Regd. No. M. 1284.

128

# THE Madras Journal of Co-operation

EACH FOR ALL, AND ALL FOR EACH

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## Editorial Notes.

### The International Co-operative Day.

This year the International Co-operative Day is to be celebrated on November 4, 1944. Its observance and reiteration of the Declaration of Faith in the ideals and ideas for which the Movement has stood are necessary so that we, co-operators, may not lose sight of them when the time for Peace comes. As the Declaration of Faith given below affirms, we should exert our utmost to secure the recognition and embodiment of the fundamental principles of Co-operation and also their application 'to every aspect of economic, cultural and social life of the community'. The Declaration of Faith which should be read and affirmed at all meetings of co-operators on the 4th November runs as follows:—

#### A Declaration of Faith.

"We, co-operators, called by the International Co-operative Alliance to observe the 22nd International Co-operative Day, in 1944, in the year of the Rochdale Centenary—

Affirm anew our faith in the principles laid down by the Pioneers of Rochdale whose immortal memory we salute;

We avow that these principles are ideal basis for collaboration and understanding between men and nations;

We call to witness the innumerable voluntary co-operative organisations of all types throughout the world as irrefutable proof that the Principles of Co-operation can be applied to every aspect of economic, cultural, and social life to the benefit of the whole community; and

pledge ourselves to exert all our influence, nationally and internationally, to secure the recognition and the embodiment of the Fundamental Principles of Co-operation in the coming Peace Settlement, and thus usher in a new era of human progress through International Co-operation.

## An Inspiring Message.

On the occasion of the International Co-operative Day, Mr. R. A. Palmer, Acting President of the International Co-operative Alliance, has broadcast an inspiring message which all co-operators should carefully read and ponder deeply over the noble sentiments contained therein. To enable every co-operator to know the Message we have great pleasure in reproducing it. It runs as follows:—

### A Message for Co-operative Day, 1944.

Falling as it does in the Centenary Year of the Movement, 22nd Co-operative Day is of special significance. I extend fraternal greetings to the co-operators of every country and fervently trust that whatever sufferings they may be enduring on account of the war their Faith in our Co-operative Ideals will strengthen them and brighten their hopes for the future.

We have now had 100 years' experience of Co-operation; the beneficial effects of co-operative action have been proved and are apparent to multitudes. Co-operation is no longer an abstraction but a dynamic and magnificently successful programme: one which can be extended almost without limitation, and brings a wealth of material and social benefits to all who follow the co-operative standard.

To-day Co-operators in a number of countries are examining the prospects for greater international co-operative action. The vision they are displaying is both welcome and heartening, for we all hope that the post-war world will witness a great revival in international trade and that the artificial devices used in the past to prevent such developments—devices which were the cause of much of the poverty and misery which afflicted humanity between 1919 and 1939—will not be re-instituted. But in welcoming the prospects of a great revival in international trade, emphasis must be laid upon the importance of







it being conducted on a co-operative basis to [illegible] uncontemplated.

Consumer and Producer Co-operative Societies must work together, for such collaboration will atleast check the recurrence of those great pools of depression among agricultural communities which, in the long run, drain prosperity from the peoples of the great industrial nations and cause widespread economic confusion. Through Co-operation we can help to establish an equitable world economy, in which peace will be a reasonable possibility.

The view has been expressed that the war will have made international co-operative relations more difficult. While the severance of international co-operative connections, enforced by the war, have led to some misunderstandings I, personally, contemplate the re-union of international co-operative leaders at an early date after the war. I believe that the common interest in the co-operative ideal and the universal determination to see its fulfilment will overcome any national differences or difficulties and will permit the re-establishment of that international co-operative unity which has characterised the Movement since the inception of the Alliance.

May Co-operators of every nation unite in launching the second century of Co-operation which will prove more glorious than the past; which will benefit the peoples of the whole world, relieving their wants, enlightening their minds, and providing them with an Harmonious Social Order compatible with Freedom and Democracy.

## Producers and Consumers.

Elsewhere we have published fully the interesting speech of the Hon. Sir N. Gopalaswami Iyengar delivered on the occasion of the opening of the Show-room *cum* Emporium recently organised by the Madras Provincial Marketing Society. Sir N. Gopalaswami Iyengar took the opportunity to utter some wise words regarding the supposed conflict between the producers and the consumers. As co-operative opinion appears to be sharply divided on this important topic, we would content ourselves by merely drawing the attention of our readers and refrain for the present from expressing our own view on the subject. We would earnestly invite the views of co-operators and we promise to deal with them as far as the exigencies of space permit us to do so.

