types, e.g., by way of loans to societies by central financing agencies and to members by Urban Banks on account of increased returns to cultivators, traders and artisans resulting from the rise in prices that has taken place in the last year.

In pursuance of the resolution (No. XIV) on the subject adopted at the last session of the Banks' Conference, representations have been made to Government to grant permission to banks to make investments in shares, debentures, etc., of approved joint stock companies with necessary safeguards. Detailed proposals have been submitted particularly in the light of orders issued by Government in respect of investments by the Bombay Co-operative Insurance Society and the B. B. and C. I. Railway Employees' Fund.

Under Government notification No. 7359|39 of 23-7-1942, the Bombay Co-operative Insurance Society, Ltd., was permitted to invest its funds in debentures of Railways and preference shares of certain companies in India. The Registrar was requested to move Government to extend the same modified application of the provisions of Section 37 of the Bombay Co-operative Societies Act 1925, as in the case of the Bombay Co-operative Insurance Society, Ltd., to A and B class urban banks and salary earners' credit societies subject to such restrictions as might be deemed necessary, and to permit them to invest funds in the securities mentioned in the Government Notification referred to above.

It may be noted here that no final orders were issued by the Government on the subject during the year under report.

Inland Exchange Business Among Co-operative Banks:—The mutual arrangement scheme for collection of bills as also for issue of demand drafts worked satisfactorily during the year and there were 36 banks under this scheme at the close of the year.

NINETEENTH ANNUAL REPORT OF THE MYSORE CO-OPERATIVE INSTITUTE

Extracts from the Report of the Governing Body on the working of the Institute for the year ended 30th June, 1943.

At the end of the year 1942-43 there were 336 members of whom 60 were associate members and 276 affiliated co-operative societies. The Mysore Co-operative Journal, published by the Institute monthly, was converted into a quarterly from January 1943. The Journal was supplied to 281 affiliated societies as per bylaw 6 (d) and 73 subscribers. There were at the beginning of the year ten propaganda officers serving in the districts of Kolar, Tumkur, Mysore, Mandya, Hassan, Shimoga and Kadur. Co-operative Training Classes were held at Bangalore and Mysore for a period of about three months commencing from 11th January, 1943. The classes at Mysore were in charge of the Mysore Co-operative Federal Union. Forty-eight applications were received for admission. Nineteen applicants joined the Class at Bangalore and a similar number the Class at Mysore. Instruction was imparted by Honorary Lecturers in (a) principles and practice of co-operation, (b) co-operative law, (c) accounts, banking, auditing and correspondence and filing, and (d) elements of general law. The XXIX Mysore Provincial Co-operative Conference was held at Mysore on 16th and 17th October, 1942 under the presidentship of the Hon'ble Mr. V. Ramadas Pantulu, the Veteran Co-operator of Madras. Twenty-five resolutions were placed before the Conference. Eighteen resolutions were passed and they were submitted to the Government through the Registrar for favourable consideration. Mr. A. N. Rama Rao, continued to represent the special interest of Co-operation at the Mysore Representative Assembly.

FOURTEENTH ANNUAL REPORT OF THE U. P. CO-OPERATIVE UNION, LUCKNOW.

Extracts from the administration report on the working of the Union for the year ended 30th June, 1942.

On the 30th June, 1942 the membership of the Union consisted of 7 nominated members, 17 ex-officio members, 81 ordinary members comprising 57 central banks and 24 societies and 15 additional members comprising 6 central banks and 9 societies. The supervising staff of the Union consisted of 575 supervisors. The number of various types of supervisors remained practically the same as last year except in marketing which recorded an increase of 18—which is now 170—due to the expansion of marketing activities in the last *Rabi*. The number of industrial supervisors paid by the Union has come down from five to two as the two industrial supervisors at Agra and Sandila are now being paid by the stores concerned and the post of the third has been abolished.

At the close of the year there were 7,887 primary credit societies and village banks in the charge of supervisors. 29 supervisors were employed for the organisation of new societies. About 750 new societies were organised both by these organisers and such of the marketing supervisors as were placed in charge of credit societies also.

The number of ghee societies stood at 700 recording an increase of 7 during the year under report. These societies sold 7,503 mds. of ghee worth Rs. 3,48,694 and made a profit of Rs. 53,829 a part of which will be returned to members in the form of bonus. Co-operative ghee has now established its reputation and sells at a premium as compared with the ghee sold ordinarily in the market. The number of central organisations for the marketing of ghee rose from 6 to 7.

The Lucknow Co-operative Milk Union made a profit of Rs. 6,287 on its working for the year 1941-42. The Benares Dairy, The Allahabad Milk Supply Union and the Katra Co-operative Dairy also continued to work satisfactorily.

One hundred and seventy supervisors were employed to look after the marketing operations. The quantity of grain handled by the marketing organisations rose to 5·10 lakh maunds of the value of Rs. 20·88 lakhs as compared with 5·00 lakh maunds worth Rs. 16·66 lakhs in the year before. The commodities marketed in the main were wheat, barley, gram, rice, oil-seeds and pulses. The marketing activities have now become a marked feature of the Co-operative movement in the province and it is gratifying that the net result of the year's working has been a profit of Rs. 1·88 lakhs. Satisfactory progress was maintained in the marketing of fruits and vegetables. Goods of the value of Rs. 36,015 were marketed and a commission of Rs. 478 was earned as against Rs. 301 in the preceding year. The commodities most usually handled were peas, potatoes, onions, *ghuiyan*, melons, mangoes and raspberries. The Union employed 6 supervisors on the marketing of potatoes in the hills. The scheme is in operation in the Almora and Naini Tal districts and two marketing unions—the Bhowali and Garampani unions—are functioning there to facilitate marketing operations. There are five societies affiliated to each of these unions besides the individual members. The two unions handled 1,638 and 811 maunds of potatoes respectively. The Bhowali union took up also the seed distribution work and 757 maunds of seed were distributed.

The number of women societies (both registered and unregistered) remained stationary at 142 with a total membership of 2,480. The thrift deposits of members amounted to Rs. 8,795 in cash and 475 maunds in kind. There were 14 supervisors for the supervision and organisation of societies exclusively for Harijans. Over 40 societies were organised by them. Attention was paid to reorganise the existing societies also. These societies offer a limitless scope for the uplift of depressed classes and great stress is, therefore, laid on effecting social improvements among them.

The Union maintained four supervisors for poultry farming one each at Tanda, Agra, Kara (Allahabad) and Haldwani. The work is being pushed on slowly but steadily in these localities. The Rural uplift work continues to receive as much attention as ever before. In order that the 'whole of the man' may be tackled the new organisations are village banks with comprehensive objects comprising all sorts of activities affecting the life of a villager.

Fifteen new societies were registered during the year, for consolidation of holdings, bringing the total number of societies for consolidation of holdings to 233 on 30th June, 1942. The area consolidated during the year was 8,711 *pucca bighas*, the number of plots having been reduced from 4,180 to 854. The total area consolidated since the start, is over one lakh *pucca bighas* and the number of plots has been reduced from 1,17,635 to 12,392. The members are now even prepared to pay for getting their holdings consolidated and this testifies to the popularity that the work gained.

The number of subscribers for the U. P. Co-operative Journal rose during the year from 113 to 141. The Journal has now a circulation of about 500.

SIXTH ANNUAL REPORT OF THE MADRAS PROVINCIAL CO-OPERATIVE MARKETING SOCIETY

The Society was registered on the 2nd October 1936, and started work on the 12th October 1936. The membership and share capital rose from 177 and Rs. 7,535 to 210 and Rs. 8,500 respectively. Of the 210 members on 30-6-1942, 119 were societies and 91 were individuals. The progress of transactions from the starting of the society can be seen from the following statement:

	1936-37	1937-38	1938-39	1939-40	1940-41	1941-42
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Total sales.	9,247	85,975	1,70,452	2,00,337	2,34,253	4,90,920

The transactions have been mainly in Sathukudi Oranges from Kodur, Ghee from Rasipuram, Avanashi and Coimbatore, Handpounded Rice and Milled Rice from Maipad, Allur, Nellore and Tanjore District, Toor Dhal from Tirupattur, Madura, Chillies from Ramnad and Madura, and Aska sugar from Vuyyur.

Sathukudi oranges are graded and supplied to customers. The Provincial Marketing Officer has been helping the Society in the grading of oranges. The oranges that do not stand grading are sold to hawkers. Rice supplied by the Maipad Co-operative Loan and Sale Society, the Nellore Co-operative Marketing Federation, the Allur Co-operative Marketing Society and the Tanjore Co-operative Marketing Federation are also graded and supplied to the public. There is a great demand for the goods supplied by the Marketing Society in Madras. Of late, more societies have begun to send to us goods for marketing. The society has been supplying the goods received to the hostels, clubs and some co-operative institutions and individuals.

It may not be out of place to give a short outline of the work undertaken by the Society during the period of emergency. In the month of March 1942, people began to move from the City of Madras to the mofussil on account of the scare created by the war and in the month of April 1942, a good portion of the population left the City. It was about that time that the Collector of Madras wanted the Marketing Society to arrange for the stocking and distribution of firewood and vegetables to meet an emergency. Between June 1942 and December 1942 as much as 2,000 tons of firewood was stocked to meet an emergency. Stocking of essential commodities like rice, dhal, ghee, charcoal etc., was undertaken in the city by

the T.U.C.S., under the Emergency Scheme, and we helped them in securing supplies from the various producing centres and other sources. Out of 8 lakhs of rupees sanctioned at the time for this purpose, we were able to supply over 2 lakhs of rupees' worth of articles to them. Besides supply of ghee, wheat etc., the supply of provisions also is undertaken by the society.

EIGHTH ANNUAL REPORT OF THE COCHIN CO-OPERATIVE LAND MORTGAGE BANK, TRICHUR.

Extracts from the report of the Board of Directors on the working of the Cochin Co-operative Land Mortgage Bank, Trichur, for the year ended 16th August, 1943.

At the beginning of the year there were 2,575 members holding 8,319 shares of the value of Rs. 10 each making the share capital Rs. 83,190. During the year Rs. 940 were received from 66 members for 94 shares allotted to them. Thus at the end of the year there were 2,641 members holding 8,413 shares fully paid up making a total share capital of Rs. 84,130.

No debentures were floated during the year under report. The interest on the three series of debentures already issued was paid punctually on the respective due dates.

With the amount sanctioned in the previous years viz., Rs. 22,40,907 the total loan sanctioned by the bank till the end of the year under report came to Rs. 24,05,353 out of which bonds to the extent of Rs. 21,26,265 were executed. The business operations of the Bank show a slight fall in certain directions. Owing to the improved conditions of the agriculturist classes, many of the borrowers of the Bank, taking advantage of the situation, have not only cleared of all the overdue arrears to the Bank, but have also sold away some of the items of the mortgaged properties just sufficient to completely pay off the entire loan. In view of the above operations, the repayments have much exceeded the actual expectations. This, coupled with the slight fall in the disbursement of loans in the year and the general slack in the demand for loans, accounts for the fact that there was no necessity for the floating of any debentures during the year under report.

With the additions to be made the Reserve Fund stands at Rs. 40,000, Bad Debt Fund at Rs. 17,770, Building Fund at Rs. 6,000, and the Dividend Equalisation Fund at Rs. 4,099.

FOURTEENTH ANNUAL REPORT OF THE MYSORE CENTRAL CO-OPERATIVE LAND MORTGAGE BANK.

Extracts from the Directors' Report on the working of the Bank for the year ended 30th June, 1943.

On the 30th June 1943 the membership of the bank was 216 comprising 117 individuals, 34 ordinary co-operative societies and 65 land mortgage co-operative societies, and the paid up share capital amounted to Rs. 1,54,000. The Reserve Fund stood at Rs. 67,665 while, the amount in bad debt and other reserves was Rs. 21,549.

The total debenture borrowings of the Bank at the beginning of the year amounted to Rs. 15,11,000. Subscriptions to the extent of Rs. 3,22,400 were accepted during the year in the sixth series of debentures. Five per cent debentures to the extent of Rs. 50,000 were recalled for redemption. Thus the total debenture borrowings at the end of the year stood at Rs. 17,83,400. The debentures were issued during the year at a premium of one to two per cent, the amount of premium thus forming a sinking Fund for redemption of debentures expired on 30th June 1943. Government have been addressed to continue the exemption for a further period of five years from 30th June 1943.

