

Madras Journal of Co-operation**EACH FOR ALL, AND ALL FOR EACH**

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

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Editorial Notes.**Stores Societies :**

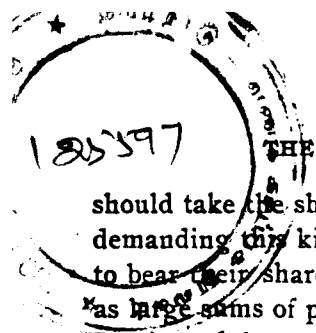
From the figures which we published in our last issue, it would be clear to our readers that the consumer co-operation is making rapid progress and that the consumer co-operatives have come to stay. Every care should be taken to see that these co-operatives continue to serve the community and that they are strengthened in every way to play their role. The arrangements which helped to foster their growth should not be altered as far as possible during the War and if alterations in them are found necessary, they should be carried out without causing least dislocation. It is not the material help afforded which matters most. What is wanted is the moral support which in times such as these all public institutions badly need and the Government should be willing to afford it freely. It

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Reconstruction.
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should take the shape of adequate supervisory and audit staff. In demanding this kind of support, we are only asking the Government to bear their share of the responsibility and discharge it effectively as large sums of public money are invested in these organisations. In view of the rapid growth of the consumers' movement, it is just possible all may not be well in all places. Greater vigilance on the part of everybody interested in the Movement, both officials and non-officials, especially in its initial stages, would place it on solid and sure foundations. We plead with all earnestness for the recognition of their responsibility by the Government in arranging for adequate supervision, control and audit. We are happy to learn that the deputation of the representatives of stores societies sponsored by the Madras Provincial Co-operative Union and lead by Sri T. A. Ramalingam Chettiar received a sympathetic hearing from Mr. S. V. Ramamurthi, Adviser to H. E. the Governor.

Our Rochdale Pioneers :

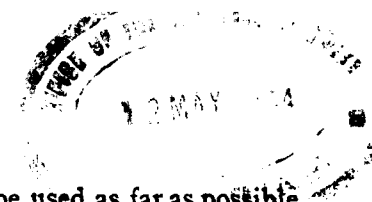
The celebration of the forty-first birthday of the Triplicane Urban Co-operative Society coincides with the Centennial of the Rochdale Pioneers. The story of how an enterprise that was called "the littlest, obscurest, the most unfriended, the most disregarded, the most contemned, the least hopeful, the least likely to succeed of any system devised by man" has grown to be a great movement touching the millions the world around, reads like a romance. But there it is. Nearer home we have seen the growth of a similar institution from small beginnings in the course of forty years. The Triplicane Urban Co-operative Society has now nearly 10,000 members on its rolls with 38 branches and 30 depots, the latter having come into existence during the emergency. It is estimated it serves nearly 1/7 population of the City and the average sales per month is in the neighbourhood of Rs. 5.75 lakhs. It was appropriate that on the occasion of the forty-first birthday the Rt. Hon. V. S. Srinivasa Sastri, one of the two surviving Rochdale Pioneers of Madras, presided and reminded the audience about first principles which are apt to be lost sight of. We hope his inspiring words will be long cherished by those who are associated with the stores movement and see in the stress and strain of growing business, the ideals and ideas which inspired the Rochdale Pioneers, and which also prompted our Madras Pioneers, are always borne in mind.

Controlled Commodities and Co-operative Societies :

We have more than once drawn attention to the Memorandum of Government dated 27th September, 1943, in which they expressed

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EDITORIAL NOTES



their view that co-operative societies should be used as far as possible in the distribution of controlled commodities. We had also occasion to complain that the district authorities were not in many places paying heed to the directions of Government. Since then we have perused the circulars on the subject issued by the Registrar of Co-operative Societies. In the circular dated 1-2-1944, the Registrar has fixed the maximum limit upto which the funds of a society can be utilised for dealing in controlled commodities. This can be only not more than the paid-up share capital and that too with the necessary safeguards. We venture to state that this restriction virtually rules out every prospect of any co-operative society undertaking this work at all. While business safeguards are desirable, we doubt very much if any restriction such as that referred to is necessary at all. In fact with such restrictions no society, whether limited or unlimited, can engage itself in any other function but the provision of ordinary credit. The Committee on Co-operation considered at length the need for enlarging the functions of credit co-operatives so as to include all the economic needs of members. In undertaking the distribution of controlled commodities, the societies will not be indulging in speculative enterprises as the number of controlled articles and the terms on which they are to be sold are also fixed. As the co-operatives have to serve both the members and non-members the indent system cannot work. As the paid-up share capital in most of the co-operatives is very small, it is practically useless to ask them to invest that alone in the distribution of controlled commodities. If necessary a restriction limiting investment to the borrowing power may amply serve the purpose. In addition, in societies based on unlimited liability, the decision of the General Body may also be insisted upon. While every step may be taken to safeguard the interests of the co-operatives, no restrictions of a kind which will practically render them unfit to serve the community should be imposed. We would suggest that the Registrar of Co-operative Societies may be pleased to look into the matter once more and revise his instructions.

Future of Peasantry :

Broadcasting to India Sir John Russell opined that one of the surest ways of securing a higher standard of living for the peasants and cultivators of India is to widen their range of production, improving greatly their livestock, husbandry and milk production and producing more and better fruit. Coming as this advice does from a

recognised world food expert, even our experts in administration dare not brush it aside. We recognise there are difficulties in carrying out any or all these suggestions. But they must be faced and solutions found. Otherwise it is not possible to create conditions favourable for the promotion of a higher standard of living. Sir John thinks the use of tractors will be necessary to increase production and he realises fully that the small farmers in India cannot afford to go in for tractors. Therefore he says, "The small farmer can, however, get much benefit from machines owned and worked by co-operative societies and that is one of the many reasons why small farmers in any country, especially India, should learn to co-operate. It enables them to do so much." War-time conditions have enabled the co-operatives to serve the community by undertaking procurement and distribution of essential commodities. The co-operatives, as suggested by Sir John Russell, can also serve the community by increasing production. May we commend the words of Sir John Russell to the attention of our local Beaverbrooks. In the post-war reconstruction schemes specially meant for the settlement of demobilised soldiers, use of modern implements of production will be necessary. What better method for owning these implements can be found than that of co-operation. We hope at least its utility apart from its idealism will ensure its adoption.

Cattle Wealth :

The speech of Mr. S. V. Ramamurthi, C.I.E., I.C.S., Adviser to H. E. the Governor, at the Ongole Cattle Show deserves careful reading. With his characteristic frankness he has not minced matters but has taken the public into confidence and envisaged the problems which face the Province in regard to cattle. The lines on which he proposes to take action to improve the Ongole breed are commendable. Though in the Kangayam area the conditions are better, we would venture to suggest that there is still room for improvement and further stimulus is necessary to promote the Kangayam breed as well. May we also point out that there is need for the study of the cattle problem on the West Coast and take necessary steps to improve the cattle wealth in that area. It cannot be climatic conditions alone militate against the reconditioning of cattle in that area. It is just possible there are breeds of cattle which thrive even under those conditions. We are glad to learn that this matter also is engaging the serious attention of Government.

Milk Supply :

Closely connected with the improvement of the cattle wealth is the problem of milk supply. It is gratifying to learn that active steps are being taken and a Special Officer has been appointed to study the problem, specially relating to the City. The questionnaire published elsewhere gives an indication of the lines on which it may be tackled. We would implore our readers to study it and send their suggestions for the consideration of the Special Officer.

Training Classes :

The Government have sanctioned a subsidy to the Madras Provincial Co-operative Union for the conduct of classes for members and panchayatdars of co-operative societies. These classes are to be conducted by the staff of the various co-operative institutes during the three months when their regular work is in abeyance. One feature which deserves special mention is the provision of stipends for those attending the classes which will be held for a period not less than a fortnight in a place. The training ceases to be of the hectic type and will consist of regular classes. Various schemes for the training of panchayatdars and members of societies have been tried in the past and the results have not been satisfactory, if not wholly disappointing. The present scheme is a novel one and looks more in the nature of a refresher course. We feel the novelty of the scheme itself should be enough recommendation for an honest trial. Incidentally we are pleased to note that the Rayalaseema Co-operative Institute at Anantapur has been made permanent and it can now address itself to the task of training co-operative workers with hope and cheer.

While we approve of regular classes for a period of time and payment of stipends, we doubt very much if the period during which training is arranged is suitable for all areas. The seasonal factors have to be taken into account. Moreover, it is doubtful if the staff of the Institutes who have earned their vacation and may also need it, are competent to conduct these classes. The success of the proposed scheme can be better ensured by appointing special staff for training classes though for administrative purposes they may be attached to one or the other of the regional training institutes, and the training classes may be held throughout the year.

Food Subsidies :

Whenever a request is made in regard to assistance from the State for subsidising food in these strenuous times it is put off on the

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ground that it is asking for some thing which is not the legitimate function of this State and even if the responsibility for it is accepted it is said that it is beyond its capacity. *The International Economic News Service* dated 25th February gives cost of food subsidies in Great Britain which we reproduce below. Comment is needless except to point out that these subsidies are being paid out of the borrowings and not out of current revenues.

In a recent reply to a question in Parliament, the Financial Secretary to the Treasury gave detailed information about the size of the food subsidies paid by the Government and their effect on prices. The total cost for subsidising food last year was £205.8 million—for bread, flour and oatmeal the cost was £60.4 million and for potatoes £28.6 million. The cost of other subsidies was as follows: Meat £23.1 million; eggs 11.3 million; sugar and milk £10.5 million; cheese 3.7 million; bacon 1.6 million. In addition £56.1 million was absorbed by small subsidies on imported egg products, rice, canned fish, butter and milk products, and by larger subsidies on fertilisers and feeding stuffs for food production. The total cost also includes the estimated operating loss incurred by the Ministry of War Transport in the carriage of food imports to Great Britain, as well as £20 million which represents the subsidies needed for the supply of free and cheap milk under the National Milk Scheme and Milk in School Scheme, and for the provision of vitamins for children and nursing mothers.

The effect of the subsidies on prices is shown by the following table of present prices and those which obtain without subsidies:—

		Present price.		Unsubsidised Price.	
		s.	d.	s.	d.
Bread	... 4 lb.		9	1	2
Flour	... 6 "	1	2½	1	9½
Oatmeal	... 1 "		3½		5
Meat, home killed	... 1 "	1	1½	1	5
Meat, imported	... 1 "		8½		9½
Potatoes	... 7 "		6½		10½
Eggs (large)	... 1 doz.	2	0	3	9½
Eggs (small)	... 1 "	1	9	3	6½
Sugar (domestic)	... 1 lb.		4		5½
Milk	... 1 pt.		9		9½
Cheese	... 1 lb.	1	1	1	3½
Bacon	... 1 "	1	10½	1	11

ESSAYS ON CO-OPERATION: AWARD OF PRIZES.