**Cottage Industries.**

In the course of his observations, Sir N. Gopalaswami Iyengar referred to the place of cottage industries in the national economy and the deplorable state of these industries at present. He observed, 'No national planning of industrial advance in India can ignore the important role that cottage industries must play therein, nor fail to co-ordinate them harmoniously with the development of big industry' as he firmly believes that the 'prosperty of the countryside is closely linked up with their development.' Sir N. Gopalaswami Iyengar also expressed his view that the co-operative method is admirably suited to revive most of them in a satisfactory form as that method 'ensures continuity and permanence to the organisations set up for the purpose.' We heartily endorse this view and request Government to take active steps to promote cottage industries by co-operative method. Those who have watched the plight of the handloom industry and its recent rehabilitation are convinced that with State assistance the other cottage industries can also be successfully resuscitated. Whether a separate Provincial Society is necessary for the purpose or if the Provincial Marketing Society can as well fulfil that purpose is a matter of little consequence. But there is no denying the fact that some Provincial Organisation is necessary to serve the purposes such as those now fulfilled by the Provincial Weavers' Society in respect of handloom industry. Then again for organising the societies and provide control and supervision in the initial stages there should be special Deputy Registrars with the necessary staff for different regions. There is only one Deputy Registrar for the weavers' societies. His jurisdiction is so large it is practically impossible for him to attend even to the needs of handloom weavers in all parts of the Presidency. If necessary the work relating to weavers may be combined with that relating to cottage industries and at least four or five Deputy Registrars may be appointed dividing the Presidency into four or five regions whose only duty will be to promote the interests of cottage industries including the handloom weaving industry. As Sir Gopalaswami Iyengar pointed out the condition of cottage industries is deplorable and the sooner the Government give their attentton to their rehabilitation the better as otherwise even with the prosperty of agriculture the economic rehabilitation of the countryside cannot be assured without simultaneous develpment of cottage industries.





**Handloom Weavers.**

For the first time a Regional Conference of weavers' co-operative societies met at Yemmiganur under the presidency of a weaver President, Mr. M. Singariah of Pullampet. It was largely attended by delegates from Rayalaseema. In the unavoidable absence of Mr. W. R. S. Satthianathan, I.C.S., Registrar of Co-operative Societies, his opening address was read by Sri A. D. Balasundaram Mudaliar, Business Manager of the Madras Provincial Handloom Weavers' Co-operative Society. As the address of Mr. Satthianathan contains an admirable summary of the past efforts made for the rehabilitation of weavers' societies and the future programme of work, we hope to publish the full the proceedings in our next issue. The resolutions adopted by the Conference, though dealt with the peculiar problems facing the weavers of the area, are of more than ordinary interest. We heartily commend the idea of regional conferences as they enable the societies to come together and deal with problems peculiar to their craft in those regions.

**Needs of Agriculturists.**

Last month we pleaded strongly for utilising the agency of co-operative institutions for the sale of iron and steel tyres and implements of agriculture. From representations received it is seen the change made in the agency for the sale of these essential articles required by the agriculturists has caused wide-spread dissatisfaction, especially as the change has been effected on very untenable grounds. As we suggested all possible safeguards may be imposed to prevent the abuse of patronage vested in the agency entrusted with the sale of these goods. But to deprive the co-operative agency of discharging the functions which it is eminently fitted to perform is to say the least uncalled for. We would also urge the co-operative agency should be utilised for the sale of all requirements of agriculturists—seeds, manures, implements etc.,—and the societies should be encouraged to undertake this work and thereby inculcate in them both by precept and example how they can play their legitimate part in promoting the economic interests of the rural population. It is far better to trust an institution in doing justice than an individual, for the Agricultural Department can only employ individuals for the purpose.

**Procurement.**

This week's *Fort St. George Gazette* publishes orders issued under the Defence of India Rules for the procurement of paddy, rice and millets during crop year, 1944-45. They deserve careful study as on the procurement operations conducted in accordance with those Orders depends not only the plight of the consumers but also the interests of producers. We hope to notice these orders in our next issue. Meanwhile we shall welcome criticisms from our readers giving their point of view.