The total amount of loans sanctioned by the Bank from its inception upto the end of June 1943 (omitting cancelled cases) was Rs. 22,80,977 in 2,158 cases. Of this, a sum of Rs. 22,22,677 in 2,117 cases was actually disbursed. The disbursement during the year was Rs. 3,29,950 in 333 cases as against Rs. 3,24,632 in 377 cases in the previous year. The loans disbursed during the year classified according to amounts are as follows:

	Cases	Rs.
Rs. 200 and upto Rs. 500.	84	30,035
Above Rs. 500 and upto Rs. 1,000.	164	1,15,235
Above Rs. 1,000 and upto Rs. 2,000.	53	77,800
Above Rs. 2,000 and upto Rs. 3,000.	15	38,125
Above Rs. 3,000 and upto Rs. 5,000.	17	68,755

The amount outstanding towards the principal of the loans, as on 30th June, 1943, was Rs. 17,76,161 as against a sum of Rs. 16,21,434 outstanding at the end of the previous year.

A sum of Rs. 1,600 was due under short term loans at the beginning of the year and a sum of Rs. 4,170 was disbursed during the year in five cases, making a total of Rs. 5,770. Out of this a sum of Rs. 4,970 was recovered during the year leaving a balance of Rs. 800 which was within time.

The bank worked at a net profit of Rs. 31,718 durng the year as against Rs. 29,239 in the previous year.

The Government were pleased to sanction a subvention of Rs. 7,500 to the Bank for the year 1942-43 to enable the Bank to reduce the rate of interest on loans by one per cent by the grant of rebate in interest recovered.

THIRTEENTH ANNUAL REPORT OF THE MADRAS CO-OPERATIVE CENTRAL LAND MORTGAGE BANK

Extracts from the report of the Board of Directors on the working of the Madras Co-operative Central Land Mortgage Bank for the year ended 30th June, 1942.

The number of members and paid up share capital of the bank as on 30th June, 1942 as compared with those at the close of the previous year are given hereunder:

	As on 30-6-1941	As on 30-6-1942
No. of members	574	574
Paid up capital	Rs. 9,35,100	Rs. 9,71,600

The rate of interest allowed on debentures issued during the year remained at 3½ per cent. The bank was able to obtain the full amount of its requirements in the market at this rate. During the year debentures for a total amount of Rs. 40,00,000 bearing interest at 3 per cent were issued. Since the close of the year the bank has issued at par the 33rd series of debentures for Rs. 20 lakhs bearing interest at 3 per cent. It was oversubscribed.

Separate sinking fund accounts are being maintained for all the series of debentures from the 24th series and amounts realised by way of principal collections are being remitted into the respective accounts from time to time. On the 30th June, 1942 a total sum of Rs. 27,39,780 was invested in the sinking fund accounts. The total amount of debentures in circulation at the end of the year was Rs. 2,73,95,700.

During the year under report, a sum of Rs. 40,32,100 was disbursed to 119 primary land mortgage banks as against Rs. 40,77,760 disbursed to 118 land mortgage banks in the year 1940-41. The rate of interest to the ultimate borrower remained at 6½ per cent throughout the year. After the close of the year, the rate was reduced to 6 per cent as the bank was able to float debentures at 3 per cent. During the year a sum of Rs. 22,97,076 was received from the primary banks towards principal repayment and Rs. 11,71,219 towards interest. All the demands have been met by the primary banks and there were no overdues at the end of the year. On account of the war, there has been a general rise in the value of land and of agricultural produce. Taking advantage of the situation some of the borrowers made substantial repayments of their loans while some completely cleared them. The amount of loans outstanding on 30-6-1942 from 119 banks was Rs. 2,58,83,979 as against Rs. 2,41,48,955 on 30-6-41. According to the valuation by the departmental officers, the value of the properties mortgaged and assigned to this bank was Rs. 8,07,45,979. The total extent of properties mortgaged was acs. 2,06,850-5 cents. In valuing the lands, the departmental officers adopted the pre-war value of lands and not the present increased land values.

The bank worked at a net profit of Rs. 1,99,452 as against Rs. 2,41,409 in the previous year. The heavy cost of Government staff partly explains the reduction in profits. Another reason which has contributed to the reduction in profits is the carrying of the entire interest earned on Sinking Fund investments to a separate Fund. The Reserve Bank of India suggested that the interest on Sinking Fund accounts should be taken to profit account and that part of the amount should be set apart as an income adjustment fund to be drawn upon in future years. The Registrar has referred the matter to Government and their orders are awaited. If this is done the profits for the year will amount to Rs. 2,66,999. The Board recommends that a dividend at 4½ per cent per annum which is the maximum permissible under by-laws, may be paid to the share-holders.

EXTRACTS

WAR AND AGRICULTURAL INDEBTEDNESS*

The steep rise in prices of agricultural produce particularly since the middle of 1942 and subsequent rise of land values have resulted in the reduction of the burden of indebtedness in the case of certain classes of agriculturists. The results of these factors on the work of the Madras Co-operative Central Land Mortgage Bank can be seen from the following table:

Year.	Disbursed to Primary Banks. M. C. L. M. Bank Loans	Advance Collection.
	(In Lakhs of Rs.)	(In Lakhs of Rs.)
1936-37.	39·18	1·87
1937-38.	35·79	3·45
1938-39.	58·53	4·44
1939-40.	42·82	5·29
1940-41.	40·77	8·58
1941-42.	40·32	12·12
1942-43.	23·65	24·44

We find from it that the high water mark of transactions of the Bank was reached in 1938-39. In the first year of war there was a sudden drop (from about 60 to 40 lakhs of rupees) in transactions due to some extent to the stopping of loans over Rs. 5,000. That figure was maintained in the first 3 years of war and in 1942-43 there was a sudden fall to less than Rs. 25 lakhs. From the next column we find that with the increase in transactions of the bank and the general increase in prices, the advance collections also have been gradually increasing. But this secular trend has been suddenly pushed up in 1941-42, and again in 1942-43, the advance principal collections in the former year being 1½ times and in the latter 3 times those of 1940-41. In fact for the first time in the history of the Bank, the receipts of principal amounts of loans was greater than the disbursements in 1942-43.

It must not be understood from the above statement that war has spelled prosperity to all agriculturists. The land mortgage bank caters to only a limited class of agriculturists who have sufficient landed property to offer as security

*By Sri N. Satyanarayana, Hony. Jt. Secretary, All India Co-operative Institutes' Association, in the *Eastern Economist*, Delhi, November 19, 1943.

and also sufficient repaying capacity. The above study shows that the class of people served by the Land Mortgage Banks have been benefited by the war in that the burden of their debt has been considerably lightened, and they have been able to pay in advance also. By experience we know that most of these advance collections are for the total cancellation of the debts of some members. We shall now study the regional distribution of this prosperity by finding the percentage of advance collections to the outstanding loans in the 24 districts.

Name of the District.	Outstanding on 30—6—1942 (Lakhs of Rs.)	Advance collections in lakhs of rupees.	Percentage of principal collections to outstandings (for the year 1942-43.)
1. Vizagapatam.	11·01	0·44	4·0
2. East Godavary.	33·59	4·83	14·4
3. West Godavary.	28·98	2·77	9·6
4. Kistna.	22·09	0·66	3·0
5. Guntur.	12·98	1·36	10·5
6. Nellore.	6·46	0·51	7·9
7. Chittoor.	4·58	0·24	5·2
8. Cuddapah.	2·91	0·24	8·3
9. Kurnool.	1·17	0·07	6·1
10. Bellary.	1·04	0·04	3·6
11. Anantapur.	1·16	0·07	6·3
12. Chingleput.	10·03	0·90	9·0
13. North Arcot.	11·40	1·20	10·6
14. South Arcot.	8·40	0·83	9·9
15. Tanjore.	22·37	2·65	11·8
16. Salem.	10·38	0·85	8·2
17. Coimbatore.	40·00	2·99	7·5
18. Nilgiris.	0·78	0·05	6·2
19. Trichinopoly.	6·59	0·86	13·0
20. Madura.	13·07	1·54	11·8
21. Tinnevelly.	4·33	0·74	17·0
22. Ramnad.	2·16	0·10	4·5
23. Malabar.	1.62	0·19	11·9
24. South Kanara.	1·73	0·32	18·5

We find from the table that the bulk of the transactions of the Central Land Mortgage Bank are concentrated in the rich delta districts of East and West Godavary, Kistna and Tanjore. It is surprising that Trichinopoly comes very low while Coimbatore occupies the highest place in the transactions. As is to be expected the transactions in the dry Ceded Districts are very low. West Coast Districts also follow suit due to difficulties of inheritence and tenancy laws.

CO-OPERATIVE DEVELOPMENT IN CEYLON

(From May 1940 to April 1942)

Speaking of the effect of the war upon the Movement, the report says: "Generally speaking, Societies have stood up to the situation well, but some have, despite the rising prices of produce, found in the war a ready pretext for forgetting their obligations. All Societies, have, however, been of distinct assistance to the people during war-time. When Japan entered the war, special instructions, were also issued to the staff explaining how the Co-operative Organisation should collaborate with the Emergency Organisation set up by Government, and in areas where the Movement is well developed, the work of Societies in connection with the Food Drive and other matters has earned the commendation of the emergency authorities. At the same time the various emergency measures, too, have tended somewhat to interfere with the work of Societies and to restrict the scope of their activities. One good thing the war has done has been to help the people themselves to realise the value of co-operative action. Thus there has been a noticeable demand for co-operative stores in both rural and urban areas as a means of overcoming profiteering."

There are also signs of increased public recognition of the work done by the Co-operative Movement, amongst others the fact that in 1941 the Registrar was appointed by the Government to the special task of conducting a survey of the Rural Reconstruction work done in the Island by various agencies and to formulate a specific scheme of Rural Reconstruction which might be adopted by the Government. The report was submitted to the Board of Ministers in May, 1942.

The position of the Movement during the two years under review was as follows:—

Type of society	No. of societies. 1940-41	No. of societies. 1941-42	No. of members. 1940-41	No. of members. 1941-42	Working capital. 1940-41	Working capital. 1941-42
Credit:—					Rs.	Rs.
Unlimited Liability ..	1,431	1,519	37,982	41,217	1,929,578	2,036,023
Limited Liability ..	97	103	3,914	4,606	420,940	600,445
Thrift ..	149	164	16,492	15,661	1,642,978	1,557,391
Stores ..	32	52	13,504	17,500	206,516	245,920
Others ..	83	132	6,653	10,552	644,458	1,193,066
Total. ..	1,792	1,970	78,545	89,536	4,844,470	5,632,845

The Central Organisations in 1941-42 comprised 59 Supervising Unions with 1,015 affiliated Societies, 3 Central Banks with 1,322 Societies, 4 Banking Unions with 115 Societies.

Comparing the 1941-42 figures with those for 1939-40, there is an increase of 369 Societies, or 23 per cent; 19,569 members, or 28 per cent; and of Rs. 1,593,240, or nearly 40 per cent, in working capital. Although the Registrar's report records certain increases in the personnel of the Co-operative Department during the past two years, it states that "Inadequacy of staff is yet the main obstacle to more rapid progress. Recruitment does not quite keep pace with increase of co-operative demand, and the staff is barely sufficient for mere supervision purposes. In consequence new Organisations do not receive registration as quickly as they might and there is considerable delay in carrying the Movement into previously unexplored areas. Nevertheless, very satisfactory work has been done in breaking new ground with the staff that is available"—a statement which is borne out by the statistics.

The most noteworthy feature of progress has been the rapid development of Marketing and Production Societies, which increased numerically from 18 in 1939-40 to 36 and 71, respectively, in the next two years.

The picture seems slightly less favourable, however, from the point of view of the qualitative classification of the Societies:—

	A Very Good.	B Good.	C Ordinary.	D Very Bad.	Unclassified New Societies etc.
1940-41	9	314	1,088	199	258
1941-42	9	220	1,281	.202	206

The increase in 'D' Societies was partly due to the effects of the war and partly to unusually rigorous application of standards of the staff in certain areas, which, of course, can only be welcomed in the interest of a healthy development. Another promising feature is the setting up of a 'long overdue Education and Propaganda Branch of the Co-operative Department', which has commenced to function this year. As a preliminary to its establishment the Assistant Registrar selected to take charge of it was sent to India in 1941 on a three months' tour for the purpose of studying schemes of co-operative education and propaganda. Besides a 'Central Refresher Course' for the staff, 137 local training classes for office bearers and 55 propaganda meetings were held during the two years.