The following have been decided as the best essays on the subjects noted below. These and the next best essays mentioned below will be published in this *Journal*:—

1. Co-operation and Post-War Reconstruction:

Prize Winner:—Sri V. Kammachary, Senior Inspector of Co-operative Societies, Aruppukottai, Ramnad District.

Second Best—Sri D. Srinivasan, M.A., Manager, Thathampatti Co-operative Society, Peohampatti, Mathur, (via) Samalpatti.

2. Co-operative Marketing and its Future:

Prize Winner:—Sri V. Srinivasan, B.A., L.T., No. 2, Hensmen Road, Theogarayanagar, Madras.

Second Best—Sri M. Lakshmikanthan, B.Sc., Agricultural Research Station, Anakapalle.

3. Co-operation and Development of Cottage Industries:

Prize Winner:—Sri V. G. Ramakrishnan, Lecturer in Economics, Annamalai University, Annamalai-nagar, Chidambaram.

Second Best—Sri D. V. Salpeker, B.A., LL.B., General Assistant, C. P. and Berar Provincial Co-operative, Bank, Nagpur.

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Now, in its centennial year, the Rochdale Consumers' Co-operative movement finds the world in a sordid mess, brought on by selfish greed and lust for power. This gives the Movement its greatest opportunity; its greatest challenge.

We co-operators accept the challenge, and will take the opportunity. We will build our people's businesses greater and faster, for they can be a bulwark to true democracy, an eraser of wars and depressions.

—The Co-operative Builder.

The Stores Movement in Madras.

By R. SURYANARAYANA RAO.

What is popularly known as the emergency scheme for the distribution of foodstuffs through co-operative stores was sanctioned in G.O. No. 397 Development dated 26-3-43 to take effect from 1-4-1943 for a period of one year. This scheme is based on the report of a Special Deputy Registrar deputed for the purpose. Though at first the scheme, as suggested, was partly meant to relieve distress in regard to food supplies in an emergency in selected areas, the Government had mainly in view that the co-operative stores should be of assistance in checking profiteering by private dealers and bring down prices of foodstuffs to a reasonable level. The scheme was to be introduced in the first instance in 34 selected towns through the agency of 14 co-operative wholesale stores and 65 primary stores. Its object was to build up two months' stock of certain essential commodities in wholesale stores and one month's stock in primary stores. It was estimated the capital required would amount to Rs. 32.34 lakhs which the wholesale stores were required to borrow from the District Central Banks which may, if necessary, borrow in turn from the Provincial Co-operative Bank. The Government undertook to stand guarantee for the repayment of loans advanced in connection with the special stocks to be held under this scheme. What the essential commodities are, were also mentioned in the order. Besides this guarantee the Government also sanctioned staff to work as Secretaries or Managers of some co-operative wholesale stores and primary stores and also staff to supervise the working of primary stores. In order to provide general direction the Government appointed an Additional Joint Registrar with the necessary staff to work under him. Collectors were also directed to assist the working and development of stores societies, to allot them liberal quotas of controlled commodities, and to make wide use of them in schemes of rationing food grains. Rules have also been relaxed permitting the stores to sell to non-members also. The stores societies have also been exempted from conditions governing various 'control orders' and also from payment of audit fees for the first three years of their working. These and other concessions have greatly enhanced the usefulness of stores societies in the import and distribution of food grains especially in deficit districts. In certain districts wholesale stores have been given either the entire quota or a major portion of the quota of imported food grains for

the districts concerned. Such of the wholesale stores and primary stores as do not come under the emergency scheme have also availed of the services of the co-operative staff to manage their stores. The impetus given to the stores movement by the various concessions has resulted in an enormous increase in their number and transactions. The progress has been phenomenal as will be evident from the figures given below : these figures are as on 31-12-43.

	No. of Stores.	No. of Members.	Paid up Share Capital in lakhs of Rupees.	Amount of Sales in lakhs of Rupees.	Working Capital in lakhs of Rupees as on 31-12-43.
Wholesale Stores ...	21	5,900	11.81	180.00	111.78
Primary Stores ...	1,131	2,68,305	31.71	316.00 From 1-7-43 to 31-12-43.	78.93

Those who have been watching the working of the stores societies will bear testimony to the fact that these stores have been able to check rise in prices and maintain them at reasonable levels and have also served the public during periods of acute scarcity while preventing also blackmarketing in scarce commodities. Number of instances can be quoted to show the useful part played by the stores societies in these respects. The stores societies have not only been playing an important part in areas where statutory rationing has been introduced but have also in some places evolved their own methods of informal rationing to ensure equitable distribution, especially of scarce commodities. The good and useful work of the stores societies has been recognised by officials as well particularly by the Collectors who are entrusted with the task of equitable distribution of essential commodities. In some districts they have been chosen as the only or the main wholesale agency while in certain towns where statutory rationing has been in force, the stores and their depots are the only retail agency recognised for distribution.

It was hoped that the stores societies by their successful working had deserved well the confidence reposed in them and would therefore be entitled to every consideration from Government, especially as in the absence of stores societies they would have been forced to open fair price shops as recommended by the Gregory Committee. It was even hoped they would extend the scheme to some more towns. Instead, it is reported the Government have

decided to withdraw the concessions announced in G.O. No. 397 Dev., dated 26-3-43. This decision is unfortunate as it is likely to affect indirectly the confidence of the public in the stores societies. It is also surprising that in respect of an important scheme of this kind on which they took so much time to arrive at a decision, the Government have come to a quick decision in scrapping it without even consulting the parties affected by it such as the Provincial Co-operative Bank and the District Central Banks. It may be noted that while the guarantee of Government is only in respect of loans raised in connection with the special stocks to be held under the emergency scheme and this amount was estimated to be Rs. 32.24 lakhs, the working capital of the wholesale stores amounted to Rs. 111.78 lakhs on 31-12-43 of which the borrowings either from the Provincial Bank or the Central Banks and others amounted to Rs. 99.89 lakhs. The working capital of the primary stores amounted to Rs. 78.93 lakhs on 31-12-43 of which the borrowings from the Central Banks and others amounted to Rs. 43.32 lakhs. So the guarantee has been only in respect of a small portion of their working capital. If it is the decision of Government that no special stocks should be held, they are at perfect liberty to say so and withdraw their guarantee in respect of such stocks. Even the services of the staff now provided free of cost to work as Secretaries or Managers of some co-operative wholesale stores or primary stores may not be necessary in regard to all such stores. Only those in infancy and those whose transaction have not been developed sufficiently may need the services of the staff provided free of cost. As the concession of provision of staff free of cost has not yet been extended to all the stores, there can be no objection to withdraw this concession, leaving it to the Registrar to make out a case for the continuance of such a concession in special cases. For these alterations in the scheme there will be little or no objection. It is the work of supervision that needs not only a continuance of the existing staff but also strengthening of it. The general direction is under the Additional Joint Registrar of Co-operative Societies. For purposes of supervision there is a Co-operative Sub-Registrar only in 18 districts. Besides there are 50 Audit Inspectors to audit the accounts of stores societies. All the supervisory and audit staff has no direct connection with the management of the stores. Under the emergency scheme already referred to, the Government have provided free of cost 12 Sub-Registrars and 5 Senior Inspectors for the conduct of wholesale stores and 25 Junior Inspectors for primary stores. The remaining 4 of the 21

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wholesale stores and nearly 1,100 primary stores maintain staff of their own. So as already stated the withdrawal of free services of the Co-operative staff for the administration of stores is not likely to affect the working of stores societies, though it is legitimately opined in certain quarters that it would be desirable to have the Sub-Registrars as the Secretary or the Manager of the wholesale stores for sometime to come. Even if this is agreed to, their services may be lent and they need not be a burden on Government. The main point is with regard to supervision. It is needless to emphasise that in view of the large number of wholesale and primary stores with a large working capital there is a real need for separate general direction as the stores movement is a new one and has received impetus in war conditions. There is also great need for constant attention so that the gains of war time may be consolidated and they may withstand the after-effects of war. It is non-credit work of a special kind which for some reason had not taken root in this Presidency but which has become popular and has obtained generous public support due to the exigencies of war. Moreover, large sums of public money are locked up in the business of these stores societies. In addition to provision of general direction at the headquarters, the need for which is unquestioned, adequate district staff is equally necessary. While the proper conduct of all co-operative institutions in the district shall be the main responsibility of the Deputy Registrar, he should have the assistance of a Sub-Deputy Registrar in each district mainly for the control and supervision of stores societies. There should also be Inspectors at least one for 20 to 25 stores societies so that there may be frequent inspection especially of stocks of goods, cash balance, etc. At present there is only one Sub-Registrar and that too only in 18 districts and he must be finding it extremely difficult to supervise the working of the district wholesale and primary stores. This supervision and control are all the more necessary when the Government staff now provided free of cost in respect of district wholesale stores and primary stores is completely withdrawn. According to this proposal there will be about 24 Sub-Registrars with about 45 Senior Inspectors for purposes of supervision of these stores societies. A large body of influential and leading non-officials of all walks of life have come forward and have taken the responsibility in organising and running these stores and to that extent considerably relieved the Government of their anxiety in matters of distribution of essential commodities and it is the duty of the Government to foster and

THE STORES MOVEMENT IN MADRAS

ensure the sound working of these institutions not only in their own interests but in the interests of the public. The provision for supervision, etc., of these trading organisations should be a legitimate charge on the public revenues and should not be grudged as huge public funds are involved.

Then again the number of Audit Inspectors is comparatively very small when the amount of transactions and the nature of these transactions are taken into account. The audit of accounts of these stores societies is a laborious process and should be carefully and systematically done. It is too much to expect 50 Audit Inspectors to carry out thorough audit of the accounts of the 21 wholesale stores and nearly 1,200 primary stores. What about the interim audit and the concurrent audit of this large number of stores societies? The audit staff must be strengthened.

It is hoped for the considerations urged above, the Government would be pleased to reconsider their decision in regard to staff required for the supervision, direction, control and audit of stores societies. The emergency scheme may be modified to the extent already suggested and thereby effect retrenchment where it can be carried out without serious detriment to the progress of the Movement. Madras has had always the privilege of being a pioneer in many fields of co-operative activity such as land mortgage banks, co-operative marketing, etc. The progress of the stores societies and the part they are playing in these abnormal times have attracted the attention of not only other provinces but also other countries. It should be the endeavour of all to maintain the good name already earned for efficient service to the community. Let not anything which Government do, even unconsciously, result in retarding the progress of the stores movement especially in this year 1944 when all over the world the Centennial of the Rochdale Pioneers is being celebrated with great enthusiasm.

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Role of Land Mortgage Banks in Post-War Reconstruction.

BY N. SATYANARAYANA.

The times were propitious when the land mortgage bank movement was started in the Madras Presidency, twenty years back. In the beginning primary banks were started in compact groups of villages, membership was open to persons owning agricultural land in their area of operations, and loans were sanctioned for twenty years mainly for liquidation of prior debts.