**Co-operative Marketing.**

It is refreshing to read speeches emphasising the need for co-operative marketing of agricultural produce. Opening the Bombay Provincial Co-operative Marketing Conference, Sir H. Knight, Adviser to the Governor of Bombay, said, 'It is essential that the cultivator should have at his disposal a business organisation from which he can expect a fair deal. In any planning for the future of India, the planned marketing of agricultural products is essential'. What benefits accrue to the cultivators by the existence of co-operative marketing organisations, co-operators of this province need not be told. However, the use of such marketing facilities has been voluntary. In Bombay under the Agricultural Debtors Relief Act, a debtor cannot sell his farm produce without the permission of the institution or the person from whom he had obtained crop finance. It is necessary to examine whether a similar provision is called for in our province or whether the assurance of a prior claim on the produce is enough. Sir H. Knight also said: "Measures must be undertaken to secure to the agriculturist a larger share of return from agriculture than in the past, and to insure him from the disastrous consequences of successive booms and slumps in agricultural prices. He must be provided with the capital to work his holdings, and with the certainty that the support of himself and his family will have a prior call on his produce over the demands of middlemen and landlords." We await with interest concrete proposals calculated to give effect to this laudable object and to what extent co-operation can secure these to the agriculturist.

**Provincial Conference.**

As we go to the Press, the Provincial Co-operative Conference has concluded one of its most successful sessions. We tender our grateful thanks to all those who contributed to such a stupendous success.



# First Centenary of the Rochdale Pioneers

## A RETROSPECT AND A PROSPECT.

By R. D. GUPTA, M.A.

"At the close of the year 1843, on one of those damp, dark, dense, dismal, disagreeable, days, which no Frenchman can be got to admire—such days as occur towards November, when the daylight is all used up and the sun has given up all attempt at shining in disgust or despair—a few poor weavers out of employ, and nearly out of food and quite out of heart with the social state, met together to discover what they could do to better their industrial condition."*

Thus describes Holyoake, in his inimitably picturesque style, the inception of the Rochdale Pioneers. This meeting held on a murky evening in November, 1843, bore fruit and the Rochdale Society of Equitable Pioneers was registered on October 24, 1844. And on an equally disagreeable evening—December 21, 1844—the Pioneers commenced business, i.e., opened their unpretentious shop in Toad Lane under the jeers and merriment of the whole neighbourhood.

Since then one hundred years have passed. The Co-operative Movement which then began as a seedling has now grown to a large banyan tree, its branches and ramifications reaching down the remotest corners of the earth; the small stream that trickled down from that obscure lane in Rochdale has now watered the plains of India and China on the one hand and the prairies of America on the other. Co-operation, of which very few people knew and for which still less cared, has now become a world force to be reckoned with.

Co-operation is essentially an economic movement. It aims at supplying, in the first instance, the material necessities of life. Its activities, therefore, include production and distribution of commodities. It carries on business within the frame-work of the existing capitalist economy, though it eliminates the driving force of capitalism—the profit motive. The business progress of the movement in Great Britain since 1881 has been as given below :—

| S. N. | Year. | Numbers. | Trade. £ |
|---|---|---|---|
| 1. | 1881 | 547,212 | 15,411,185 |
| 2. | 1891 | 1,044,675 | 30,599,401 |
| 3. | 1901 | 1,793,167 | 52,761,172 |
| 4. | 1911 | 2,640,429 | 74,812,469 |
| 5. | 1921 | 4,548,557 | 218,780,384 |
| 6. | 1931 | 6,590,020 | 207,888,385 |
| 7. | 1941 | 8,773,255 | 302,246,329 |

These figures bear ample testimony to the fact that the Co-operative Movement has been taking steady strides forward in Great Britain. Similar has been the progress of the Movement in other countries and figures can be quoted for them.

We can feel jubilant over the evidence furnished by these figures and can be inclined to rest on our laurels. But let us see how others see us and what others say about us. Let us pause and consider.

It is accepted to-day that the basic argument against capitalism is not so much that it is unfair to the worker or to any particular class, as that it is restrictive to humanity. Co-operation has the declared aim of replacing it. But the question is, are we going fast enough? Let us just listen to H. G. Wells:—

"And yet one may doubt whether this movement (Co-operation), as it exists at present, will ever crystallize out into that promised new world. The new world, it seems, needs something more, much more, than it is to be found in this sane and discreet extension of

* G. J. Holyoake: The History of the Rochdale Pioneers, p. 2.