Banks, Credit and Thrift Societies:—The three Central Banks have increased their business and profits; two have slightly decreased their overdues, but one shows a considerable increase. Their total working capital in 1942 amounted to Rs. 1.3 million against Rs. 981,163 in 1939. The four Banking Unions, with a working capital of Rs. 32,343, have practically no overdues; one of them is financed by the Local Loans and Development Fund, but the others depend on the Trust Funds of the Registrar.

Besides the development shown in the preceding table, loans granted by the Credit Societies with unlimited liability increased from Rs. 1.89 million in 1939-40, to Rs. 2.1 million and Rs. 2.4 million, respectively, in the following two years; loans recovered from Rs. 1.8 million to Rs. 1.9 million and Rs. 2.56 million. Recoveries in 1941-42 actually exceeded loans granted, but, while the volume of transactions increased, the average amount loaned continued to decrease. "This is a healthy sign, for it points to yet further economy in the use of money by frequent borrowing and quick repayment." Overdues, however, increased in 1942 to 24 per cent. In 1935 and 1936 they dropped to 15 and 13.7 per cent, by 1940 had risen again to 23 per cent, and fell the following year to 21 per cent. The Registrar does not regard the position as by any means serious, but rather considers that there is compensation in a very satisfactory increase in reserves (from Rs. 444,103 in 1940 to Rs. 571,915 in 1942). Thrift (deposits) has developed, despite the uneasiness caused by the war in regard to the safety of savings—which had to be countered by propaganda. Deposits amounted to Rs. 317,672 in 1940, fell to Rs. 296,202 in 1941, and rose in 1942 to Rs. 372,252. The general position of the Societies is sound and their working satisfactory.

The considerably smaller group of Urban Credit Societies with limited liability also show a satisfactory position, and several which, before the war, had been on the decline have shown considerable improvement. Overdues are smaller than in the Rural Societies—1940, 19.3 per cent; 1941, 14.6 per cent; 1942, 14.7 per cent.

Village Thrift Societies, a type of organisation no longer confined to Government offices, show considerable development. New registrations numbered 30 during 1940-41 and 15 in the following year, which brings the total to 164. Savings increased in 1941-42 by Rs. 50,000 to Rs. 1.4 million

Consumers' Societies:—War conditions, particularly the difficulties which the people experience in obtaining food supplies, have given a new impetus to the Consumers' Societies. Their membership increased from 12,566 in 1939-40 to 17,674 in 1941-42, and the number of Societies from 26 to 38; 29 are estate stores. The problem of securing supplies at controlled prices, or any supplies at all, has influenced the Societies in deciding to organise a Co-operative Wholesale Society. Most of the stores have done very good work: their total sales increased from Rs. 926,812 in 1939-40 to Rs. 1.4 million in 1941-42.

Under the category of Consumers' Societies there are also 32 School Supply Societies (compared with 9 two years ago), whose organisation is part of the departmental plans for co-operative education and propaganda. Six are registered Societies in Training Schools and have an adult membership. The remainder are "juvenile" Societies "recognised" by the Department. They combine thrift with the supply of books and stationery, etc., and their total turnover in 1941-42 was upwards of Rs. 5,000.

Marketing and Production:—Marketing, which was formerly the weakest branch of the Co-operative Movement in Ceylon—although as the Registrar states "it is the very key to the solution of the numerous economic problems of the producer"—has shown remarkable and the most outstanding development during the last two years. The number of Societies increased from 18 in 1940 to 71 in April, 1942. Coconut Sale and Agricultural Produce Sale Societies are the largest groups, each with 11 Societies (19 more Coconut Sale Societies were in the course of organisation); the next largest are Dairy Societies (8), Goat Farming (6), Textile and Palmyrah Produce (5 each), Tobacco Sale and Poultry Breeding (3 each). One factor that has contributed much to the present development of co-operative marketing is the increasing support given by the Government which is considered "very necessary, especially in the initial stage." Co-operative marketing is not only a difficult form of Co-operation to organise, but in Ceylon it has had to contend with the determined opposition of vested interests, the prior indebtedness of the producer to the private trader, the difficulty of educating the producers and ensuring loyalty.

Some of the Societies have yet to prove their worth, but according to the Registrar's report results, so far, have been very satisfactory. "Greater opportunity of progress has been created wherever the co-operative method has been utilised in Government schemes of economic development. A further point of interest is that a greater co-operative conviction has been observed wherever it has been possible to establish a successful marketing organisation. In such cases the people have been found to take to new lines of co-operative development of their own accord without much persuasion from outside."

Of the 11 Agricultural Produce Sale Societies, 5 in the Northern Province control practically its entire output of onions and chillies. They were formed, after much propaganda and in the face of great opposition, to enable the producer to derive the maximum benefit from the working of the Agricultural Products (Regulation) Ordinance. The fact that the Societies were made the sole agent of the Marketing Department contributed immeasurably to their development and success; their combined sales for 1941-42 amounted to Rs. 275,398; net profits to Rs. 12,673. They also formed themselves into a Union which is functioning excellently.

Other Types of Societies:—The Better Living Societies increased from 5 in 1939-40 to 13; most of them are working satisfactorily with the help of the Department of Medical and Sanitary Services. There are 5 Better Farming Societies; a Motor Boat Service Society which has two motor launches; a Co-operative Hospital, with 354 members, which affords greatly increased medical facilities both to in-patients and out-patients; 71 special Women's Societies, including 50 Thrift Societies; several Paddy Hullers' Societies, Better Living Societies, etc. The appointment of sub-inspectresses to attend to the supervision and instruction of Women's Societies may be expected before long.

—*Review of International Co-operation*, April 1943.

THE CO-OPERATIVE MOVEMENT AND POST-WAR RECONSTRUCTION

BY

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(Mr. James McFadyen's memorandum deals exclusively with post-war reconstruction of Europe and has no bearing on India. But the following extracts from the memorandum will be found interesting to us here in connection with planning for the reconstruction of our agriculture and industries after the war, for our problems are similar though not the same.—*Editor*).

Looking at the problem from the point of view of immediate relief it is the consumers' co-operative movement which first presents itself... The fact that as co-operative societies they could rely on the ready-made loyalty of their members would greatly strengthen their position. They would have no interest in exploiting the consumer and would escape any temptation to make profits on relief or to raise prices to scarcity levels which might arise in other circumstances, especially if, in a newly liberated country, the National Government were too weak or too preoccupied to enforce proper price control. The fact that membership of co-operative societies tends to be principally working class, or, in agricultural countries, peasants, would not be a disadvantage, since it is the working population which will stand most in need of organised food relief.

The special utility of the consumers' movement in the creation of a new post-war economy would extend, however, beyond relief into the reconstruction period. It seems likely that one of the main contributions to post-war social welfare as well as to a more rational and prosperous agriculture will be a campaign in favour of improved nutrition.[1] For different reasons neither the industrial populations of western Europe nor the peasants of many countries in the south and east receive a really adequate diet if quality as well as quantity is taken into account. The co-operative movement is well-placed not only to carry on the popular education which must accompany any change in diet, but by cheap distribution to make foodstuffs of superior quality accessible to the low-income groups.[2]

Agricultural co-operative societies are widespread. Probably the most numerous are primarily concerned with credit, but they are in most cases accustomed also to act as agencies for the distribution of agricultural requirements in all countries where special societies for this purpose have not been formed. Such organisations would be of great value in the relief period in distributing seed, implements, fertilizers, and livestock. They would be equally valuable in giving detailed estimates of the types and quantities of these goods required in each locality and in supervising their proper use after delivery. In rural districts, and where no other organisation was available, they might even be used for the distribution of foodstuffs.

A special problem in the re-equipment of agriculture will be the devastated regions and those from which the population has been driven out, together with those which are left without work animals owing to military requisitioning or other causes. In all these cases the only means of getting a harvest in the first year after the war may be large-scale tractor ploughing. This will mean organisation and some form of co-operative ownership of the machinery required, as well as co-operative responsibility for maintenance and, probably, the supply of skilled drivers and mechanics on a co-operative basis.

When the period of relief has passed into that of reconstruction, the agricultural co-operatives could be used, as they have been used in the past, to promote types of agriculture suited to national and European well-being and, in particular, linked with the policy of better nutrition which has already been indicated as an ideal for the urban consumers' movement. This could be done by a carefully thought out policy of supplying seed or other requirements at reasonable rates, linked with contracts to purchase on terms which would leave the cultivator an

[1]In this connection the reader may be referred to the article by Sir John Orr in *International Labour Review*, Vol. XLVII, No. 3, Mar. 1943, pp. 279-296: "The Role of Food in Post-War Reconstruction."

[2]Cf. International Labour Office: Studies and Reports, Series B, No. 24: *The Co-operative Movement and Better Nutrition* (Geneva 1937).

adequate margin, without unduly raising the price of the foodstuffs to the consumer. The same result might be attained through the advance of credits for new lines of production, covering both long-term and short-term capital expenditure.

The position of the co-operative credit movement will require special study and special measures of reconstruction before it can itself become an instrument for reconstructing other aspects of economic life. Many co-operatives, both urban and rural, ran savings and loan banks which were on a considerable scale. Forced investment and depreciation will probably have undermined the position of many of these banks, and it will be necessary to devise plans of rehabilitation, adapted to the experience of different countries, if a great volume of agricultural and other savings, public confidence and the power to finance agricultural and other reconstruction is not to be lost.

Turning from the agricultural to the industrial field, it must be recorded that factories run by co-operative groups of workers have had a very limited success in western Europe, though factories controlled by distributive consumers' co-operatives are numerous and successful. In Russia and China, on the other hand, the industrial co-operative has been a success, and it is possible that it might play a part in the industrialisation of light industry in eastern Europe. It would require a good deal of national and perhaps international support and fostering. Rather wider success has attended the activities of co-operative labour gangs contracting for definite undertakings in building, road-making, forestry, and land reclamation. These, if properly organised, might have a valuable future in the reconstruction period, particularly for the rebuilding of bombed cities.

Rehousing might be assisted by the use of co-operative labour groups, but the heavy capital needed for rehousing on any scale must be provided either by public authorities, or by co-operatives of those wishing to live in the houses when built. Co-operatives of this type were particularly active and successful in rebuilding Warsaw and other Polish towns after the last war.

In the Peasant Programme, issued last year by the representatives of the peasant communities of central and eastern Europe, now in exile in London, the idea of co-operation, if not the word itself, occurs in almost every point.

In proclaiming "the land for the peasant" the programme recognises "the desirability of voluntary co-operation in land cultivation" and adds: "The experiences of the past twenty years have now proved that such land reforms alone are not enough; the co-operative principle must be promoted in every possible way and the peasants should control marketing, credit, etc., through their own institutions, democratically controlled." Again: "Agricultural credit is a prime necessity...there must be a system of public agricultural insurance." "Among the most essential measures of agricultural improvement are: (a) drainage, irrigation and hydro-electric power; (b) soil improvement and fertilising; (c) provision of agricultural machinery and tools; (d) seed improvement and scientific stock-breeding." Further: "A well-balanced rural society requires the combination of appropriate industries with agriculture."

—*Co-operative Informaiton*, No. 4 of 1943, published by the I.L.O., Montreal.

SPECIAL SECTION ON CO-OPERATIVES IN INTERNATIONAL FOOD ORGANISATION

Among the many important recommendations of the United Nations Conference on Food and Agriculture at Hot Springs, Virginia, was one on co-operatives presented by the section on "Expansion of Production and Adaptation to Comsumption Needs" and adopted by the food conference as a whole. The statement on co-operatives is as follows:

WHEREAS:

1. The co-operative movement has been of very great importance in many countries, both to urban and rural populations, especially in agricultural districts where farming is based on small units and in urban areas of low-income families;

2. The proper functioning of co-operative societies may facilitate adjustments of agricultural production and distribution, as members have confidence in the recommendations and guidance of their own co-operative organisations which they know operate in the interest of their members and of societies in general;

3. The democratic control and educational programmes, which are features of the co-operative movement, can play a vital part in the training of good democratic citizens, and assist in inducing a sound conception of economic matters; The United Nations Conference on Food and Agriculture recommends:

1. That, in order to make it possible for people to help themselves in lowering costs of production and costs of distribution and marketing:

(a) All countries study the possibilities of the further establishment of producer and consumer co-operative societies in order to render necessary production, marketing, purchasing, finance, and other services;

(b) Each nation examines its laws, regulations, and institutions to determine if legal or institutional obstacles to co-operative development exist, in order to make desirable adjustments;

(c) Full information as to the present development of co-operatives in different countries be made available through the permanent international organisation recommended in resolution II.