The special scheme for land mortgage banks was approved by the Madras Government in the year 1924-25 and two banks were brought into existence in that year. By the end of June 1927, ten banks were started. The banks worked on limited liability basis with powers to raise long-term money by floating debentures independently. Debentures were issued by the banks carrying seven per cent interest and the Government agreed to purchase debentures equal to the value of debentures which the banks were able to sell in the open market subject to a limit of Rs. 50,000 for any one bank. The Government debentures carried interest at 6½ per cent and the borrowers were given loans at 9 per cent for twenty years. In the year 1927-28 the Townsend Committee on Co-operation after a survey of the working of the land mortgage banks and other co-operative institutions in the Presidency made a recommendation to the Government for the organisation of a separate Central institution for the Province to finance long-term credit to the agriculturists through the primary banks. The Government accepted the recommendations of the Committee and as a result, the Madras Co-operative Central Land Mortgage Bank was registered in the year 1929. After the starting of the Central Land Mortgage Bank, primary banks were organised in all the districts, in areas where conditions were favourable to the agriculturists for the repayment of their debts. The debentures were centralised and the Central Land Mortgage Bank alone was given the power to float debentures. Now there are 120 primary banks serving 15,364 villages in the Province and loans have been sanctioned to the tune of nearly 4 crores of rupees. The Government have given guarantee to the debentures for an amount of 3½ crores of rupees.

After the Great European War, the decade from 1920 to 1930 was a boom period. Prices of agricultural commodities rose high. Land values mounted up. The people were in affluent circumstances. Without any forethought the villagers spent money lavishly

for marriage and other ceremonies and for purchase of lands at fabulous prices. They borrowed heavily hoping that they could repay their debts out of the increased incomes which they thought that could get continuously. Depression soon followed owing to increased output of agricultural and industrial production after the war. There was a glut of articles in the markets of the world both agricultural and industrial, which resulted in a steep fall in the prices of agricultural commodities and consequently the land values also had gone down considerably. The ryots were unable to repay the debts which they contracted for purchase of lands and other ceremonial purposes in the boom period. Capitalists resorted to coercive methods to collect their monies, as the value of the properties considerably diminished after the depression. They were eager to appropriate the lands for themselves at low rates and it was no wonder that the agriculturists lost many of their holdings and absentee landlords became owners of land. It was during this period that the agriculturists borrowed large sums in the land mortgage banks and paid off their debts. The facilities created by the Central Land Mortgage Bank were tempting and helpful at this juncture, as the money was scarce in the market. Owing to coercive measures and the worry created by the money-lenders the ryots took these loans from the land mortgage banks only to save themselves from the clutches of the money-lenders temporarily. But the burden of the debt of the ryots did not decrease. It was merely a change of hands from sowcars to co-operative money-lenders. The rate of interest was not low even in the land mortgage banks. The income derived from lands was not sufficient to meet the interest charges and pay the instalment amounts. For want of purchasers the ryots could not sell away the lands immediately but gained time by borrowing from the banks.

The long-term loans in the Central Land Mortgage Bank though tempting in the beginning were not beneficial to the ryots as the income derived from these lands was not sufficient to pay off the instalments regularly. After the Centralisation of debentures in the Central Land Mortgage Bank and with the Government guarantee, debentures were floated for 3 and 3½ per cent and the interest on loans was gradually reduced from 9 to 6 per cent. Even this was burdensome to the ryots as the return on lands was even less than 3 per cent in this period and that was why the ryots were paying off their debts by the sale of their lands whenever an opportunity occurred. The land mortgage banks were more rigorous in the

collection of instalments from the borrowers than the money lenders, as the credit of bank depends interest to the debenture holders. Loans were closed mercilessly, demanding the entire amount even when one instalment fall in arrears. Thus the ryots were driven to the necessity of selling away their properties even though they borrowed sums for long periods. When the depression was acute *i.e.* from 1930 to 1935, the Alamuru Co-operative Land Mortgage Bank had to close 42 loans, for arrears of one instalment and actually purchased lands in 14 cases, owing to lack of bidders. The Bank took possession of 80 acres of land for an amount of Rs. 25,000 in these 14 cases. Subsequently, after the depression the lands were re-sold to outsiders and the entire debt was recovered with a net profit of nearly Rs. 1,000. There were losses in some cases, in the sale of these properties, but the losses were recovered from the total sales, as there were gains in some. Though the bank had not actually cultivated the lands, the land mortgage bank virtually became the land holder and leased out these lands to the tenants, depriving the original borrowers of the enjoyment of these lands. Ultimately it was not the original borrowers who purchased the lands from the banks but the lands passed into the hands of absentee landlords who could afford to purchase them.

The words of Mr. W. R. S. Sathianadhan, I.C.S., proved too true literally. He wrote in his report on Agricultural Indebtedness in 1935:—"No industry can hope to remain solvent, if it borrows indefinitely at rates, which are much higher than the returns on invested, capital. It is admitted on all sides that the returns from the land, on which staple food crops are grown, varies from 2 to 5 per cent in a normal year and seldom exceeds 6 per cent even in a good year. Agriculture in India is mainly a food-producing agency, the proportion of commercial to food crops being very low indeed. It must not be forgotten that the vicissitudes of season are such that out of every five years at least one year is a bad one. Under these circumstances, to borrow indefinitely at rates exceeding even 6 per cent per annum cannot but end in the bankruptcy of the agricultural industry. It is obvious, therefore, that lending to the average agriculturist in India at rates, which exceeds 6 per cent simple interest per annum, must be regarded as usurious, whoever the creditor may be. Loans taken by agriculturists at higher rates than 6 per cent simple interest cannot normally be expected to be repaid from the income from the land and to be discharged

eventually must end in the passing of the land into the hands of the creditor. It is this alarming tendency that we now perceive. If the agriculturist is to be saved, the bulk of his standing debt at rates of interest ranging usually from 9 to 24 per cent and often rising to even 36 per cent, must be paid off by some financing agencies (like government or co-operative societies or land mortgage banks), who at the same time will give the debtor agriculturists every opportunity of repaying from their income by charging interest at as low rates as possible and by collecting in easy instalments spread over along period of years."

From the above quotation, it is evident that the ryots cannot pay their debts out of their income from agricultural industry which yields only 2 to 3 per cent while the rate of interest range from 6 to 9 per cent in the co-operative movement and 9 to 18 per cent from outsiders. Agriculture is a deficit economy. It is a mode of living to the agriculturist and it is not at all profitable. As he has no other means of living he is sticking up to this occupation. Gradually agricultural lands are passing out of the hands of the agriculturists to the absentee land-lords. This can be proved from the settlement Registers which show frequent change of pattadars from decade to decade. The agriculturists in this country are ruined by too little credit or too expensive credit. The land mortgage banks have to solve the problem. It is only the government and the quasi government institutions like the co-operative banks that can come to the rescue of the ryots by making money available to them at reasonable rates of interest for longer periods than what is available now in land mortgage banks.

Critics may point out whether it will be foolish to recommend loans for periods longer than 20 years when by experience in land mortgage banks, we find that frequent advance payments are made even before 20 years. It is too true that there are advance payments. The reason is evident. Intelligent ryots are anxious to free themselves from the burden of debt rather than retain debt at ruinous rates of interest.

By the sale of a few acres of land he is able to free himself from debt and retain at least a few paternal acres for some years to come. Some critics deem it undesirable for the agriculturists to sell away their properties and repay their debt before time. They are even suggesting for levying penalties for advance payments. This is very undesirable. The rate of interest charged on the loans by the

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co-operative banks is sufficiently high and it is sufficient to cover all unforeseen losses. Any levy by way of penalties for advance payment is ruinous to the agriculturists. The land mortgage banks are not intended for profit making. Profiteering is not their objective. In other countries where land mortgage banks are flourishing extra levies are made for meeting administrative charges and for contribution to the sinking fund. All these charges will not exceed 1 per cent over the debenture rate, whereas in our country three per cent margin is advised by the Pandits of the Reserve Bank for the safe administration of these institutions. Sir N. Gopalaswami Iyyengar, while opening the Andhra Provincial Co-operative conference at Rajampeta recently, had rightly said that the conditions of a deficit economy like agriculture cannot afford the price charged for the credit it sorely needs and demands its reduction to a level which the industry can afford and he made an earnest appeal to all seriously minded co-operators to address themselves to the solution of the problem whether so many co-operative middlemen are necessary and at such costs in each case between the original credit vender and the ultimate credit consumer. When money is available in the market at 3 per cent, it can be made easily available to the ultimate borrower by competent agency by collecting $1\frac{1}{2}$ or 2 per cent for administrative and other charges. There must be a thorough overhauling of the machinery for the distribution of the funds available in the market to the needy ryot. If the Government and the co-operators do not pay heed to the changing circumstances and make money available to the ryots at low rates of interest in easy instalments spread over a long period of years, the solid foundations laid by eminent co-operators in the Province, like late Sir M. Ramachandra Rao, late Dr. Swaminadhan, late Hon'ble V. Ramadas Pantulu and Sri T. A. Ramalingam Chettiar would be irreparably undermined.

Now anxiety is felt in all the primary land mortgage banks and the Central Land Mortgage Bank as regards the fall of transactions and advance payments by members during the last four years. From a study of the loan transactions of the Alamuru Co-operative Land Mortgage Bank, Ltd., one of the earliest primary land mortgage banks started in the Presidency, this can be clearly testified. If the state of affairs continue for a few more years the bank shall have to be closed. The Alamuru Co-operative Land Mortgage Bank was started in May 1928, with 24 members. Gradually the membership increased to 871 by 1941-42 and there is a fall of membership during

ROLE OF LAND MORTGAGE BANKS IN POST-WAR RECONSTRUCTION

the last three year and to-day the membership has fallen down to 700 of whom 200 have completely cleared the loans and five hundred only are borrowing members. During the last 16 years the bank advanced 911 loans for an amount of 14 lakhs of rupees and to-day 535 loans are outstanding for an amount of Rs. 5,65,000. It will be interesting to study the classification of loans under several purposes.

Amount of loans disbursed from inception of bank Rs. 14,08,276.

Classification under purpose.

		Rs.	A.
1	Liquidation of prior debts ...	10,14,806	11
2	Purchase of land ...	99,194	0
3	Domestic expenses ...	94,352	6
4	Cultivation expenses ...	58,409	14
5	Marriage and religious rites ...	35,425	13
6	Others ...	32,353	8
7	Improvement of land ...	29,493	15
8	Payment of kist ...	17,243	11
9	Cattle purchase ...	13,078	8
10	Litigation ...	7,861	7
11	Education of children ...	6,423	0
12	Famine ...	0	0
Total ...		14,08,642	13

The majority of the loans are for liquidation of prior debts. Figures are furnished below as regards advance collections from members and also loans disbursed to members during these years.