At its closing session on June 3, the conference also recommended to the United Nations Governments throughout the world that they encourage the organisation of consumer and marketing co-operatives as an important way of cutting the cost of food production and distribution.

Thirty delegates of the United Nations Food Conference from twenty-two nations attended an informal dinner—at which Murray D. Lincoln, president of the Co-operative League, U.S.A., and one of the six U. S. delegates to the conference, was the host—to discuss co-operatives on May 28. The delegates made a proposal which would urge the creation of a special section on co-operatives in the international food organisation which is expected to grow out of the United Nations Food Conference.

—*Consumers' Co-operation*, July 1943.

POST-WAR RECONSTRUCTION PROGRAMMES

British Post-War Forestry Programme.—A Report by the Forestry Commissioners to the Government, issued as a White Paper on "Post-War Forest Policy", was presented to the British Parliament by the Chancellor of the Exchequer on 8th June. It recommends a vast post-war programme of afforestation which would increase the nation's forest area of about 3 million acres to 5 million acres in the course of 5 decades. The Report states that, as in the last war, when 450,000 acres of woodland were felled or devastated, British woodlands are again being subjected to intensive exploitation, and that depletion will this time go much further than in the last war. Therefore, the scale of reconstruction will have to be correspondingly larger. Since the time when the national forest policy was inaugurated after the last war—the Forestry Commission was established in 1919—714,000 acres of plantable land have been acquired, of which 434,000 acres were under woodlands by the end of 1939. It is estimated that after this war 5 million acres of effective forest—not merely planted with trees but also systematically managed and developed—can be secured by the afforestation of 3 million acres of bare ground (from the 16 million acres of "rough grazings" in Great Britain) and by selecting from existing woodlands 2 million acres of those which are better suited for forestry than for any other national purpose. It is proposed that these 2 million acres, so far as they are privately owned, should be either "dedicated" by their owners to forestry or acquired by the State. Dedicated woodlands would be worked to an approved plan, and in return the owners would receive State assistance equal to 25 per cent of the expenditure up to the time when the woodlands would be self-supporting. The afforestation would have the ultimate effect that British home supplies of timber would cover 35 per cent of the normal timber requirements of the country, while before the war 96 per cent of the timber requirements had to be imported and only 4 per cent provided by home supplies. Another effect of the carrying out of the forest programme would be that it would ultimately give employment to 250,000 workers—50,000 in the forests and 200,000 in forest industries. The Report of the Forestry Commissioners also suggests an extension of the National Forest Parks, of which three exist at present. It is stated that without special effort one new National Forest Park could be added to the existing parks each year during the next decade, and that even 20 National Parks could be added in the 10 years after the war at comparatively little cost. In view of the large schemes outlined in the Report, the Commissioners suggest that forestry should be placed under the direct control of a Minister.

Reconstruction Plan in South Africa:—General Smuts, the South African Premier, has asked local authorities throughout South Africa to give early consideration to post-war programmes of public works. The Government has drafted a plan for capital development and housing which envisages a total expenditure of over £100 million in the immediate post-war years. The South African Minister of Commerce and Industries recently stated that it was the policy of the Government to assist, protect, and, if necessary, take an active part in developing the industrial life of the country. The extent of that assistance, he added, must be determined by the ability of every industry to supply the needs of the people at an economic price and to maintain a decent standard of living for its workers.

U. S. A. Plan for the Development of Latin-America:—The U. S. A. Government, according to a statement made by the President of the Chamber of Commerce in the U.S.A., is studying a plan for the post-war commercial and industrial development of Latin-America by means of loans and technical assistance. The plan is to bring about a general improvement in the standard of living in Latin-America, and fuller employment, to provide wider markets for U. S. A. investments and manufactured articles, and to increase tourist traffic by reducing travelling formalities and expenses. The President of the Chamber stated that South America after the war would particularly need technical assistance, combined with the investment of capital and the supply of machinery, which would enable the South American countries to set up certain industries and to become self-sufficient as far as the products of these industries are concerned.

Compulsory Forest Co-operatives in Germany:—A Government Decree, published on 18th May, which came into force on 1st June, stipulates that owners of woodland in Germany can be compelled to join special Forest Co-operatives of a public character which have to carry out the Government plans for the forest industry. These Forest Co-operatives, together with private woodland owners not organised in Co-operatives, may form Forest Unions—also of a public character, that is under public law—which in their turn will be organised into Forest Federations. The objects of the forest organisations include the cutting of trees and the marketing of wood and other forestry products, the improvement of the soil and tree cultivation, the re-afforestation of former woodland and waste-land, the supply of seeds and young trees, the protection of the forest, and the organisation of forest labour. Other tasks may be assigned to them by the Reich Forest Master.

—*International Economic News Service of I.C.A.*, 18th June, 1943.

CO-OPERATIVE EDUCATION CENTRES

Whether the Co-operative Movement is regarded as a social force or as a business concern, a Co-operative College must be regarded as essential.

—*The late Mr. T. Lawther, Co-operative Congress President.*

"The Co-operative College founded in 1919, which has been in Holyoake House, Manchester, for over twenty years, was the first of a series of Co-operative Colleges which have sprung up in Europe and America, some of them improvements on the British model, but all of them inspired by it.

Probably one of the most outstanding of such colleges is that of the Swedish Co-operative Movement which was established in 1924. The Swedish Co-operative College is situated at Saltsjobaden, a small village overlooking the Stockholm archipelago. Whilst this College, called *Vard Gard*, which literally means 'my home', is within easy access of Stockholm. Throughout the year students flock in batches of sixty or seventy to follow one, two, or three week courses. There is a small permanent staff, and the advanced students assist with the tuition of the students in elementary subjects. Advanced students in time are posted to positions in societies. Admittance to the College is dependent on students proving successful in the correspondence courses, which they are required to

follow as a preliminary. So much for what has been done in Sweden, a small country whose co-operative membership is less than 1,000,000.

Another co-operative education centre is that of the Swiss Movement, which is situated near Basel, at Freidorf. This is virtually a co-operative village which has grown around the education centre, established in 1923. Much valuable work in instructing employees and members of societies and also guildswomen has been performed at Freidorf. Dr. B. Jaeggi, the eminent Swiss co-operative scholar, presides there.

The Austrian Co-operative Movement, through the Central Union, acquired a holiday villa, Modling Vorder Bruhl, in 1936, on the outskirts of Vienna, to train staff for co-operative establishments.

The French Movement also opened a Co-operative Technical School at Paris in 1926. This school is partly subsidised through the apprenticeship tax.

The Norwegian Wholesale Society erected a special school at Boerum in 1939, the same year as a co-operative school was built in Warsaw by Spolem.

The Danish Co-operative Wholesale established a Co-operative College, Andelsskolen, in 1933, with accommodation for 100 students and organised courses for employees for periods of from six to ten months.

The Finnish Central Union has a permanent Co-operative School, organising correspondence and general instruction in co-operative subjects.

Even Iceland has its Co-operative College. Situated at Reykjavik, this School is subsidised by the Government. Two annual courses are held with about 50 students a year attending.

All these centres are mainly concerned with Consumers' Co-operation, but there are many establishments functioning all over Europe which are giving training in Agricultural Co-operation in its various social and technical aspects.

In New York, the Rochdale Institute, which affords instruction in a wide range of co-operative subjects for employees and members of consumers' societies in the United States was established in 1938. Its organiser is Mr. Lionel Perkins, a former British Co-operative College student."

The Co-operative League of the United States has set up a School of International Co-operation in New York City to train persons for post-war leadership in the Co-operative Movement in the United States and abroad. The curriculum, it is said, includes courses on the history of co-operation, techniques of principles and methods of international co-operative commerce, techniques of post-war reconstruction, economic geography, international cultural relations, co-operative organisation, distribution and marketing, and international democracy.

"Some countries, instead of organising a separate Co-operative College under the direction of the Movement have allowed such work to be undertaken by the existing higher education bodies. Thus in Antigonish, Nova Scotia, the university extension department opened up what virtually amounts to a co-operative faculty. This experiment has proved highly successful and has created a profound impression in the neighbouring U.S.A., from which tours have been organised to inspect the work being undertaken. Co-operation in all its forms has been encouraged by the University and the theories of the classroom and lecture hall have been applied with remarkable developments as a result.

The news that the Institute for Co-operative Studies of El Cauca—which, though closely connected with the University of El Cauca, has carried on its work of co-operative research and education since 1940 as a private institution—has now been incorporated in the University and thereby achieved an officially recognised academic status, signifies an important step forward in the co-operative educational advance in Latin America.

The Twenty-Eighth Legislative Assembly of the State of North Dakota has passed a law for the teaching of co-operative history, principles, organisation and business methods in teachers' colleges. The courses in Co-operation will be graded in exactly the same way as other subjects taught in the State Colleges.

At its inauguration the objects of the Co-operative Institute, Lima, (Peru) were declared to be the defence, study and promotion of the principles of Voluntary Co-operation as a basis for the economic and social improvement of the country. Since then its technical and advisory services have been increasingly sought not only by Societies but by the State, Municipalities, Philanthropic and other bodies which desire to promote social welfare schemes on a co-operative basis. The number of Co-operative Organisations officially registered since the Institute's foundation is 59 Agricultural and 17 Consumers' Societies, with 1 Credit and 1 Fishermen's Society. Their progress will be greatly assisted by the technical training of employees and members initiated by the Institute's First Co-operative School, from which 35 students received certificates of proficiency after a three-months' course. Local branches are now being set up in different parts of the country; those at Arequipa, Cuzco, Ica and Loreto are already carrying on advisory and educational work under the direction of the Institute at Lima.

In Belgium a Chair of Co-operation was established at Brussels University. There was one in pre-Fascist Rome and in the Universities of Canada, India and China Co-operation has been a subject given increasing importance in the curriculum.

Apart from universities, however, in a great many other countries schools and colleges dealing with social studies and training, Co-operation is given due importance. This is true of Denmark, where the Folk Schools are training people to understand the Co-operative Movement, even though, there exists simultaneously a Co-operative College.

Functions of a College:—The function of a Co-operative College is of course to train people in the study of Co-operation, a large and complicated subject. It is not simply a case of teaching people the organisation of the Movement but the social purpose and nature of Co-operation. There is much evidence that in Britain to-day Co-operation is largely misunderstood. At a time when social outlook is undergoing change, it is vital to the Movement that Co-operation should be thoroughly mastered. Many facilities are provided for teaching social studies of all kinds, but co-operators themselves must provide the facilities for training in co-operative studies. That above all else is the job of any Co-operative College.

A Co-operative College can perform many other functions also, and one of them is the training of staff, a matter which is of increasing importance to-day. Already the Co-operative Movement in Britain has helped to raise the status of employees from unskilled labour to that of skilled labour through affording proper training facilities. Many of the larger societies undertake training extensively, and the whole trend to-day is for such training to be the practice among all distributive agencies.

In addition to the task of training officials of the Movement the Co-operative College must also serve members of management and education committees. With the development of societies from grocery stores to large commercial undertakings, laymen are at a serious disadvantage without some training. This has been one of the more neglected fields for co-operative education and it is certainly not the least important. **The committees of management shoulder the responsibility under the co-operative democratic constitution, and unless they are fully trained there is little prospect of the Movement playing its full part in the new social order.** Management committees exercise important duties concerning the affairs of the national bodies to which their societies are affiliated as well as to their own local societies.

Not least important is the training of persons to hold positions on societies' education committees. Upon them devolves the responsibility of keeping co-operative ideals before the members of the society and prominent throughout the area in which the society operates. If they are to instruct people in co-operative social theory, traditions, and the broader aims of Co-operation, they need to be so trained themselves.

However good a Co-operative College is established, there remains the need for local co-operative educational effort. The College is the hub of the co-operative education system, but such a centre can never dispense with the need for local activity cultivating in every possible way co-operative ideas and enabling members to comprehend the meaning and importance of Co-operation."

—*Co-operative Review*, Manchester, August 1943.
—*Review of International Co-operation*, July 1943.
—*Co-operative News I.C.A.*, London.

THE HYDERABAD EDUCATIONAL CO-OPERATIVE COLONY

The Hyderabad Educational Co-operative Colony was established on the initiative of the late Rt. Hon. Sir Akbar Hydari, under the State Department of Co-operation and with a distinguished committee including the heads of many departments of the State services, to continue the propaganda for, and as far as possible, to give demonstrations of, the possibilities that technical progress has opened up for the organisation in new ways of co-operative and co-ordinated production of necessaries. The propaganda in India for that plan to deal with poverty, and with the illiteracy that accompanies it, was started by Dr. Rabindranath Tagore just thirty years ago leading ultimately to our pioneering work being started by India's premier state.

The economic lessons of the first world war had fired India's great scholar, and practical man, the late Justice Sir Asutosh Mookerjee, with that idea of abolishing poverty. When he became Vice-Chancellor of Calcutta University he established a new department that was defined as being to study "the ways of applying the enormous productive power which progress has given us to put an end to unmerited poverty". The new co-operation—in other words 'non-selling' enterprise—was put forwrrd as the means by which this end might very clearly be attained. From every part of the world, from the most eminent authorities and in foremost publications, came the recognition that India's premier university had given the right lead.

The idea of this 'new co-operation' had been realized in Switzerland with the most striking success. The noble Swiss pioneers, Mr. and Mrs. Kellerhalls, having gained the confidence of their Government, set out, financed by it, to deal with the most apparently hopeless classes in a co-operative colony, but financed, and managed like a business concern. It paid, viewed from a strictly business point of view. It became, thus, a most brilliant practical example of the 'new co-operation' successful under the most difficult conditions that can well be imagined. A bill has since been placed before the United States Senate to follow up the Swiss success on a magnificent scale. But vested interests opposed its establishment by the Government, and the American bill to imitate it remains indefinitely held up in Committee. In India no such opposition was to be expected, and there was every prospect of the new co-operation developing with great rapidity in extremely simple form. A Royal Commission and a series of Government Committees examined the suggestion in its various aspects and two of them recommended it officially to their Governments. Sir Asutosh Mookerjee then found it possible to make a start. At that moment, however, death struck him down. So we have been going on with our search for another to lead.

India is going forward to immense changes which may be happy, or may be disastrous, according to the social constructiveness that will accompany them. What is to become of the numbers that are now industrially employed when the present war production stops? Those who have understood the lesson of the Swiss Colony see the way to splendid and permanent solutions. One of the best things socially that could ever be done would be to establish 'educational colonies' for adolescents in which all, as far as possible, would have to work. Those finding jobs in the towns would, whenever possible, take them in pairs, working at them alternately on some suitable plan of rotation. In that way all would have some thoroughly good training, and would spend some of their time in the healthiest possible surroundings, during those precious years when they are being moulded for life. Then the next obvious things to do would be to send the youths who had no industrial or other good employment to work in colonies near factories, for remuneration in kind. Many other great and hopeful developments might then follow. We have to make the present difficulties a wonderful opportunity for social changes of the greatest possible human benefit. The earliest developments might bring great relief to the educated classes. In the first place, with that organisation, colonies might be established in which the children would soon produce things of great value to their homes, without any sacrifice of their studies, and to their immense benefit as regards health and general development. Special colonies might be established for families who had lost their bread-winner, in which it would be possible for the well-organised children soon to go very far towards self-support. When the bread-winner was permanently unemployed, but not incapacitated, he might soon make the family self-supporting in such a colony, with some work not entirely unsuitable to men of his class. Then teachers in educational colonies would be half-industrialists. The colonies would thus employ many more teachers than ordinary schools do.

All this we are demonstrating in our colony. There may not be work after the war for the industrial population. It may be a question either of the new co-operation and 'homecrafting'—workers producing their own food—or some very drastic measures. We have been able, as I have mentioned, to do one thing of great importance: namely, give a good demonstration to show that educational colonies might, in critical times, bring immense relief to the educated classes, who are only too likely to suffer much. We have been given forty elementary school boys of third to fifth standards, with whom to demonstrate; we give them very little over half their time in class, and the rest of their school day at industrial work, lengthening the total by thirty minutes only. We have continued to demonstrate successfully that under those conditions they do as well with their subjects as children spending their whole day in class. The 'grow more food' campaign, launched by the Government, is put into practice by the colony. The colony has been popular among students. We have had a dozen university students co-operating with us. They have taken up various branches of cultivation, horticulture, dairy, poultry, as little undertakings of their own learning to be practical and earning something towards their expenses.

So far then, for the immediate aspect of the new co-operation—co-operation between capital and labour for production-for-use, as it is also termed. But there is another aspect to be considered. We have allowed a social system quite obviously unsuited to an age of machines, and of great and of rapidly increasing productive power, to make our technical progress bring us, in new forms, all the very evils it ought to have rendered impossible. Now, owing simply to technical progress, we might bring about by co-operation improvements that would be of such immense value for moral welfare that they would rally all sincere people, and silence all opposition. In educational colonies the children would work as helpers to the well-trained adolescents, who would be guided by a sufficient proportion of experienced adults. The work, and the purpose of each process of it, would be explained at school, making it all interesting and instructive. Agriculture would be more extensively benefited even than industry. This labour army of the young could give agriculture by far the greatest help it could have. All social surveys show that the workers are incomparably better off morally, physically and in every way, when they combine some industrial work with the cultivation of the land, producing foodstuffs for their own use. In towns, planned under our system, everyone who wants would be able to have a large garden to his dwelling and, within a few hundred yards, at the most, an 'agricultural belt', in which land would be kept available for the towns people who want, perhaps in small partnerships, to produce agricultural crops for themselves, helped by their elder children. What is wanted now is only the will. We need some people who would be able to utilise the advantages of these semi-agricultural suburbs and would demand them. We need more and more sincere people to get to work and actually do the constructive things that have become possible.

—*The Fourth Annual Report (and Appeal) of the Hyderabad Educational Co-operative Colony.*

CO-OPERATIVE MARKETING OF MILK IN INDIA

The Report on the Marketing of Milk in India and Burma contains a fairly full account of the origin, progress and operations of the co-operative milk supply societies and unions in India and Burma.

There are no co-operative milk supply societies in the North-West Frontier Province, the Punjab, Sind and Orissa. Among the more important societies the operations of the following 19 societies are set out in some detail.

		Year of Registration.
1.	The Katra Co-operative Dairy Society, Allahabad. ..	1913.
2.	The Nizampura Co-operative Society, Baroda. ..	1914.
3.	The Belgaum Co-operative Dairy Society, Belgaum. ..	1915.
4.	The Dhulia Co-operative Milk Supply Society, Dhulia. ..	1915.
5.	The Bagalkot Co-operative Dairy Society, Bagalkot (Bombay Province). ..	1916.
6.	The Hubli Co-operative Dairy Society, Hubli. ..	1917.
7.	The Calcutta Co-operative Milk Union, Calcutta. ..	1919.
8.	The Mayaganj Goala Society, Bhagalpur (Bihar). ..	1919.
9.	The Telankheri Co-operative Dairy Society, Nagpur. ..	1922.
10.	The Chittagong Central Co-operative Milk Supply Union, Chittagong. ..	1927.
11.	The Dacca Co-operative Milk Societies Union, Dacca. ..	1927.
12.	The Darjeeling Co-operative Milk Societies Union, Darjeeling. ..	1927.
13.	The Madras Co-operative Milk Supply Union, Madras. ..	1927.
14.	The Surat City Co-operative Milk Supply Society, Surat. ..	1927.
15.	The Naogaon Co-operative Milk Societies Union, Naogaon (Bengal). ..	1929.
16.	The Gauhati Co-operative Milk Societies Union, Gauhati (Assam). ..	1934.
17.	The Thirumala Keshuravyarasaya Mahila Co-operative Society, Trivandrum. ..	1934.
18.	The Coimbatore Milk Supply Union, Coimbatore. ..	1937.
19.	The Lucknow Milk Co-operative Supply Union, Lucknow. ..	1938.

All the above societies are functioning at present. These nineteen organisations cover 264 societies with a membership of 11,602 or about 44 members per society. Except the two unions, viz., Calcutta and Madras, all others handle less than 30 maunds of milk per day. Those in Calcutta and Madras handle much larger quantities of milk per day and possess pasteurising plants.

The figures given in the report, however, relate mostly to the years 1935 to 1940. The following statement shows the quantities of milk handled by four of the more important milk unions in the country and the quantities normally consumed at places served by them:—

PROPORTION OF 'CO-OPERATIVE' TO MARKET MILK AT SOME OF THE IMPORTANT CENTRES.

Milk Union.	Year of registration.	Year to which the figures relate.	Quantity handled annualy by co-operative organisations.	Annual quantity of 'market' milk (excluding ghee).	Percentage handled by Co-operative organisations.
			Mds.	*Mds.*	
Calcutta	1919	1936-37	38,183	2,110,065	1·8
Madras	1927	1938-39	32,236	470,120	6·9
Lucknow	1936	1938-39	5,663	438,730	1·3
Allahabad (Socy)	1913	1936-37	2,943	304,410	1·0

The first three unions are, so to say, the premier co-operative milk organisations in India. On the other hand, the Allahabad Society is the oldest in the country, having been established in the year following the passing of the Act. The figures show that only the Madras Union handles about 7 per cent of the milk requirements of that city and at other places the amount is less than 2 per cent. The figures show unmistakably the slow progress made during 20 years and the inappreciable part played at present by the co-operative organisations in the milk supply of large cities.

The position in this respect in countries abroad is very different from that prevailing in India. There, co-operative organisations are the outcome of a common desire of the people to help themselves and the movement has, therefore, spread to a remarkable degree. For instance, in Denmark, milk from 86 per cent of the cows is handled in co-operative dairies and over 98 per cent of the butter exports from New Zealand come through co-operative organisations. Separate figures for dairy produce handled by co-operative societies in other countries are not available, but the annual value of agricultural produce co-operatively put on the market is estimated, in Indian currency, to be at least Rs. 350 crores.

The main reason for the existence of a limited number of milk societies and the small quantities of milk handled by them is the scattered and small scale production. Dealing with individual producers is also not an easy matter particularly in the teeth of severe and unhealthy competition from unscrupulous dealers which exists in the present day milk trade. To a great extent the difficulty could be overcome if the village collectors, who handle milk of several producers, could be organized into co-operative bodies. In dealing with collectors or even petty merchants, apart from larger turnover, the business acumen and marketing experience are also ensured which many a times are lacking in producers' co-operative organisations. The argument put forward against organising persons above the status of a producer is that they are not amenable to co-operative principles. However, the position needs to be examined more closely. In the

Act, there is nothing to prevent the formation of a society of such persons so long as ten members are willing to register themselves. The experiment is worth trying, for once the assembling and petty village merchants were organised to work co-operatively, ways and means could be found to filter down the benefits to the producers.

The main causes which have impeded the progress of the co-operative milk organisations in India may be summarised as under:—

(1) **Unhealthy competition from unscrupulous and dishonest petty dealers:**—A large proportion of the milk (mostly raw) sold in almost all the Indian cities and towns is poor in quality and not subjected to effective control. This tends to keep the prices down to a figure at which it does not pay to organise collection, transport and distribution of village milk in towns and cities. Milk handled in bulk or that obtained from distant places has necessarily to be processed. At present its price is high because processing is done by individuals in small quantities.

(2) **Failure on the part of the consumers to appreciate the quality:**—The unchecked and widespread prevalance of the practice of adulteration has degenerated the milk business in the country to such an extent that it has made the average consumers indifferent to quality within certain limits. They always try to purchase as cheaply as possible.

(3) **Lack of statutory backing:**—The milk unions and societies have no legal control over their members or over the milk business in the area where they operate. They depend largely on faith; a practice which unfortunately does not always prove successful in business. Members of co-operative societies are prepared to sacrifice pledges and principles if they can obtain a little extra money.

(4) **Lack of support from health authorities and others:**—It is a matter of regret that hospitals, college hostels, hotels and other institutions seek cheapness at the sacrifice of quality and do not always patronise milk from organised bodies. There is insufficient appreciation for processed and safe milk, and it is generally demanded at the price of raw milk. They do not realise that by such an attitude general progress is retarded.

(5) **Inadequate business acumen and lack of experience on the part of the organising and supervising staff:**—The staff, honorary or paid, lack in both the above essential features. Often the business is so small or the circumstances such that this could not be helped, but at times cheapness of management rather than efficiency seems to have been the guiding factor.

The above reasons are mainly responsible for the stagnation in the progress of co-operative dairy organisations in this country. The co-operative principles, although designed to provide relief to producers and advantages to consumers, have so far failed to create an impression on the mind of an average person, at least as far as the dairy industry is concerned. In other countries dairy societies, as a matter of fact, have made more headway than other forms of agricultural co-operation. It is evident that at the present rate it will take many decades to set matters right in the Indian dairy industry purely through co-operation practised on a small scale.