Year.	Loans disbursed.		Advance collections.	
		Rs.	Rs.	A.
1928-29	...	1,43,900	5,373	2
1929-30	...	66,100	10,110	0
1930-31	...	64,100	2,394	0
1931-32	...	63,350	7,895	10
1932-33	...	78,869	12,955	1
1933-34	...	43,560	21,011	14
1934-35	...	90,550	15,913	13
1935-36	...	84,250	21,548	1
1936-37	...	1,04,694	28,682	12
1937-38	...	1,72,027	12,339	0
1938-39	...	1,74,191	28,180	5
1939-40	...	93,432	39,024	7
1940-41	...	86,967	34,416	13
1941-42	...	80,892	43,756	15
1942-43	...	62,873	1,19,279	9

Till 1938-39 loans were sanctioned to the members on the average for nearly one lakh of rupees, in the bank's area of operations.

Gradually there was a fall of transactions and in 1942-43 loans were sanctioned only for an amount of Rs. 48,000 and during the last half year loans were disbursed only for an amount of Rs. 8,000. From a study of the figures, of the advance collections, it was from the year 1938-39, that the advance collections, were heavy and in the year 1942-43, the collections were more than Rs. 1,20,000 while the loan transactions were less than half a lakh. It is really a perplexing state of affairs. The collections exceeded the disbursements during the last two years and the money was simply showed down on the Central Land Mortgage Bank.

The Alamuru Co-operative Land Mortgage Bank floated its own debentures to the tune of Rs. 2,00,000 in the first two years of the starting of the bank. The Central Land Mortgage Bank was started latter. Till 1930 the bank did not borrow from the Central Land Mortgage Bank. The primary bank also had to meet advance collections during the first four years but the problem was solved by re-loaning the amounts for shorter periods. Now the Central Land Mortgage Bank is not allowed to re-loan its advance collections but has to invest the entire amount in the sinking fund. There is always half per cent margin between interest paid to the debenture holders and the interest realised, from the amounts invested in the sinking fund. The Central Land Mortgage Bank has to meet a loss of nearly Rs. 65,000 owing to the advance payments and investments in the sinking fund for the last three years. It has no option except depositing the amount in the sinking fund, unless the Government change their policy. Under the advice of the Reserve Bank authorities the Government have not given permission to the Central Land Mortgage Bank to invest the advance collections in re-loaning. It cannot redeem its debentures before ten years as it is a condition under the debentures scheme. There is a grave danger ahead for the future development of the land mortgage movement in the Province, although it leads to-day all other Provinces. The co-operators and the Government must immediately shoulder the responsibility and resuscitate the movement on different lines.

From a study of the figures of the instalment collections mentioned below it is evident that the members have no good repaying capacity in the depression period to pay off the annual demands out of their slender agricultural incomes. From the table it can be seen that the peak year of over dues 1933-34, for an amount of Rs. 25,550 in this primary bank.

Statement of Demand, Collection and Balance.

Year.	Demand. Rs.	Collection. Rs.	Balance. Rs.
1928-29 ...	4,677	1,776	2,901
1929-30 ...	7,071	7,071	Nil
1930-31 ...	10,660	10,068	592
1931-32 ...	20,592	14,094	6,858
1932-33 ...	31,749	20,597	11,152
1933-34 ...	47,590	22,040	25,550
1934-35 ...	47,056	32,708	14,348
1935-36 ...	22,774	23,173	6,601
1936-37 ...	23,640	24,026	2,615
1937-38 ...	35,409	34,034	1,375
1938-39 ...	22,629	21,518	1,111
1939-40 ...	25,063	23,873	1,190
1940-41 ...	29,269	28,439	830
1941-42 ...	22,422	19,636	2,786
1942-43 ...	44,611	42,536	2,075

It is from 1930-31 the bank had to use coercive methods to collect the over dues by closing the loans and by the sale of properties. This is the beginning of the depression period. The bank had to purchase 80 acres of lands for want of bidders. The sowcars were more lenient in the collection of instalments than the authorities of the land mortgage banks. In the early period of depression i. e., from 1929-30 to 1934-35, members borrowed freely from the Land Mortgage Bank and paid the sowcars, as the sowcars were nervous during that period and collected all their loans owing to abnormal fall of land values. Now the turn came to the Land Mortgage Banks owing to arrears of instalment payments. The banks in their turn brought pressure on members and collected the entire amount taking drastic measures. Loans were also closed for alienation of properties. The members were forced to borrow elsewhere or sell away their properties to pay off the debts of the bank for want of repaying capacity. Land values have gradually rise began to from 1940-41 owing to increase in agricultural incomes. This tempted the agriculturists to dispose off portions of their lands and pay off their debts lest they might be caught in another depression soon after the war. There were heavy collections during the depression period owing to complete closure of loans by the primary banks for arrear of instalments and now advance payments are pouring in as the members feel it burdensome to retain the debts at high rates of interests.

It cannot be said that the purpose of the land mortgage banks is fulfilled and that they are no longer wanted when money is not required for the redemption of prior debts by the agriculturists.

Payment of prior debts is not the sole object of the Land Mortgage Banks but is only one of the purposes. Loans are really required the agricultural industry, for land reclamation, for improvement of land for purchase of cattle, for digging of wells for improving the irrigation facilities and for other beneficial scheme for the development of agricultural industry. There is no agency now in the Presidency for payment of intermediary loans from 5 to 10 years and the Central Land Mortgage Bank can as well invest advance collections for sanctioning these loans for agricultural improvements. Loans are required for longer periods than 20 years for 40 to 60 years for land reclamations and for working agricultural colonisation schemes. Government must create facilities to allow the Central Land Mortgage Bank to float debentures for longer periods at lower rates of interest as 20 years is too short a period for such long range agricultural improvements such as land reclamation and agricultural colonisations. The agriculturists must be given loans not higher than 4 per cent as the agricultural industry cannot pay more than 3 to 5 per cent. The Government must further help the central institution by granting subsidies to meet the cost of administration and other incidental charges out of the profits of the Government from the Note issue and other special reserves. Unless productive credit and capital are made available for the improvement of agricultural industry, the ryots can not put the land to the best use and increase its yield which is now very low per acre when compared with other countries. Any attempt on the part of the authorities to levy penalties for advance payment will scare any the members and the transactions of the banks will further dwindle down.

Without undergoing the rigours of scrutiny for a prolonged period of not less than six months for sanction of loans in the primary banks the ryots are able to get loans freely at 5 to 6 per cent locally. Moreover the ryots have to pay share capital and most extra charges such as legal fees, land inspection fees etc., for getting a loan in land mortgage bank at 6 per cent. There is scope for further deterioration of the Land Mortgage Bank movement in the Presidency, if fresh avenues are not chalked out by making the Land Mortgage Banks more useful to the agriculturists in diverse ways of improving agricultural industry. The land mortgage banks must certainly play a great role in the post-war reconstruction for building up agricultural industry and making it more remunerative and beneficial to the agriculturists.

Food Planning.

By V. R. KRISHNA RAO, M.A., M.LITT.

The food situation has become one of the most complex problems confronting the Government under the stress of war. The Government sought to meet the problem by creating a separate food department and requisitioning the services of expert advisers from England. The situation, however, deteriorated with outbreak of famines in Bengal and in some other parts of the country. What are the causes that made the food situation in the country disquieting?

To begin with, it has to be mentioned that the emergence of the food problem in India has two aspects (1) long-term and (2) short-term. The first aspect consists of mainly in the more rapid growth of the population than the production of the food grains. The population of British India which was 221 millions in 1901 rose to 296 millions in 1941 while the production of rice and wheat, the two major food grains of the people rose from 19 and 8 million tons respectively to 21 and 9 million tons respectively. Allowing for seed, wastage and husk, the quantity of food grains available per head of population in 1941 was only 0.81 lb., which falls short of the minimum of 1 lb. recommended by the Gregory Committee. According to the latest calculations, India does not produce food for one-fifth of her population.

The failure of the food production to keep pace with the growth of the population is due to (1) continued low yields and (2) commercialisation of crops. It is a well-known fact that the average yields of crops are very low compared with those in other countries and have practically remained the same. In 1918-19, the average yield of rice per acre was 701 lbs. and in 1939-40 it was just 776 lbs. and in the case of wheat the respective figures are 707 and 708 lbs. The second factor consists of the commercialisation of the crops i.e. growing of more non-food crops like cotton, jute, groundnut etc., at the expense of food crops. For example the percentage of area under non-food crops to the total area sown in 1901-02 was 15 per cent. and it rose to 19.3 per cent. in 1939-40 while in the same period the share of the food grains fell from 85 per cent to 80 per cent.

As between the provinces only U.P. and the Punjab are the surplus provinces. The deficit provinces, Bengal and Madras in particular

The statistics given in this article are taken from Jather and Beri's Indian Economics, Vol. I (1942), Chapter VI.)

have always been dependant upon imports of rice from Burma, Siam, etc.

It is significant that India which was an exporter of food grains in the early years of the present century has become importer in them particularly in rice and wheat. This transition is a direct result of the factors referred to above.

Not only the quantity of food available is insufficient, but it is also defective owing to the inadequate quantity of animal and vegetable fat in the diet of the people and this is inspite of the fact that India, possesses the largest number of cattle in the world i.e. 67 cattle per 100 acres of net area sown as against 25 in Egypt and 38 in Holland. Most of these animals are ill-fed and are deplorably poor in quality. The average yield of milk of an Indian cow is about 5 lbs. compared with 15 to 20 lbs. in the West. The result is that the price of milk in India is much higher than in many countries of Europe and therefore it is not within reach of the major section of the population. The per capita consumption of milk in India is 7 ounces compared with 39 ounces in Great Britain, 40 ounces in Denmark and 56 ounces in New Zealand. As motive power for ploughing the lands the draught animals are most insufficient. Upto now the efficiency of the Indian cattle as milch or draught animals has not shown any sign of improvement.

Thus on the eve of the war India's food position has been deteriorating due to the "secular" (long-term) forces stated above. The impact of war on such a precarious agricultural economy has proved disastrous. The demands on her limited resources of food have increased considerably. The exports to the Middle East, the necessity of feeding the foreign troops and the prisoners of war and the additional requirements for the evacuees from Malaya and Burma have all depleted the already limited food resources of the country. To add to this shortage there was the complication created by lack of transport facilities consequent on the insufficiency of locomotives and wagons owing to the heavy military traffic and export of the same to the Near East for military purpose. The last factor created serious local shortages. Till the institution of food department the Provincial Governments issued overlapping rules over the movement of food. The delay in central control and other uncertain conditions engendered hoarding and black market.

The war has also seriously affected the cattle problem of the country. For the meat requirements of the large number of white

troops a considerable number of cows and buffaloes are being slaughtered with the result that the prices of milk and milk products have shot up. Indeed it is stated that in some places milk has become a luxury.

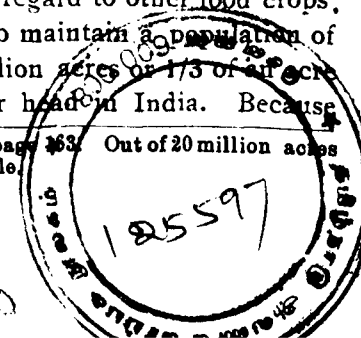
Having outlined the main factors that are responsible for the food crisis in the country, it is now proposed to suggest certain ways and means to solve it. The Government have inaugurated a nationwide "grow more food campaign" by offering certain inducements to the cultivators in the form of reduction, in land revenue and other concessions. It has yet to make headway if it is to be really effective in solving the problem. The campaign envisages the extension of cultivation to new lands. It is, however, felt that there is not much scope for such extension. For the immediate relief of the shortage of food as was recommended by the Gregory Committee the solution lies primarily in importing a million tons of food grains. The next step is introduction of rationing particularly in urban areas and effective measures of price control. It is gratifying to note the steps in this direction have already been taken.

It must be remembered that imports cannot be a permanent solution of the problem. The two world wars have demonstrated the need for our country to become self-sufficient. Therefore, any planning for the future must be based chiefly on increasing the production of food grains and this can be achieved by bringing fresh lands under plough or by increasing the outturn per acre. The only land that can be brought under cultivation is that classed as culturable area and according to the latest agricultural statistics is only about 10.04* million acres. The reasons for the non-cultivation of this land are (1) lack of irrigation facilities, (2) want of communications and (3) infertility of the soil. The extension of cultivation of these unfertile soils means higher costs and higher prices of food grains. Therefore the scope for further extensions is very limited.

Hence for an increase in the food production we have to rely on intensive cultivation. That there is considerable scope for raising the yields per acre is evident from the fact that the average yield of rice per acre in India is 800 lbs. as against 2,767 lbs. in Japan and 4,601 lbs. in Italy. Similar is the case in regard to other food crops. Again take the case of Japan, she is able to maintain a population of 56 millions on a cultivated area of 17 million acres or 1/3 of an acre per head compared with 5/6 of an acre per head in India. Because

* Jather and Beri: Indian Economics Vol. I, page 263. Out of 20 million acres of cultivable waste only 10.04 millions are cultivable.

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the yields are very low and the money income is correspondingly small. Sir M. Visvesvarayya has calculated that on an average the income per acre in India does not exceed Rs. 25 compared with Rs. 150 in Japan. The agricultural per capita income in India is Rs. 59, compared with Rs. 102 in Sweden and Rs. 175 in U.S.A. and Rs. 213 in Canada. Therefore we can only make our agricultural economy a paying one by increasing outturn per acre. The agricultural output can be increased by better methods of cultivation—better seeds, better fertilisers, better ploughs, better draught animals and a better system of rotation of crops. This would require considerable capital which should be made available to the cultivators through the co-operative credit societies. The one serious difficulty for better cultivation is the smallness of the size of the holding and this can be met if the Government encourages group farming as is done in Soviet Russia.

Better methods of cultivation are possible only if the cultivator is literate and is in a position to utilize the results of agricultural research. This means compulsory elementary education with an agricultural bias. Again there must be an incentive for the cultivator to produce more from the land. This requires guaranteeing economic returns to the cultivators by fixing minimum prices.

- Lastly the agricultural industry cannot be placed on sound basis unless and until the development of cattle is taken up in hand simultaneously. There cannot be intensive cultivation without efficient draught cattle. Further to make the diet of our population a balanced one, the milk production has to be increased many times. Therefore, the plan for increasing the production of food grains must include the development of cattle as an integral part of it.

To sum up, the immediate food shortage in the country must be relieved by imports from abroad, while the long range policy for increasing the food production should include (1) compulsory education (2) improved methods of cultivation, (3) development of cattle and (4) fixation of prices of agricultural produce.

Co-ops. have demonstrated they can break the grip of monopoly upon the people, stand alone as a means of accomplishing this purpose so essential to real economic freedom—Jerry Voorhis, California,

Agriculture in Canada.

Annual Report of the Department of Agriculture—Dominion of Canada—1942-43.

REVIEW BY RAO SAHIB R. RAMASWAMI IYENGAR.

The Report of the Minister of Agriculture, Canada, on the operations of the Dominion Department of Agriculture for the year ending 31st March 1943 is a highly interesting document, valuable and useful to all those engaged in Agricultural Research and development throughout the world. The Department comprises five different services, scientific, experimental farming, production of livestock and plants, marketing and administration. Each of these includes a number of divisions and sections.

The year was a very favourable one for the production of grains and other crops, the gross value at the farm of all field crops produced in the Dominion showed an increase of nearly 462 million dollars over the previous year's figure, and the area under the principal field crops represented an increase of some four million acres.

I. The "scientific service" is engaged in the solution of practical problems of Agriculture through the application of scientific investigation. The service includes divisions of animal pathology, bacteriology, dairy research, botany and plant pathology, chemistry, entomology and plant protection. The work in the various laboratories is co-ordinated with the agricultural research undertaken by the Experimental Farms Service and other units of the department.

The animal pathology section deals with research and manufacture of biological products. Research work was directed to the investigation of virus diseases in horses and poultry, bacterial diseases in cattle, swine and chickens nutritional diseases affecting swine, and parasitic diseases in sheep. The biological products produced were tuberculin for control of tuberculosis, mallein used for diagnosis of glanders and Johnin used in Johnne's disease. Considerable quantities of these were distributed.

The dairy research section has developed the method of keeping milking machines in good sanitary condition. Studies in regard to the keeping quality of butter were continued. Attention was devoted to problems of food and soil micro-biology.

The most important of the projects directly relating to war effort engaging the botanical section, concerned the search for possible supplementary sources of natural rubber and present indications are that the Russian rubber-bearing dandelion offers one of the best possibilities of producing natural rubber. Work was continued on medical plants, Digitalis, Belladonna and henbane. A report on the plant in diseases survey has been published, which gives useful information regarding the plant disease situation in Canada. Diseases carried

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by seed are under investigation. Results of the investigation of heart-wood decay of Poplar are under publication. Reforestation programme is rapidly expanding. Successful results in shortening the period for raising seedlings by application of proper fertilizers have been obtained.

In the Chemistry section, the study of the fixation of phosphates in soil has been continued and extended. Investigation of the fertilizing value of open hearth-slag produced at the Dominion Steel and Coal Corporation has been continued, as also the study of the occurrence of brown-heart of swedes. Numerous samples of soil and related material were analysed and advice was given to farmers, gardeners, etc.

The animal nutrition section continued its studies in digestibility of Canadian foodstuffs with sheep and swine. Work in plant chemistry included the analysis of forage samples. A new method for determining moisture in dehydrated vegetables has been evolved.

The Entomology section was engaged in projects having a direct and important bearing on war effort. Assistance was given on insect control problems to Government Agencies, Armed forces and the War Production Industry. Losses caused by insects in the field crops were comparatively less. The forest insect investigations received increasing attention in view of the extensive demand for war materials of forest products. Increased importance was bestowed in utilising natural enemies of insects in controlling destructive pests in various regions. Parasites and natural enemies of grasshoppers were investigated. Attention was devoted to the safeguarding of grain and cereal products from insect attack, to the studies on livestock insects such as warble-fly, mosquitoes, ticks, to devising control problems to counteract nuisance of pests, in dwellings and buildings, developing improved repellants for use against the biting flies attacking humans, to the problem of controlling human lice, and scabies.

The plant protection division, now operating under the Science service, was established to enforce regulations under the Destructive Insects and Pest Act, intended to prevent the introduction, distribution and shipment of any insect pest or disease harmful to vegetation. A Board has been functioning since 1922 to co-ordinate opinion and efforts in administering the regulations under the Destructive Insects and Pest Act, and to recommend to the Department amendments and alterations to the regulations in the public interest.

II. The "*Experimental Farm Service*" deals with all phases of cultural activities such as improved methods of preventing soil erosion, promotion of soil fertility, control of weeds, introduction and testing of new and better varieties of forage and cash crops, introduction of disease resistant cereals, soil investigations, soil surveys, stimulation of better gardening, improvement of livestock, etc. This service consists of many divisions—an animal husbandry division entrusted with experimental

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and investigational work in breeding, feeding, housing and management of beef cattle, dairy cattle, horses, sheep and swine with special reference to breeding and distribution of improved stock. There is a Bee division which runs a central Apiary at Ottawa and experimental and demonstrational Apiaries at 12 branch farms and stations. There are divisions engaged in the evolution and production of better varieties of cereal grains, flax, fibre, etc. There is a field husbandry division doing meteorological work, study of soil types weed eradication, agricultural engineering and soil surveys. The horticultural division carried out selection of hybrid fruits, introduction of apples from the United States, trials with root stock, de-hydration of vegetables and extension of vegetable seed production. It also carried out studies in nutritional problems. The division of Illustrations Stations which correspond to demonstration farms in our Province, carries out its work on the basis of agreement with private farmers. This provides the organization for studying the farmer's problem, teaching in has own farm suits of departmental research and experiments. There is a poultry division engaged in organizing steps to meet the increased demand for export of eggs. It undertook work to determine the most suitable and economic levels of protein in the poultry ration and the possibility of substituting vegetable proteins for animal proteins to any appreciable degree. The tobacco Division is carrying out a study in sand culture into the physiological aspect of nitrogen and mineral nutrition on the maturity of "flu-cured" tobacco. Varietal improvement work is in progress and the development of earlier maturing varieties of each of the 'flu-cured' burley, dark and cigar types is one of the more important phases of this work.

There are branch farms and stations at 31 different centres engaged in important experimental work for the improvement of the quality of crops and livestock and introduction of new and improved strains. The work done covers a large field, relates to a variety of crops (cereals, forage, and commercial crops) and extends to the different classes of livestock and poultry—cattle, horses, swine, silver fox, bees, sheep—silage and pasture experiments, production and extensions of vegetables, soil fertilisation, soil analysis, crop rotation, suitable for mixed dairy farming, weed control, drainage problems, feeding tests, pomological work, agriculture, development and maintenance of flower gardens, forest nursery work of great assistance for the stimulation of tree planting and prevention of soil drifting and erosion, agricultural engineering, etc., are all studied and useful results obtained. The study of no crop of any local importance, however minor, was neglected and no phase of agronomy in any way concerned with war-work ignored.