—***Report** on the Marketing of Milk in India and Burma.*

RURAL RECONSTRUCTION IN MYSORE IN 1941-42

There were 12,070 village panchayats in the State at the end of the year, as against 12,093 in 1941-42. The total demand for the year, inclusive of arrears, was Rs. 51,80,283, of which a sum of Rs. 17,05,340 was collected. The expenditure incurred by the panchayats aggregated Rs. 10,80,894.

In pursuance of the five-year scheme of Rural Water Supply, the annual grant of Rs. 3 lakhs for the fifth year was distributed among the districts and an additional allotment of one lakh of rupees was also sanctioned to the districts of Kolar, Hassan and Bangalore. Out of 18,419 villages in the State, 15,637 have so far been provided with drinking water wells. The expenditure incurred on the scheme during the year was Rs. 6,20,575, bringing the total outlay in the last five years on well works in the villages to about Rs. 23 lakhs. The five-year plan for the provision of drinking water wells has been continued for another period of three years, along with the annual grant of Rs. 3 lakhs from Government, as there is still a large number of villages to be provided with wells.

The new scheme of Rural Reconstruction has been put into operation and 130 non-official gentlemen have been trained in the different aspects of rural welfare work and have been posted for duty mostly in the taluks to which they belong. Instructions have been issued for the co-ordination of the work of the several development departments. A central advisory committee has been constituted to review the progress from time to time and Hubli Advisory Committees have also been formed.

—*Mysore Information Bulletin,* September-October, 1943.

GROW MORE FOOD CAMPAIGN,

Madras

To facilitate the production of more food grains, the Government of Madras has passed certain orders and enactments which are of help to the cultivators. They will result in increasing the number of irrigation sources, in improving some reservoirs and supply channels and in giving water to certain areas free of irrigation charges. There will be remission of assessment and postponement of the recovery of loans for a period in the cases of loans given either to dig new irrigation wells or to improve existing ones, if the crops grown in the area commanded by them are food crops. There has been a further impetus to extend the area under vegetables. To conserve all fertilising material for the improvement of arable land, the movement of bonemeal and oilseed-cakes has been controlled. To enhance the stocks of rice together with an improvement in its nutritive value, there has been legislation to control the degree of polishing of rice in the mills, not to speak of the propaganda for the milling of paddy with wooden grinders so that the people may consume less rice and at the same time have wholesome food.

Improvement of Irrigation:—Eight schemes have been sanctioned at a total cost of Rs. 490,000 for the construction of reservoirs, improvement of channels and the restoration of old tanks in the districts of Anantapur, Bellary, Cuddapah, Kurnool, Nellore, Trichinopoly and Tanjore. The Government has directed that in the case of repairs to minor irrigation works the canon of remunerativeness need not be applied except in cases where the results will be disproportionately small in relation to expenditure.

The Provincial Government has published the provisions of the Madras Irrigation Works (Repairs, Improvement and Construction) Bill. A fifth of the area of the province comprising nearly thirteen million acres is under zamindari tenure. Legally it is the duty of the land-holder to keep the irrigation sources in his estate in a state of good repair. The Bill empowers the Government, when it considers fit to do so, to repair, improve and construct irrigation works and to supply to private estates water from Government Irrigation Works, recover the cost of the improvements from the beneficieries and levy fees for the supply of water. It also authorizes the land holder on whom the levy is made to secure enhancement of rent from the cultivator. The Bill asserts the right of the State to ensure that the resources of the community, no matter by whomsoever owned, shall be utilized as fully as possible for the benefit of the society and not be idle or run to waste. Though for the present it will be an emergency enactment for the increase of food, because of the lasting benefits it will confer on the community it may continue to be permanently operative.

To encourage the farmers of the Bellary district to cultivate crops like jowar and the Italian millet on wet lands, the Government has directed that irrigation charges need not be collected during fasli 1352 for these crops on land under the Thungabhadra channels of the Hospet, Adoni and Siruguppa talukas. No levy will be made for the water supply from the Periar lake to irrigate a summer ragi crop on about 7,600 acres of the Cumbam valley in the Madura district. This concession has been extended to other food crops like jowar and bajra.

Revenue Concessions and Loans:—With regard to the grant of loans to encourage the digging of new wells and the deepening of old ones, the Government has passed orders that the assessment on the lands under these wells may be remitted for the first three years and that recovery of the loan for the first three years after the completion of the work be postponed. The loan will be collected in twenty annual instalments beginning with the fourth year. This concession is subject to the condition that the crop grown under the well is a food crop. The Government has also directed that where a cultivator has dug a new well or deepened an old one, without the aid of a state loan, the assessment as well as the water rate may be remitted for the first three years. This is subject to the condition that the value of the work is at least ten times the assessment. These concessions will be limited to wells dug in faslis 1352 and 1353. As in the case of wells, the Government has ordered that the assessment and water rate should be remitted for the first three years in cases where lands have been reclaimed or improved by cultivators in faslis 1352 and 1353 without the aid of a State loan and cultivated with food crops.

The exemption from water rate granted in December 1942 for the cultivation of vegetables in the backyards of residences has been extended to the end of fasli 1353. Suitable lands in the Panchayat forests have been permitted to be leased for growing vegetables. For increasing the cultivation of potatoes in the Nilgiris, the Government has under consideration the grant of interest-free loans amounting to nearly Rs. 10 lakhs to the ryots of that district.

The Government has passed orders permitting the opening of the Stanley Reservoir at Mettur in May during 1943 so that about 40,000 more acres of

paddy will be raised in the Tanjore district. An expenditure of Rs. 25,468 over a period of two years has been sanctioned for the spread of improved paddy seeds and better cultivation methods on about a lakh of acres in the Chittoor district. The loans granted for the cultivation of fallow lands and those granted for the purchase of seed and manure in 1942-43 will be free of interest. The loans in cash or kind may be granted through co-operative societies. In view of the imperative need to conserve all available supplies of fertilizers such as bonemeal and oilseed cakes, the Government has decided that all exports from the province will be permitted only by duly authorised Government officials.

Over-polishing of Rice:—A recent press note issued by the Government of Madras states: "In view of the deficiency in the present rice harvests and in the absence of the rice imports it has become necessary to take every possible step to conserve foodstuffs, especially, rice. The advent of milling has removed vitamins essential for health. The Government of Madras has therefore ordered that from 5th March, 1943, all the rice mills can work only with a licence under a condition that the rice milled will be under-polished. Rice so produced will resemble the hand-pounded one in retaining a larger proportion of the bran adhering to the grain than is retained in the highly polished rice." Rice is the staple food of the Madras province, and in recent years machine-milled rice, often highly polished, has become the fashion. Milling removes the bran layer and along with it the proteins, minerals and the important vitamin B-1 in rice. In addition to this loss in quality, large-scale tests have shown that the weight of rice lost by over-milling is about 4 to 5 per cent. The following are the figures obtained in one of these tests carried out at Bezwada by the Provincial Marketing Officer.

Loss by one polish	2·63 per cent
Loss by two polishes	5·43 per cent
Loss by three polishes	7·22 per cent

If this loss could be entirely prevented, an estimated increase of about 200,000 tons could be effected in the output of rice in the province. Besides, in view of the fact that under-polished rice is more nutritious than rice which is over-polished, it will be possible by its use to reduce the ultimate per capita consumption, effecting a further saving of stocks.

—*Indian Farming*, June 1943.

According to the first report on paddy 1943-44, in the province of Madras, the average area under paddy in the Madras Provnice during the five years ending 1941-42 represents 13·3 per cent of the total area under paddy in India. The area shown with paddy up to the 25th September, 1943 is estimated at 6,582,000 acres. When compared with the area of 6,179,000 acres estimated for the corresponding period of last year, it reveals an increase of 6·5 per cent. The area estimated is the same as that of last year in Coimbatore. An increase in area is estimated in the other districts of the Province except in Vizagapatam, Kurnool, Ananthapur, Chingleput, South Arcot, Trichinopoly, Tanjore and Ramnad. The variations are marked in Kistna (118,000 acres), Chingleput (99,000 acres), Chittoor (103,000 acres), North Arcot (127,000 acres), Tanjore (128,000 acres), and Malabar (72,000 acres). The increase in area is attributed partly to the Grow More Food campaign and partly to the prevalence of high prices for paddy.

—*The Madras Agricultural Journal*, November, 1943.

Assam

Grow More Food:—The Director of Agriculture gave a detailed account of the Grow More Food campaign for 1943-44, which was approved by the Board. Assam is expecting to spend about Rs. 20½ lakhs during the current year for the various Grow More Food schemes:

Rs. 10,09,500 for seed and manure distribution.

Rs. 3,50,000 for rice irrigation.

Rs. 2,34,500 for temporary staff under these schemes, including Rs. 12,000 for propaganda.

Rs. 25,000 to be increased to Rs. 7½ lakhs in 1944-45 for increasing the production of livestock products.

Rs. 4,50,000 for vegetable production for the military (funds provided by the military authorities).

Nearly 110,000 md. of paddy, pulses, oilseeds, potatoes, wheat and barley seeds and manures are expected to be distributed during the year, in addition to 22 lakhs sugarcane setts. These will be sold to cultivators at concession prices—the value of the concession to be Rs. 4,75,000.

Provision for Rice Irrigation:—An important development under these schemes is the provision of a sum of Rs. 3,50,000 for rice irrigation by means of small bunds (embankments) and dongs and khals (channels). This is considered to be not only one of the best means of immediate increase of rice production, but also a permanent work. No work requiring skilled engineering technique will be attempted under this scheme, which will be confined to minor works such as can be undertaken by the cultivators themselves—the officers of the Agricultural Department supplying the necessary guidance. Half the cost of each project will be met by the Government, the other half, mainly in the shape of labour and material, being provided by the cultivators. In each centre a local committee will look after the work—an Agricultural and a Revenue Officer being included in the committee for providing the necessary technical advice and for composing local disputes. It is estimated that an increase in yield of about 41,500 tons of paddy will be effected under this scheme.

The Department of Agriculture expect to bring an additional area of about 96,600 acres under cultivation in 1943-44 through the Grow More Food Campaign, from which they hope to obtain an additional outturn of about 44,000 tons of food stuffs.

—*Indian Farming,* June 1943.

FOOD PROBLEM OF INDIA

Referring to the disparity between population and food production as the major trouble underlying the grave crisis in India, Mr. Y. S. Thakeray, in the course of a very informative article on the above subject in the *Journal of Indian Merchants' Chamber* for November 1943, writes:—

The important food grains of India are rice and wheat. Rice is the most essential food crop. The diet of approximately 70 per cent of the population consists mainly of rice. India has the world's largest acreage under rice—of some 75 lakhs acres—and is second only to China. It must, however, be noted that owing to the decline of rice output by 8 per cent during the past two decades as against a rise of over 20 per cent in population, it has not kept pace with the growth of population and there is a clear disparity between population and rice production. The decline in the rice output is caused by stationary or slowly declining yields. The average yield per acre in 1898-1902 was 969 lbs., but it gradually fell until in 1934-36 it was 792 lbs., and the per capita consumption has consequently greatly declined. On the basis of the reduced consumption, India had to import annually over 10 per cent of its total rice production from Burmah. This source has been closed since the Japanese occupation of that country.

Wheat is the second important crop of India. The area under its cultivation is over 40 lakhs acres. There has been in recent years a little increase in its acreage and consequently the output is increased. The per capita consumption has so far remained unchanged mainly owing to the diversion of wheat as formerly as exportable surplus into domestic channels of consumption.

In addition to the two premier crops—rice and wheat—over 70 lakhs acres are under cultivation of inferior food grains such as jowar, bajra, maize, etc.; and some 60 lakhs acres under seeds, etc.,

In addition to India's food production it has been authoritatively estimated that she has to import some five lakhs tons of food grains from other countries in normal times.

—*The Mysore Economic Journal,* December, 1943.

HANDLOOM STANDARD CLOTH AND WEAVERS' CO-OPERATIVE SOCIETIES IN MADRAS

Under the scheme of the Madras Government for production of handloom standard cloth to supply cheap and durable cloth at reasonable prices to the public, yarn is obtained from mills at concession prices and distributed to the Collective Weaving Centre and Weavers' Societies in the Presidency to be converted into cloth (mainly dothies and sarees) which are marketed at controlled prices through co-operative stores and emporiums.