III. The "*Production Service*" consists of the divisions, dealing with the health of animals, production of live-stock and poultry, and administration of legal enactments relating to plant products. The first

administers the animals contagious diseases Act and the Meat and Canned foods Act and regulations thereunder. The former is intended to prevent admission of contagious diseases of livestock and to control and eradicate animal disease. The latter section, supervises slaughter of animals and undertakes inspection of meat and issues licenses and permits for manufacture and imports of veterinary biologics. The livestock and poultry division is responsible for carrying out the various policies concerned in the production of horses, cattle, sheep, swine, poultry and for administering the Livestock Pedigree Act. Breeders are assisted and encouraged in the development of higher and more economical production and to provide reliable information for the guidance of buyers and sellers. Registration of pure bred dairy bulls, swine, rams of various breeds is undertaken and the animals are graded and classified. Improved stock was made available for breeding milch goats. Pure bred bulls of beef and dairy breeding were supplied to groups of farmers and assistance was given in the conduct of a number of artificial insemination projects. Pure bred rams were loaned free of charge to farmers. Horse breeding was encouraged by securing to breeders service of pure bred approved stallions and by payment of premiums. Under poultry development, the work consists in the maintenance of foundation—poultry flocks and swine of very high quality and distribution from these to commercial and farm flock owners, in the form of chicks and young and mature cockerals; commercial and breeder hatcheries are operated under departmental supervision and are required to use only eggs from approved and tested flocks. Each breeding organisation is operated under the Livestock Pedigree Act and the constitution, bye-laws and rules of each organization are subject to approval by the Ministry.

The Plant products section administers the Seeds Act, Feeding Stuffs Act, Pest Control Products Act, Inspection and Sale Act and Hay and Straw Inspection Act. By means of these various legal enactments, considerable benefits are conferred on the agriculturists and livestock breeders by exercise of close check, on grading, sale, importation and distribution of seeds, feeding stuffs, fertilisers by inspection and by enforcing conformity to samples, by institution of grades for hay and straw, by the launching of proceedings for violation of regulations, by securing of registration of manufacturers and dealers. Pest Control products such as fly sprays, disinfectants, fungicides, pesticides used in agriculture, industry and households are registered and inspectors are appointed to detect fraud and enforce regulations.

A monthly crop and seed survey of cereal and forage crop seeds is conducted by Seed Production Service—also an annual survey of vegetables and field root seeds to determine the supplies available and surpluses and shortages of seeds in Canada. Seed statistics of other countries are

studied, on the basis of which recommendations for seed production are made. Seeds are tested for purity and germination, samples being taken from the trade, customs, investigations and official samples by the staff enforcing the Seeds Act. There is a laboratory to assay Vitamin-D from sample of fish oils collected by Inspectors.

IV. The "*Marketing Service*" comprises an administrative division organized in 1938 concerning itself with the administration of the marketing service and matters of common interest to all division such as advertising, markets information and service to consumers. There is an agricultural commissioner in London who exercises close supervision of the inspection of the quality and condition of Canadian agricultural products. Under the agricultural Products Co-operative Marketing Act of 1939, Co-operative associations, processors or their selling agencies may under agreements with the ministry, undertake the marketing of all kinds of agricultural products except wheat; the agreement provides for the associations making initial payments to primary producers up to 80 per cent of the price received by them for the products during the previous three years. The deficiency if any in actual sale price is made good by the Government.

(i) The markets information section deals with the collection, compilation and dissemination of market comment, prices, and statistics on the production and sale of commercial livestock, fruits and vegetables and dairy products on the domestic and export markets together with the supply of information for broadcast purposes. Statistical information on Canada's Commercial livestock production, marketings and exports of livestock or meat products was compiled and published in regular weekly and monthly reports—as also an annual report. This has been of considerable benefit to producers and the trade. Weekly crop and market reports covering the main commercial fruit and vegetable crops in the principal producing sections and containing a report on crop conditions and wholesale market prices in the larger distributing centres were published. A monthly summary of export trade in agricultural products is prepared and circulated. The consumer section with its programme to meet war-time conditions is busy carrying on various tests, such as, on egg powder export to Britain, economy in the case of sugar and other sweeteners in home cooking, preparations of Jams and Jellies with home-made apple pectin. Vitamin-B. "Canada—Approved" white flour, baked beans, canning and drying vegetables, pickling with little or no sugar, methods of cooking squash, wheat for use as beverage, the use of pork-cuts not shipped overseas, butter and meat extenders, etc. Tests were also carried out with de-hydrated vegetables, and concentrated soups and substitutes for coffee. This section addressed various meetings in urban centres, held conferences attended by several hundreds,

mostly women. Exhibits were displayed on conservation of foods, home-canned vegetables and fruits. Numerous publications were prepared and issued. Preparation of a number of films on foods is on foot.

(ii) The Dairy Products Division is entrusted with the responsibility of administering various Acts connected with the dairy industry. The milk production in Canada during 1942 was $17\frac{1}{2}$ billion lbs.; creamery butter produced was 284.5 million lbs. The domestic demand for dairy products was greater. Due to inadequate stocks, butter was rationed out on the basis of $\frac{1}{2}$ lb. per head per week. Railways operated a fixed number of refrigerator cars for transportation of butter, cheese and eggs during summer months. The Cold Storage Act 1907, provides for payment of subsidy for construction of cold storage warehouses. Financial assistance is made available to cheese factories for manufacture of cheese. Establishments manufacturing concentrated milk products for human and animal consumption were supervised and inspected. The staff of the section is responsible for the grading and inspection of dairy products throughout the dominion. Laboratories are maintained at the various grading centres. Samples of domestic and imported cream are analysed for composition.

(iii) There is an Economics Division paying increasing attention to war time and post-war problems. The members of this section supply information for administrative purposes based on research and special studies. The division plans development programmes for particular years and carries out surveys in particular tracts to determine food and other agricultural requirements, sources of supply and the ability of farmer in the area to meet the needs of urban population. A rural food survey for collection of data regarding consumption of food by people living on farms was initiated. Data relating to the type and size of farm and economic condition of the family together with the estimates of the food produced, and purchased were obtained from nearly 380 individuals representing 93 families. Extensive studies in problems of land-utilization have been undertaken.

(iv) A special division charged with the duty of administering grading, packing, marking, inspection, shipment and sale of fruits, vegetables, honey, maple sugar, meat and canned foods in export, import and inter-provincial trade. Provision is made for licensing commission agents, dealers, brokers, canners. The department maintains a staff for the inspection of livestock and grading of livestock products. Eleven public livestock markets were maintained under the supervision of the department and six livestock exchanges were in operation. There is a regulation to enforce grading of all hogs delivered for slaughter at stock-yards. The grading service for beef, bacon, lamb carcass and wool is also maintained. The Canadian poultry industry witnessed a remarkable period of growth and expansion last year, thanks to the large contracts for eggs for export and to the increased demand at home.

(v) The "Administrative Service" of the department includes a publicity and extension division, the main purpose of which is to bring to the notice of the actual cultivator the results of scientific discoveries and experimental findings and keep them well informed in regard to the administrative and regulatory policies of the department. The

need for timely intimation to the farmer has greatly increased due to war time conditions. Quick and rapid adjustments have to be made to meet the food requirements of Britain and her allies. Output of departmental literature substantially increased. Materials for production of exhibits had to be collected and exhibitions arranged stressing the war-time demand on Canadian agriculture. Articles were written for daily and weekly papers covering a wide range of information on the work and activities of various divisions of the department. The bulletins of the department were reviewed over the Radio. A lantern slide bureau was in operation. The department maintains an excellent library. A noteworthy feature of the year was the convening of a conference of representatives of Dominion Provincial Governments, the Canadian Federation of Agriculture and the farm press for the consideration of a report prepared by a representative committee for stimulation of agricultural production to meet the situation created by larger shipments overseas, requirements of armed forces, increased consumer demand in the country and the need for making-up shortages arising from stoppage of imports. The Conference presented a comprehensive programme for development of Canadian agriculture and the recommendations were published as a bulletin which was widely distributed among agricultural workers. A number of organisations were established during the year with duties closely allied to those of the Agricultural Supplies Board, in view of the various developments brought about by the war. One such organisation was the establishment of an Agricultural Food Board, another was the setting up of an Agricultural Advisory Committee, a third was the Joint Agricultural Committee of Canada and the United States. The Food Board established on 1-3-1843 led to the undertaking by the Department of Agriculture of additional responsibilities relative to the supply and distribution of food products; the function of the Board is to develop and direct policies and measures for war-time production of food and to co-ordinate the activities of all commodity boards within the department. It is to advise significant developments in the prospective food supply situation and in regard to price adjustments and subsidies to increase the production of required agricultural products. The purpose of the advisory Committee is to maintain close relations between the dominion department and the representatives of agricultural production in the country. The Joint Committee is to be in close touch with the agricultural and food production and distribution in order to further war-time agriculture and food programmes concerning both countries. In addition to these organisations, there are a Bacon Board, a Dairy Products Board and a Special Products Board, the last to be in charge of regulation of exports to the United Kingdom of any product of agriculture, except bacon or dairy products with powers to conclude 'agreements with any Government' in the British Empire or any allied nations. The special products dealt with are (1) poultry, (2) fruits and vegetables, (3) flax fibre, (4) field and vegetable seeds and (5) certified seed potatoes.

The foregoing review of the activities of the various services operating under the Dominion Department of Agriculture will indicate how comprehensive the range of operations of the department is and what extensive help is rendered to the farming population of the Dominion. The organisation of the Department is such that it is easily adjustable to assume any responsibilities or meet any emergent situations such as those created by the war, and shows how quick and responsive is the

THE MADRAS JOURNAL OF CO-OPERATION

Government to provide the requisite machinery to deal with changing requirements of the agricultural population. One striking feature is the organisation and establishment of various boards and consultative committees of representatives of different interests both to advise Government and render assistance in the solution of difficult situations confronting the agricultural public. The Canadian agriculturist department presents a model of an organization in which all activities allied to agriculture can be brought under one administrative head, so that, in the framing of policies, practical and adequate consideration could be given to the multifarious needs and diverse interests and problems of the present day complex agricultural economy so as to ensure a reconciliation of political, economic, social and educational aspects of agriculture. It has been said that "Agriculture should prosper if a Nation is to prosper". The problem of the agricultural departments is no longer that of a technical expert viz. that of growing two blades where one grew before. Agriculture is now bound up with "total economy". The agricultural development has become complicated calling in the aid and guidance of experts not only in agriculture and cognate science but also of economists, engineers, health advisers, administrators, nutrition experts, etc. The art is characterised by a growing complexity. Further our agricultural methods and practices, our range of products and goods have to be closely correlated to the essentials of the policy of other nations. Here as in other fields of national activity, it is the need of the people that must determine Governmental policies. The popular will can best be expressed by the people's own representatives and unless therefore their representatives are at the helm of a nation's affairs, policies and programmes would fail to elicit popular enthusiasm and support and would not suffice to inspire what they consider to be their economic dignity.

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Recent Utterance.

ONGOLE CATTLE SHOW.

OPENING SPEECH OF MR. S. V. RAMAMURTHI, C.I.E., I.C.S.

Let me thank the Cattle Show Association, Ongole, for the honour it has done me in asking me to open the Cattle Show this year. Though the date first fixed for this show has had to be postponed owing to inclement weather and the damage caused by it, I have felt the obligation to come again to Ongole not only because as Sub-Collector, Ongole, I shared the responsibility for stopping the Cattle Show after 1918, but also because of the great importance I attach to your co-operation with the Government in the development of the Ongole cattle breed.

As pointed out by the President of the Cattle Show Association, there had been a considerable deterioration in the breed by 1918 and I felt at the time that the local breeders were naturally unable to withstand the temptation of the high prices offered by foreign buyers from Java and elsewhere and that the shows were acting as markets to facilitate such excessive foreign buying. The alternative to the closure of the Show was closure of export from India. As a Sub-Collector, only the former method was open to me. I am glad that Sir B. N. Surma was later, as a member of the Viceroy's Council, in a position to adopt the latter alternative. The Shows can now be held without the old risk.

The need for improvement of the Ongole cattle breed has become intensified by the war. This Province was importing a lakh of working bulls from Mysore, mainly of the Hallikar breed to serve the districts round the Mysore plateau. Mysore has been unable to permit such export during the war, even at peace-time prices though this meant a subsidy of a crore or two rupees a year to Mysore. There is no reason why Madras with its natural resources, its established good breeds and experienced cattle breeders should not produce all the good cattle it needs. Further, during the war, there has been the need to supply a large number of cattle to feed the army. This is not without its good effects on the cattle wealth of the Province. It has been calculated that India has the largest number of cattle per head of population or per acre of cultivation. Like the pressure of population on the food resources of the country, the pressure of cattle on the fodder resources is growing intense. The methods of eugenics are much easier to apply to cattle than to human beings. Good cattle and poor cattle eat much the same food, as good paddy and poor paddy consume much the same water and same manure. We seek to replace poor paddy seed by good paddy seed. So too we should replace poor breeding bulls by good breeding bulls. Sentiment, having its roots perhaps in the different economic conditions of this country centuries ago, has accumulated a large number of poor cattle. The needs of war have led to the slaughter of poor cattle in large numbers. The Government have taken careful measures to see that cattle which are or may in future be of value are not slaughtered. It is now our task to fill

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be places of the poor animals by means of animals of good quality so that the fodder resources may be used in the most advantageous manner.

For several years, this Government have been taking steps to increase the number of good Ongole cattle. We had a cattle farm for Ongole first at Chintaladevi and now at Guntur. The Lam Farm at Guntur is going to be further extended this year. Breeding bulls from this farm are available for sale to ryots. Owing to the scarcity of good breeding bulls in the Ongole area, it is proposed to purchase from this year 50 yearling Ongole bulls and rear them at the same farm. These bulls after they reach maturity will be sold for breeding purposes in the Ongole tract. A scheme is in force whereby a subsidy of Rs. 2 a month is granted to the owner of each Ongole heifer calf admitted to the scheme and found to be well cared for. The object of this scheme is to better the condition of the female stock in the area as there is a tendency to neglect the female stock. Some young and adult Ongole bulls are also purchased by the Government each year under their Livestock Improvement Schemes and distributed to the ryots for rearing and maintenance subject to certain conditions. There is further the Premium Scheme for breeding bulls under which breeding bulls maintained satisfactorily are given annual grants. It is to be regretted, however, that the number of people who take advantage of these schemes in the Ongole tract is even poorer than for instance in the Kangayam tract. In 1943-44, there have been only 78 bulls under the Premium Scheme against 156 in the Kangayam tract.

There is thus need to make up for lost time and also to intensify effort as a result of the new conditions brought about by the War. The Government desire to make a plan of development which aims at fixing a target of so many Ongole bulls and cows to be produced each year. I propose to have action investigated and taken on the following lines after consultation with local breeders and ryots.

1. A census of cattle may be taken in the Ongole area consisting of Guntur, Nellore and Kistna Districts. Maps may be prepared showing the density of Ongole cattle and their ratio to non-Ongole cattle in the area.
2. A programme may be prepared for the castration of poor quality non-Ongole breeding bulls as rapidly as they can be replaced by Ongole breeding bulls.
3. Ongole cattle and cattle of related breeds may be given preference over other cattle for grazing in Government forests. The former may be allowed grazing in such forests free or at concessional rates.
4. Annual prizes may be given for the villages with the best Ongole herds of cattle, the amounts being spent on some purpose of benefit to the village. A silver cup or say *Kalasam* may be held by the successful village each year.

RECENT UTTERANCE

5. Facilities may be given for raising fodder crops and compulsion also applied for raising such crops where feasible.

6. A cattle breeders' association may be formed with the assistance of Government to bring together all the breeders of Ongole cattle, register and mark pure bred cattle, arrange for a proper grading of cattle and place the breeding of Ongole cattle on approved lines. Such an association has been formed in the Kangayam area.

7. The proposed association in the Ongole area may make a scheme for maintaining a suitable herd of cattle and a dairy.

8. Propaganda may be through ballads and through lessons in schools on the value of the cattle breed that has been evolved in the Ongole area.

A detailed plan will be worked out by the Livestock Officer with the collaboration of the Special Development Officer on the lines indicated above and in accordance with other suggestions that may be made by cattle breeders and ryots at a meeting to be arranged for the purpose.

The Ongole cow has put Ongole on the cattle map of the world. It is the best dual purpose breed of cattle in India for milk as well as work and one of the best in the world. Prize it. Be grateful to it. Make every one Ongole cattle conscious. Sing of it in villages. Teach of it in schools. The Ongole cow is a thing both of beauty and utility. I ask you to maintain and develop this breed whereby you both gain profit and give service. On behalf of the Government, I can assure you that their utmost assistance will be given to you in this valuable task.

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Working of Stores in Madras.

Review for February by the Registrar of Co-operative Societies.

Wholesale Stores.

Share Capital. The paid up share capital of all the co-operative wholesale stores on 29-2-44 was Rs. 12.73 lakhs as against Rs. 12.22 lakhs. The progress in the collection of share capital by the Central Stores in North Arcot, Chittoor, Malabar, Anantapur, Vizagapatam, Nellore, Cuddapah and Tanjore continues to be disappointing. It is hoped that all the stores which have a share capital of less than Rs. 50,000 will strive hard and bring it to at least Rs. 50,000 before the end of April 1944. The Stores like those of the Chingleput, Kistna, Kurnool, South Kanara and Trichinopoly districts should try to reach the one lakh mark before the close of the co-operative year. All the Stores are requested to make sustained efforts to collect more share capital so that they may depend more on their owned capital than on outside borrowing.

Business. During the month the total purchases made by all the co-operative wholesale stores amounted to Rs. 53.48 lakhs as against Rs. 24.71 lakhs in the previous month. The wholesales are once again reminded of the importance of seasonal purchases and are requested to ascertain the requirements of the primaries in their districts for the season and make bulk purchases during the season. Then alone will they be able to sell at competitive rates and ensure the loyalty of the primaries.

The sales during the month amounted to Rs. 39.56 lakhs as against Rs. 34.67 lakhs in the previous month. Though there is a general increase in the aggregate, there has been a fall in sales in co-operative wholesale stores of North Arcot, South Arcot, Bellary, Chingleput, Coimbatore, Kistna, Kurnool, Malabar, Salem, Tanjore and Trichinopoly. They should try to improve their sales. The stock of goods on hand on 29-2-44 was Rs. 74.53 lakhs as against Rs. 55.25 lakhs on the last day of the previous month. All the stores are requested to see that the stocks are securely kept in safe and pucca godowns.

Finance. The borrowings outstanding on the last day of the month amounted to Rs. 130 lakhs.

Primary Stores.

The number of primary stores in February has risen to 1,156. The total number of members in all the stores on 29-2-44 was 2,87,436 and the paid-up share capital was Rs. 34.48 lakhs against 2,83,810 and Rs. 33.65 lakhs respectively in the previous month. Their purchases and sales during the month amounted to Rs. 61.99 lakhs and Rs. 61.85 lakhs respectively as against Rs. 56.52 lakhs and Rs. 61.91 lakhs respectively during the last month. There is a slight fall in the total sales. The shrinkage in business was appreciable in the districts of Guntur,

WORKING OF STORES IN MADRAS

Kurnool, Ramnad, Tinnevely and Vizagapatam. The Deputy Registrars concerned are requested to examine the reasons for this and suggest ways and means to improve the business of the primaries.

The scheme of rationing of food grains will shortly be introduced in all Municipal areas in surplus districts like East and West Godavari, Kistna, Guntur, Nellore and Tanjore. The Deputy Registrars concerned are requested to see that the societies situated in towns where rationing is proposed to be introduced, are well equipped to shoulder the responsibility for the distribution of food grains to the public by opening well in advance adequate number of branches or depots. The stores may be told that if branches and depots are not opened in time before commencement of preliminary operations, it may not be possible to get them recognised as retail ration shops at a later date. Stores in rationed areas should aim at serving at least 25 per cent to 50 per cent of the ration card-holders in their respective towns.



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Working of Societies.

The Viziavada Co-operative Central Bank, Ltd.—Report for 1942-43.

The Administration Report of the Viziavada Co-operative Central Bank for 1942-43 is of more than ordinary interest, as it is the Bank's Silver Jubilee Year. Along with the report, a brief history of the Bank is also published.

2. The Bank was started on 2-12-1918 and it was the nineteenth in this Province which has 30 Central Banks. It operates in the western half of the Kistna district. 308 Societies are affiliated—234 are agricultural credit, 9 urban credit, and 52 are non-credit societies. The individual members were 147. The total paid-up share capital on 30-6-1943 was Rs. 2,19,387.

3. The working capital was Rs. 16.60 lakhs and the whole of it was local money. During the year, the Bank paid off its loans to the Provincial Bank and is now a *plus* Bank. On 30-6-1943, the cash held amounted to Rs. 4.69 lakhs, Investments in G. P. Notes and other securities to Rs. 1.75 lakhs, and loans due from Societies stood at Rs. 11.05 lakhs.

4. The Bank has a Reserve Fund of Rs. 51,147, Bad Debt Reserve of Rs. 43,500, and a Building Fund of Rs. 12,195—in all Rs. 1.06 lakhs and these are bound to grow with the progress of years. It is such reserves that enable a Bank to weather bad times.

5. This Bank was the first to be started in this Province to operate *in a part of a district*. We have held the view that there should be only one Central Bank in a Revenue district, and have developed our organization on those lines. The Viziavada Central Bank has justified its existence and has proved a success, owing to several favourable factors. During the last 25 years, the Bank has disbursed loans to primary societies to the tune of Rs. 131.87 lakhs. Starting with an interest rate (of lending) of $8\frac{1}{2}$ per cent it has been able to reduce it gradually to $4\frac{1}{2}$ per cent now in force. These are substantial achievements on the banking side. Information is lacking in the history about the part played by the Bank in the developmental and supervisory activities which the promoters had hoped would be undertaken by a Central Bank operating in a smaller area than a whole district.