The Government state that experience has shown that the present marketing arrangements are inadequate and that unless the marketing organisation is greatly improved, the scheme, which depends for its success on a rapid turnover of the cloth produced, cannot be made to produce appreciable quantities of the cloth. The scheme, the Government emphasise, is really complementary to the mill-made standard cloth scheme and the Government consider that in addition to the existing co-operative agencies, arrangements must be made for sale of handloom standard cloth through normal trade channels. In order to give necessary impetus to the sale of handloom standard cloth, the Government stress that the personal interest of the collectors is essential for the success of the scheme.

The handloom standard cloth, the Government point out, is slightly more expensive than mill-made standard cloth but can score over the latter in view of the fact that it is more durable and caters more exactly to the requirements and tastes of the people of this province and is offered in a variety of colours and border designs. The production of handloom standard cloth, the Government point out, will not only meet the needs of consumers but it is also the best method under the present conditions, of providing continuous employment and fair wages for the largest number of handloom weavers.

A dealer in handloom standard cloth, unlike the dealer in mill-made standard cloth can, the Government state, sell any quantity at any one time even to minors and also allow credit to the buyers. A dealer in mill-made standard cloth can also undertake the sale of handloom standard cloth, provided he sells them in separate shops. While a commission of three per cent on the ex-mill price is allowed to a mill-made standard cloth dealer, a commission of three per cent on the retail price is allowed to a dealer in handloom standard cloth.

—*A Press Note.*

THE TWENTY-FIRST INTERNATIONAL CO-OPERATIVE DAY

We have received reports, from all over the country, of the celebration of the 21st International Co-operative Day on Saturday, the 6th November, 1943. Reports of the celebrations have appeared in the provincial co-operative journals and the press. This year's celebrations are marked with great enthusiasm and stress was laid upon the role of co-operatives in post-war reconstruction.—Editor.

GLEANINGS

Organic Vs. Mineral Fertilizers:

The general preference, everywhere, for inorganic fertilizers over organic manures is not altogether difficult to understand. The ease and cheapness with which chemical fertilizers could be had together with the luxuriant growth and yield immediately following their application were the chief influencing factors. Humic manures are admittedly slow-acting and do not yield spectacular results during a short or single season.

Within the last few years, however, scientific workers have obtained increasing evidence to show that inorganic fertilizers could never completely replace organic manures. Growers too have observed several distinct disadvantages following the regular and sole use of artificial fertilizers; chiefly, such a practice soon results in a deterioration in the physical condition of the soil. Furthermore, although artificial fertilizers stimulate production, little consideration has been given to their likely adverse effect in the absence of organic manures, on flavour, food value and other quality factors.

The application of artificials may be compared to the use of fuel for producing heat where the efficiency of heat production will obviously depend on the nature of the furnace design. This refers to the physical condition or tilth of the soil and is best achieved by humus. Chemical fertilizers have no doubt a place in any manurial system but one should be rather inclined to use them as a quick stimulant to crops, depending upon organic manures as the chief source for building up the fertility of the soil.

It is a matter of common experience that market garden crops such as fruits and vegetables grown on mineral fertilizers, though developing to much bigger sizes, contain very much more water and perish more readily than those raised on soils treated with bulky organic manures. It has often been suggested that grain and fodder crops grown on soils receiving organic manures are richer in regard to vitamins and other growth-promoting factors than those raised on mineral fertilizers. A good deal of experimental support for this statement has been forthcoming.

Experience with permanent manurial plots at several Experimental Research Stations all over the world has shown that continuous application of humic manures will not only maintain but often increase the soil's productivity, thus obviating the need to purchase nitrogeneous fertilizers. It is hardly necessary to emphasise the practical importance of this finding particularly when, as at the present juncture, artificials are both scarce and dear. (Humus and Soil Fertility by Eh Yez.)

—*The Hindu.*

Physical Effects of Different Types of Organic Manures:

The continued debate on the value of organic manures in different systems of farming arises from the difficulty of analysing the dominant factors in particular cases. In considering physical effects, it is necessary to distinguish the coarse organic material still retaining its structure from the fully rotted colloidal material. Gross mechanical effects are important in opening up heavy soils, especially for potatoes and other root crops. For this purpose long manure and even straw may be applied early. Long manures may leave light land too open, and well-rotted manures are therefore preferred at the cost of more loss in plant nutrients. The well-rotted organic material enters into intimate association with the inorganic colloids and provides a large part of the soil's base exchange capacity, that is, it improves its power of holding potassium, calcium, and magnesium in active and available forms. The organic colloids help to stabilize the soil crumbs and increase the capacity for air and water. (E. M. Crowther, D.Sc., F.I.C., Rothamsted Experimental Station, Harpenden, Herts).

—*The Journal of the Ministry of Agriculture,* September, 1943.

The Value of Liquid Manure as a Fertilizer for Pasture:

Increased production from pasture areas without the use of commercial fertilizers has been accomplished by the Washington Experiment Station through the more efficient use of animal manure. Both liquid and solid excrement from the milking barn was applied to pasture areas after dilution to approximately 10 times its volume with water used in washing the barns. The treatment gave increased yields and did not decrease palatability or cause burning injury. The material was collected and stored in a cement reservoir without a preservative until it was spread on the pasture. Its average composition was 2·08 per cent dry matter, 0·125 total nitrogen, 0·076 ammonia nitrogen, 0·037 calcium, 0·014 phosphorus, and 0·130 potassium. Under a system of rotational grazing on muck soil of high fertility, the diluted manure was applied immediately after each grazing. The liquid was applied at the rate of about 0·62 lb. per square foot, about once every three weeks, which is at the rate of approximately 214 lb. nitrogen, 24 lb. phosphorus, 223 lb. potassium, and 63 lb. of calcium per acre per year. The treatment gave an average yearly increase in yield of total digestible nutrients of 8·3 per cent over the 5,767 lb. produced on untreated pasture. Potassium content of the herbage from treated pastures averaged 75·6 per cent higher than from untreated areas. The protein content was slightly higher on the treated area. Digestibility coefficients of herbage from the fertilized areas were consistently higher than for forage from the untreated pastures. (R. E. Hodgson, J. C. Knott, V. L. Miller, H. K. Murer, U. S. Ashworth, F. B. Wolberg, and K. Baur: Washington Experiment Station Bulletin 412, April 1942).

—*The United States Office of War Information, Bombay.*
Scientific Newsletter: Agriculture, Genetics No. 1.

Input-output Relationships in Milk Production:

A study on the relation of input to output in milk production conducted jointly by the U. S. Department of Agriculture and ten State Experimental Stations has recently been completed. Comparing feed intakes from approximately 30 per cent below to 30 per cent above a conventional feeding standard, it was strikingly demonstrated that milk production was increased with each increment in feed consumption up to the very limit of the cow's appetite. However, the law of diminishing returns was found to operate with increasing allowances of grain since increments of grain at the higher levels gave continuously decreasing yields of milk per unit of grain. For example, when cows were fed at 90 per cent of the Haecker standard for milk production, each additional pound of grain or grain equivalant added to the ration gave 1·4 pounds of additional 4 per cent fat corrected milk, while at the 100, 110, 120, and 130 gave 1·0, 0·8, 0·6, and 0·5 pounds of additional milk, respectively. Thus where maximum production is the goal, heavy grain feeding may be justified. However, the level of feeding from the standpoint of optimum returns to the producer must be determined by the ratio of feed prices to price of milk or butterfat. (E. Jenson, J. W. Klein, E. Rauchenstein, T. E. Woodward, and R. H. Smith : U. S. Department Agriculture Technique Bulletin, 815, 1942).

—*The United States Office of War Information, Bombay.*
Scientific Newsletter: Agriculture, Genetics No. 3.

Improved Breeding for Milk Production:

The dairy cow is the most economical animal converter of feedingstuffs into human food. For every 100 parts of protein or starch in the feedingstuffs, the dairy cow produces 20 parts for human food as milk, as compared with only 8 parts as meat by the beef steer. This is one of the reasons for giving the dairy cow priority in the supplies of feedingstuffs.

Individual cows, however, vary greatly in their efficiency, and one of our major problems to-day is that of breeding cows with a high efficiency in milk production. High yielding cows are more efficient in the conversion of feedingstuffs into milk than are low-yielding cows. The reason for this is that part of the ration of the cow is required for maintenance, that is, to keep the cow alive, before the rest of the ration is used for milk production. A cow producing only 320 gal. per year will use 56 per cent of her ration for maintenance, and only 44 per cent for milk production; on the other hand, a cow producing 850 gal. will use only 35 per cent of her ration for maintenance, but 65 per cent for production. It is obvious, therefore, that by using cows of high productive level we are increasing the economy of production. It is little good to take a lot of trouble in growing oats and other feedingstuffs if we are going to waste them by feeding to low-producing cows. The average yield of dairy cows in this country (Great Britain) is only about 480 gal. a year, but with improved breeding methods on a large scale there is no reason why it should not be materially increased in the course of a few years.* (John Hammond, M.A., D.Sc., F.R.S., School of Agriculture, Cambridge).

—*The Journal of the Ministry of Agriculture,* London: September, 1943.

Milking Three Times A Day:

It is known that under natural conditions, with the cow suckling a calf, secretion of milk is stimulated as the appetite of the calf increases, since the udder is sucked dry. By twice-a-day milking, the udder is emptied only twice each day, and there are long periods when the udder is relatively full of milk. By three-times-a-day milking, the more frequent empty condition of the udder

*The estimated annual yield of an Indian cow is 486·7 lb.

should stimulate secretion; and, in consequence, a greater development of milk-producing tissue and an increased blood supply to the udder should result. If these conditions are obtained during the first milking period, it seems reasonable to expect that the cow would be a more capable producer during succeeding milking periods. (Mr. Arthur Amos, Wye, Kent).

—*Journal of the Ministry of Agriculture*, September, 1943.

Indian Cattle Wealth:

In view of many demands made to-day for the conservation of the cattle wealth of the counry, it would be interesting to detail the actual position in the matter. In Europe, before the war, there were 125 millions of farm animals for a human population of 137 millions; as the result of the war, livestock has gone down to 100 millions. In India, before the war, there were about 215 millions of cattle, which is roughly one head of cattle to two human beings. In Europe, this ratio was 1 to 3 or 4 human beings. No wonder the supply of milk and milk products has gone down materially in both Europe and India, the more so in the latter country. A recent estimate by an expert authority suggests six years as the minimum required to replace the former ratio in Europe. Judging from that even twice the number of years would be insufficient in India to restore the old position. The same authority persists the restriction of slaughter of cattle for human consumption if the six-year period of recovery is to be attained. Perhaps State Slaughter control for a larger period would be deemed necessary. Government's policy of advising against the slaughter of milch cattle should be extended by every means possible—by not mere exhortation but by an active propaganda and even legislation. Otherwise both public health and the progress of agriculture are bound to suffer. For the immediate present, a policy of preservation of all kinds of cattle seems urgently called for in the larger interests of the country. Control of slaughter, control of exports and control of even sales may meet the immediate requirements of the hour. (Rusticus).

—*The Mysore Economic Journal*, August, 1943.

CO-OPERATIVE NEWS AND NOTES

A second grade agricultural colony under the Marconahalli Reservoir was sanctioned, by the Government of Mysore, for the benefit of educated young men. Twelve colonists have already taken charge of their blocks and begun the work of cultivation.

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The opening of a Government Horticultural Farm at Maddur (Mysore State) has been sanctioned at an aggregate initial expenditure of Rs. 40,000 and the farm is being laid out on an area of about 56 acres. In conjunction with this farm, a scheme is being developed for the grant of subvention to raiyats to grow fruit plants and vegetables on their own lands.

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In order to enable rural fabricators and agriculturists to obtain their supplies of iron and steel for the manufacture of agricultural implements and for other village industries, the Government of Madras have accepted the following proposals of the Deputy Iron and Steel Controller, Madras Circle, subject to such modifications as may be found necessary later on in the light of actual experience. According to the scheme formulated, the Deputy Controller will select established dealers at different centres for the distribution of defectives and cuttings at his discretion and also on the recommendation of a local gazetted officer of the Revenue Department as to their bona fides. Each applicant requiring defectives and cuttings will be supplied on indent from controlled stock holders specified by the Deputy Controller. An official competitive agency will also be set up with a view to preventing stocks being passed on to the black market. The Agricultural Demonstrator in each taluk (and the District Agricultural Officer in the case of taluk where there is no Agricultural Demonstrator) will be allotted a sufficient quantity of defectives and cuttings to meet the agricultural demands for locally fabricated articles in his area. Agriculturists can obtain their requirements direct from the Agricultural Demonstrators.