6. What of the future, of the shape of things to come? Agricultural credit societies are not very much in the lime light now. They have not been a shining success except here and there. In theory, they have a dominant role in agricultural finance; they are to provide the recurring funds needed for agricultural operations; and a Central Bank's main objective is to supply such short-term finance. Owing to the rise in the prices of Agricultural produce, these societies are not, it is stated, feeling the need for credit, and loan outstandings are going down. Loan and Sale Societies gave an outlet for the Central Bank's funds. Owing to the wartime controls, these loans have also become

WORKING OF SOCIETIES

restricted. The principal customers of Central Banks *viz.*, the rural credit societies have taken some, indeed, several steps rearwards, and Central Banks whose existence, financially speaking, would depend on what they do for them, have to map out measures for their rehabilitation. The few sale societies and store societies in a district, can never give a Central Bank that large volume of business which agricultural credit societies are capable of offering, year in and year out. Central Banks are primarily agrarian banks, and they have been reared up on that basis. Most of them are now 25 years old, and they have won public confidence, and acquired business experience. In the next 25 years, they are destined to play an important part, as there will be big demands for credit for working and investment capital, in the process of doubling agricultural production which the Bombay Fifteen Year plan seeks to bring about.

T. R. N.

The Rajaji Rural Reconstruction Centre Malt and Malt Products Manufacturing Co-operative Society, Ltd., Chittoor.

The Rajaji Rural Reconstruction Centre Malt and Malt Products Manufacturing Co-operative Society, Ltd., Chittoor, U. 523, commenced its business on 5-12-1942. Its main objects are to provide facilities for the manufacture and marketing of genuine Malt and Malt Products.

Ragi Malt was first produced in this district in 1938 at Venganapalli, a small village at a distance of two miles from Chittoor at the instance of Sri K. Ramanujam, Industrial Chemist of the Chittoor Toilets Manufacturing Co. The malt produced was so good that it became popular throughout the Presidency. Very soon mushroom companies sprang up in Chittoor sponsored by enterprising merchants for the manufacture of malt. Reckless competition led some producers into putting on the market pure Ragi flour in attractive tins at competitive prices, as genuine malt. The inevitable result was that the original producers, of genuine malt, mainly the villagers of Venganapalli, who were doing it on a cottage industry basis, to supplement their slender income from agriculture, found their erstwhile customers snared away by cheap and spurious brands that flooded the market.

It was in these circumstances that a co-operative society was organised and started for the production of genuine malt and malt products. The Society under the expert guidance of Mr. Ramanujam proposes to improve the quality of Malt and standardize it, to make it really safe and useful to the public. That malt is a highly nutritious and a non-stimulant food is too well known. But it was never attempted to be produced on a co-operative basis in India before.

The Society commenced work with 18 members with a modest paid up share capital of Rs. 147. The Chittoor Central Bank has sanctioned

a cash credit of Rs. 800. During the year 1942-43, the Society was able to market 565 lbs. of malt and make a small profit of Rs. 39. Ragi was purchased wholesale by the Society and sold to members. The finished product (malt) was purchased by the Society at Rs. 0-6-6 per lb. and sold to the Chief Agent at Rs. 0-9-0. Packing is done by the Society and the stuff is generally supplied in 1 lb. packets, as tin is expensive and not easily available. Production suffered a terrible set-back on account of the failure of local ragi crop for two years in succession and it was not possible to import sufficient Ragi even for food from the neighbouring districts. The Society however hopes to increase not only its membership but its production as well during the current season which is really promising. Enquiries are pouring in from all over India and it is expected that the Society will be in a position to produce and supply really good malt.

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

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

Authorised Capital	...	Rs. 20,00,000.
Paid-up Capital	...	„ 10,74,600.
Statutory and other Reserves	...	„ 12,46,632.

The Bank is the apex bank for the issue of long-term agricultural credit through the Co-operative Land Mortgage Banks in the Province.

The Bank issues first mortgage debentures fully guaranteed by the Government of Madras, both as regards principal and interest. For each series of debentures issued, a Sinking Fund on the lines advised by the Reserve Bank of India, Madras, is constituted into which payments are made to accumulate funds to pay off debentures on maturity.

For further particulars, apply to the Secretary.

LUZ, MYLAPORE, MADRAS, } N. S. KONETI RAU, B.A., B.L.,
Dated, 4-3-1944. } *Secretary.*

Questionnaire.

Though this questionnaire deals with the problem of Milk Supply in the City of Madras we are publishing it as many of the questions are also of general interest applicable to most of the towns in the presidency. Answers may be kindly sent to the Registrar of Co-operative Societies, Chepauk.

Production.

1. Please state the sources of supply of milk to the City at present? How much of it is produced within the city and how much is got from outside.
2. Give an estimate of the number of cows and she-buffaloes in the City separately and the average yield of each?
3. How much milk is produced by cows and she-buffaloes kept by private persons for their own use and how many such buffaloes and cows are there?
4. How much milk is produced by commercial animals for sale and how many cows and buffaloes are there for such purpose?
5. Please give an estimate of the total supply of milk to the City made up of production within the City and the import from outside the City.

Prices.

6. What is the present rate of cow's milk and buffalo's milk? What are the maximum and minimum rates? What was the price of cow's milk and buffalo's milk in the years 1940, 1941, 1942 and 1943?
7. What in your opinion are the reasons for the increase in the price of cow's and buffalo's milk?
8. Have the prices of milch animals gone up? What are the prices at present? Compare them with the prices of 1940, '41, '42 and '43.
9. Has the cost of maintenance of a cow or a she-buffaloe gone up? What are the items of food for the cattle and please state with reference to the present prices and prices in 1940, '41, '42, and '43, the extent to which the cost of maintenance has increased.
10. What is the average yield of a buffalo and a cow at present? Is any change in the yield noticed at present with reference to the yield in the previous three or four years?

Consumption.

11. What is the average consumption of milk per day per head in the City?

12. Please give an estimate of the average consumption per day per family in respect of the following classes of population :—

1. Families with an income of Rs. 30 and below

Between Rs.	31 to 50
" "	51 to 100
" "	101 to 200
" "	201 to 500
" "	501 to 1000
	Over 1000

13. What part of the milk purchased is taken as fluid milk and what part of it is converted into curd ?

14. Of the total consumption in the City what part will be consumed by

- (a) Private individuals
- (b) Hotels, Boarding houses, and cafes
- (c) Hostels, Hospitals, Colleges and temples etc.

15. Are there variations in the demand for milk in different months in a year ? If so, what are the variations ?

16. Do you think that the available supply is sufficient ?

Distribution.

17. How is distribution of milk made? What are the agencies employed in the distribution of milk in the City and how do they operate ?

18. How much milk is handled by each agencies engaged in distribution ? Give approximately the percentage of milk supplied in each of the following ways.

- (a) by milking the animals at the consumers' doors
- (b) by retail supply through vendors
- (c) supply through depots and markers
- (d) supply by the Milk Supply Society.

19. Are there regulations to control the handling and distribution of milk to the City ? Are they adequate ? Are these regulations strictly enforced ?

20. To what extent is adulteration prevalent ? What are the reasons ? What are the adulterates used and in what proportion generally ?

General.

21. Do you feel that there is any difficulty in getting adequate supply of milk ? If there is any difficulty, what is it due to ?

22. What are your suggestions for improving the supply ? Do you think it possible to increase the supply from the adjacent rural areas ? Give details. Are transport arrangements adequate ?

23. Do you suggest any improvement to the existing method of distribution of milk obtaining in the City ?

Correspondence.

Dear Sir,

Reading the instructive presidential address of Professor M. Venkangiah, M.A., of the Ardhra University, at the Rajampet Co-operative Conference, published in your *journal* of February 1944 I came across his golden advice to Central Banks that they "should not care for their individual profit only" but "should pay equal attention to the good of the borrowers." This vital co-operative principle, it must be confessed, has generally been neglected with the consequence that many a society which could have been saved, if the principle were followed, has been ruined. It hardly ever occurs to many a Central Bank that they and their primaries are but parts of one body and that in order to keep the whole body in health and strength all parts should receive equal attention. I would instance the more recently started Provincial Central Land Mortgage Bank. While it has made huge profits from an early stage of its working, many of the primaries have worked and are still working at loss, and several of the primaries shown as having worked at profit have paltry sums to their credit as nominal profit. One main cause for this was that out of the three per cent margin between its borrowing and ultimate lending rate the Central Bank has appropriated two per cent for itself and allowed only one per cent to primaries. A more equitable allocation to the primaries would have placed them in better financial strength. Moreover, the concessional treatment similar to what Government had given to the Central Bank when it was started, by helping it with a staff free of cost for doing its work till it could stand on its own legs, might have been extended by the Central Bank to its primaries when they were started especially when it had quite plenty of profits to help from. The advice now given by the Professor President is quite opportune to get Central Banks to consider seriously their future *modus operandi* in view to add strength to their affiliated societies.

A. RAJABADAR.

Circular.

Sub : Co-operative stores societies—Safe custody of stocks—Precautions against theft—Taking of.

An instance of theft in a stores society has been reported to the Registrar. It is stated that thieves forced open the locks and carried away piecegoods to the value of Rs. 279.

There was no night watchman for the stores and the theft was not found out till the next morning. The Registrar desires all Deputy Registrars to impress on the directors the need for strengthening the precautionary measures against theft. As they are ultimately responsible for the safety of the stocks it will be a neglect of duty on their part if they do not take reasonable precaution against theft as ordinary businessmen would do. Whenever the circumstances warrant, night watchmen should be appointed or the existing bars in windows reinforced or flimsy locks replaced by strong ones, etc.

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—Commerce, 29th May, '43.

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| 4. Kilpauk Branch II | ... | No. 11, Rajaratnam Road, Kilpauk. |
| 5. Chetput Branch | ... | No. 33, Harrington Road, Chetput. |
| 6. Nungambakkam Branch | ... | No. 1, New Street, Nungambakkam. |
| 7. T. Nagar Branch I | ... | No. 27, Pondy Bazaar, T. Nagar. |
| 8. T. Nagar Branch II | ... | No. 53, Oostman Road, T. Nagar. |
| 9. Triplicane Branch | ... | No. 1/63, Big Street, Triplicane. |

For Sale of Kodur Sathukudi Oranges, Etc

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| 13. | Mambalam Firewood Depot. | | Sivaprakasam Road, T. Nagar. |
| 14. | Nungambakkam Firewood Depot | ... | Avenue Road, Nungambakkam. |
| 15. | Wall-Tax Road Firewood Depot | ... | No. 130-A, Wall-Tax Road, G. T., Madras. |
| 16. | Triplacane Firewood Depot. | | No. 2, Bandi Venkatesa Naicken Street, Triplacane. (near Ganganna Mandapam). |
| 17. | Mylapore Firewood Depot. | | No. 18, Mundakkanni Amman Koil St., Mylapore. |
| 18. | Alwarpet Firewood Depot. | | Mowbray's Road, Alwarpet. |
| 19. | Chintadripet Firewood Depot | ... | No. 10, Mangapathi Naicken Street, Chintadripet. |
| 20. | Purasawalkam Firewood Depot | ... | Gangadeswaran Koil Street, Purasawalkam. |

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

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