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The first of a series of four big indigenous paper making centres, recently sanctioned by the Madras Government, will begin working in Bezwada (Kistna Dt.) in the next few days. Government, it is learnt, have sanctioned a sum of Rs. 15,000 for setting up the necessary plant and Rs. 48,000 towards recurring expenditure annually. The plant, which will consume about 1½ tons of hay every day, is expected to produce half a ton of hand-made paper every day. It is said that the Government had embarked upon this scheme with a view to relieve the acute scarcity of paper in the province. It is further said that the necessary technical advice would be given by the Government experts, if the public set up similar plants. At present there are about 40 private plants in the Madras Presidency engaged in making paper.

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As imports of synthetic dyes have ceased, indigenous vegetable dyes which can be used for colouring paper pulp have assumed increased importance. A leaflet issued by the Forest Research Institute describes how useful dyes can be obtained from the tamarind seed, Kamala, kino gum, catechu, and sanderswood. India has abundant supplies of these materials and it is worth noting that the kernel of the tamarind seed has been discovered to be rich in pectin. If a large-scale pectin industry is started, the dye will form a valuable by-product.

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The question of organising rural training centres according to the needs of the various provinces for demobilised soldiers is understood to be engaging the attention of both the Central and Provincial Governments. These centres, it is stated, are proposed to be organised with a view to imparting training in agriculture to demobilised soldiers.

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The Council of the National Institute of Sciences of India was authorised to take necessary steps for the organisation of a National Research Council constituted under the statutory authority of the Government of India at the symposium on post-war organisation of scientific research held recently in Calcutta. The main functions of the National Research Council should be to plan the main lines of scientific work in accordance with national needs, to ensure balanced development of all branches of science and advise and help regarding training and supply of scientific personnel for pure and applied research. It was decided to approach the Government of India for an annual grant of five crores of rupees to enable the Council to give effect to its policy of scientific development.

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The consumption of ammonium sulphate in India, which went up steadily in the pre-war years to 96,000 tons per annum, has fallen since 1939-40, mainly due to restrictions of imports resulting from the war. The need for increasing production from indigenous sources, both on a short-term basis and from the point of view of long-term possibilities was emphasised at the conference held for the purpose of considering methods of increasing production of fertilisers, particularly of ammonium sulphate, recently at Delhi. It was estimated that the existing capacity for production of ammonium sulphate stood at about 30,000 tons against the Food Grains Policy Committee's estimate of 350,000 tons a year required as fertilisers if India's dependence on imports of rice from abroad was to be reduced. A total production of 350,000 tons from the new plants, to be set up and to start working within the next two years, was considered feasible. It was understood that the Government will actively pursue the question of importing plants as the first step in the scheme of expansion.

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The Special Committee, Women's Voluntary Service, appointed to deal with post-war reconstruction work in the women's sphere has organised a number of planning groups which have started working in Delhi. The groups are as follows: Economic, educational, legal status of women, social, medical and public health, rural welfare, women's services, international, India and the world and labour.

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The Government of India have directed that as regards supply of meat to the Defence Forces the slaughter of working bullocks in good state of health, below the age of ten years, cows in milk and pregnant cows should be prohibited.

On the recommendation of the Provincial Livestock Improvement Board, the Government of Madras have decided that the slaughter, whether for civilian consumption or for the army, of dry cows and heifers fit for breeding and young bulls fit for work should also be prohibited.

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Sir William Beveridge, whose report on social security in England has excited world-wide interest, has a plan for India too. He opined that the main problem of freedom from want in India was concerned with raising the efficiency of agriculture. Sir William would introduce the principle of insurance as part of the development of Indian industry which would probably expand, and it was important that it should be properly distributed "to avoid the dreadful sprawling towns that there are in England and the United States and in other countries; that is to say distribution with reference to places where people can live happily." When Sir Atul Chatterjee pointed out that industrial labour in India was largely migrant, Sir William is reported to have replied: "Movement between one part of India and another ought not to produce any difficulty at all, provided your security scheme applies to the whole of India. I would begin by applying social insurance in India where we began it in this country—to sickness, to providing income for sickness, and treatment for sickness."

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A resolution to set up machinery to investigate questions of wages and earnings and collect material on which to plan a policy of social security for labour, was adopted at the plenary session of the Labour Conference attended by 38 delegates representing workers' and employers' organisations, Indian States and the Provincial and Central Governments, held at New Delhi. The Conference recommended that this machinery should be set up immediately by the Central Government in co-operation with the Governments of Provinces and Indian States and the Chamber of Princes, and that as soon as possible after the receipt of the required statistics and other data the Central Government should appoint a mixed committee to formulate plans of social security.

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Dr. John Sargent, Education Adviser to the Government of India, has prepared a comprehensive scheme for the reorganisation of education in all its aspects both in British India and Indian States. The scheme envisages universal free compulsory education for all children upto a certain stage and a process of selection for further education for the secondary and university courses and also for technical subjects. It is learned that the scheme aims at imparting adult education with a view to liquidating illiteracy within a certain period. It is understood that the scheme when approved by the Central Advisory Board of Education, will be put into operation in the near future in such of its phases as are practicable and possible and in its entirety after the war.

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The Madras Corporation placed before the Government a proposal for the construction of a 'Langarkhana' for housing some 300 homeless labourers now found cooking and squatting on the road margins and drain margins in George Town. The scheme is expected to cost about Rs. 70,000 and would not involve large use of teak, iron or steel.

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The Madras City Council approved the proposal for starting immediately a special home for infirm and diseased beggars. The home which is to be located in the former Isolation Hospital, Krishnampet, is intended to accommodate 80 persons—50 men, 20 women and 10 children—in the first instance. It was pointed out that the rules governing the conduct of this home were akin to the jail rules and had been approved by the Government. When the home is ready, the Government would issue the necessary notification empowering magistrates to commit infirm and diseased beggars to it. Though the beginning be small, it was hoped, it would be possible to expand the accommodation in the light of experience.

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The Municipal Council, Coimbatore (Madras) resolved to undertake a scheme for providing a home for beggars suffering from infectious diseases and those who are unable to work either on account of old age or loss or deformity of limbs, etc. Provision in the first instance would be made for 100 beggars of each class; a committee would soon be constituted to secure donations and put up blocks of buildings; the Council would assign 10 acres of land on the Mettupalayam road as a nucleus; the Council would maintain the beggar homes.

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4,220,000 more acres of land in India are under Rice in the current season 1943-44 as compared with the area in 1942-43 forming a 6 per cent increase, according to the first All-India Rice Forecast published by the Department of Commercial Intelligence and Statistics. The respective area figures for 1943-44 and 1942-43 (revised) are 71,744,000 acres and 65,555,000 acres. The condition of the crop is reported to be good on the whole.

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According to the final general memorandum of the crop issued by the Department of Commercial Intelligence and Statistics, India, the total out-turn of the wheat crop in India is expected in the year 1942-43 to be about 10,971,000 tons as against 10,037,000 of last year. The area reported under the crop is 34,298,000 acres as against 34,039,000 of last year.

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The area shown with paddy up to the 25th September, 1943 in the province of Madras, is estimated at 6,582,000 acres. This reveals an increase of 6·5 per cent over last year's figure.

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The final estimate of the cotton area in India for the 1942-1943 season shows a reduction by 20 per cent to 18,716,000 acres as compared with the preceding season. Exports during the first half of the season— September, 1942 to February, 1943—fell to 271,789 bales, against 585, 601 bales in the corresponding period of the 1941-42 season. Consumption of Indian cotton mills, however, rose considerably and caused sharp increases in prices of raw cotton and cotton yarn.

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The Congress of the Federation of Consumers' Co-operative Societies of Argentina which took place at Buenos Aires on the 21st of March 1943 adopted the following resolution on co-operation and post-war reconstruction:

"The Congress of the Federation of Consumers' Co-operative Societies of Argentina resolves to address the International Co-operative Alliance, of which the Federation is a member, asking for a re-affirmation of the right of consumers to be duly represented in all the organisations which will have to study and find solution for post-war problems, in order that they may participate actively in the building of a new economy based on a social order governed by peace, liberty, democracy, and a just distribution of wealth."

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According to information given in a pamphlet recently published by the American Committee in Aid of Chinese Industrial Co-operatives, the number of registered industrial co-operatives amounted in June 1942 to 1,590, the membership of these co-operatives to 22,680; the paid up share capital to $4,553,392 and the monthly production to $24,022,944. It is estimated that nearly 500 items are manufactured by industrial co-operatives. Classified according to branches of industrial production, the co-operatives devoted to textiles take first place with 684 societies, 10,449 members and a monthly production of $12,157,056. Next comes the chemical industry with 322 co-operatives, 4,494 members and a monthly production of $3,310,663; while tailoring occupies the third place with 159 co-operatives, 1,718 members and monthly production of $2,768,038.

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The trade of the Co-operative Wholesale Society, England amounted to £157,395,338 in 1942, an increase of £13,087,930 over the previous year. The value of supplies from the various productive works was £47,406,257, an increase of £325,795 over 1941.

The Scottish Co-operative Wholesale Society has announced record trading figures for 1942. Total sales amounted to £34,444,052, an increase of £2,359,192 (7·4 per cent) over the previous year. The Society's capital stands at £14,704,868, an increase of £2,779,073.

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The English Women's Co-operative Guild celebrated its 60th Anniversary at the end of last June. Women representing organisations of 18 countries took part in the celebration and thus demonstrated their solidarity with the English organisation.

The first English Guild, established in 1883, was the first organisation of working class housewives. While acting in close harmony with the co-operative movement, the Guilds have always preserved a large measure of autonomy, which has greatly helped women to prepare themselves for positions of responsibility. At the present time, the largest co-operative and the largest Scottish co-operative both have women as Presidents. Mrs. Granley, by her position as President of the London Co-operative Society, which is the biggest consumers' co-operative in the world, plays an important role in the English co-operative movement.

The 1,600 local Guilds have about 50,000 members. They take an active part in various kinds of war work and are preparing to collaborate in the solution of post-war problems.

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Great Britain's food supply situation is by far the most favourable. The rations of all staple foods have been maintained at a remarkably stable level; the scope of the rationing system has been kept in narrower limits than in other countries, and two essential food stuffs—bread and potatoes—are among the un-rationed foods, which also include flour, semolina, vegetables and fresh fruits. In addition, meals in restaurants, cafes and canteens, rationed in almost every other country, are not rationed. Another difference in Great Britain is that rations are equal for all consumers with certain exceptions for children, while in other countries systems of classification have been introduced fixing varying rations for "normal consumers", different classes of workers (ordinary, heavy, heaviest), children of different age groups, youths, etc.

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An intensive educational programme was carried out by the Co-operative Department throughout the Punjab and Delhi provinces during 1941-42; the staff consisted of an Educational Assistant Registrar, 5 inspectors, 5 assistants and 1 sub-inspectress for the training of women. 113 classes for Secretaries of primary societies were attended by 1,527 persons and 56 classes for officials by 1,827 people. Training for inspectors was provided by a five-month school, held in Gurdaspur from August to December, attended by 17 candidates, who received training in technical and legislative matters; a few short refresher courses for inspectors and assistants were also held. The sub-inspectress held 23 classes attended by 206 members and 532 non-members, including 340 school girls. Instruction was given in handicrafts and domestic economy.

The Co-operative Drama Party toured the province twice during the year and gave 64 shows, which attracted audiences of from 3,000 to 8,000. In November they visited Bengal for Army entertainments and in January of this year were preparing to go overseas. It is felt that this form of co-operative propaganda serves a useful purpose in aiding the war effort.

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The Government of Mysore have sanctioned a scheme costing approximately Rs. 7,00,000 for the manufacture of agricultural implements and carts during the period between November 1943 and June 1944. The scheme includes provision for the manufacture of 4,000 ploughs at a cost of Rs. 1,00,000; of other agricultural implements like *kuntes*, sickles, and crowbars costing about Rs. 27,000, of about 500,000 bullock-shoes at a cost of about Rs. 60,000, and of 2,000 carts at a cost of Rs. 2,25,000.

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Representatives of co-operatives in a score of European nations and in Asia and America will meet at Washington in conference called for January 19 and 20 by the Committee on International Co-operative Reconstruction formed by the U. S. Co-operative League. Representatives of the United Nations Governments will attend. The conference will make plans for the rehabilitation of co-operatives in the occupied countries and for the use of co-operatives in post-war relief and rehabilitation and reconstruction.

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