2

membership and . . . . . . . . . . . The European Co-operatives supply good, honest goods at honest prices but they do not lead in the production of better and novel goods. They do not supply interesting goods. The privately owned shop can beat them at that . . . . . they may evoke partisan excitement, but they do not evoke pride. They have grown to great things in a hundred years, but they have to grow still more rapidly in this age of new bigness if they dream of leading the world . . . . . . which is not to say that the co-operative movement will be so much defeated and disappear as overtaken—as it has already been overtaken in Russia and Italy—and incorporated into bolder and wider enterprises with a more explicit plan and a deeper emotional drive." *

In the passage quoted above, H. G. Wells has correctly diagnosed the malady rendering the Co-operative Movement anaemic. The present is the age of speed where ideas and events move fast. New ideas *e.g.*, socialism and fascism, have suddenly sprung out of the human mind fully developed, like armour-clad Athena out of the head of Jove, and taken the world by storm. Revolutions occur and 'the old order changeth, yielding place to the new.' After the world war of 1914-18, events moved so fast that it took them only 15 years to change the very face of society in Russia, Germany, Italy, Turkey and other countries. What may come after the present war nobody knows, but it is certain that cataclysmic changes are awaiting the post-war world.

The achievements of co-operation, in view of these facts, dwindle into insignificance. In a fast-moving world we are being left behind. Whirlwinds are raging abroad while we are moving leisurely at our old pace. The race is hard and we must not expect any quarter from our competitors.

If we wish to save ourselves from a languishing death, we must immediately take stock of our household and start afresh. A reorientation of ideals is required as well as fresh vigour to put them in action. It is regrettable that, though we claim one hundred years of history, we do not yet possess a crytallized philosophy of our own. We have yet produced neither an Adam Smith nor a Karl Marx. Our ideas are hazy and our notions nebulous. It is, therefore, our first duty to define our principles and to evolve an ideology. For a movement without an idealogy is as helpless as a ship without a compass. "Hitch your wagon to a star," said Emerson, that great American sage, and we must follow his advice if we want to give our Movement direction and strength. People suffer martyrdom and start on crusades for the sake of their ideals. Our ideals are noble: let their flame burn pure and unwavering.

Equally important for us is a well-planned propaganda drive. The greatest obstacle in the way of the Co-operative Movement is that people know so little about it. They must be told insistently, once and again, that co-operation is meant not for one section only but for the masses; it is a movement in the interests of not only workmen, or petty artisans or small agriculturists, but of humanity in general. The mind of the present public whether educated or uneducated revolves in traditional grooves of the money nexus and the profit motive. The grooves have to be broken. The public must be explained that money was meant only to facilitate the exchange of goods and not as a measure of all earthly values; they must also be explained that the profit motive, when Marx calls the creation of surplus-value, is pure and simple cheating, for what accrues as surplus to your pocket must come from somebody else's pocket, and that means robbery and exploitation, leading to poverty and misery, and strife and war. Co-operation aims at reverting money to its pristine position and eliminating the profit motive.

This propaganda will enlist the youth with a missionary zeal. As soon as the philosophy of co-operation attracts the youth, half the battle is won; for, the youth, who can live for and die for an ideal, are the backbone of any living movement.

Only thus can we hope to accelerate our progress and avert the impending calamity of which H. G. Wells has given us such a timely warning.

* H. G. Wells: Work, Wealth & Happiness of Mankind.



# Note on the Working of the Co-opertaive Movement in Kurnool District.

(*Contributed.*)

The progress made by the several types of Co-operative Societies is detailed below:

| Year. | No. of societies. | No. of members. | Paid up share capital. | Reserve fund. | Working capital. | Total loans outstanding against members. | Of which overdue. | Per cent of balance to demand. |
|---|---|---|---|---|---|---|---|---|
| | | | Rs. | Rs. | Rs. | Rs. | Rs. | |
| 1940-41 ... | 262 | 12,939 | 1,73,414 | 1,29,219 | 13,22,867 | 9,08,361 | 5,55,637 | 69.2 |
| 1941-42 ... | 257 | 12,803 | 1,73,185 | 1,33,084 | 12,77,484 | 8,57,863 | 5,82,985 | 68.9 |
| 1942-43 ... | 258 | 12,366 | 1,65,326 | 1,39,315 | 11,96,004 | 6,92,207 | 4,83,453 | 58.5 |

During the year 1943-44, sixteen credit societies were registered and two societies were liquidated. The number of credit societies at the end of the year 1943-44 was 267. There are 884 villages in Kurnool District. The ideal of one society for each village, to finance the agriculturist for his agricultural operations as well as his domestic requirements, has not yet been reached. Attention is being devoted to the rectification and consolidation of the existing credit societies and a cautious policy of expansion is being pursued.

**Stores Societies:**

| Year. | | No. of societies. | No. of members. | Paid up share capital. | Reserve Fund. | Working capital. | Total sales in the year. |
|---|---|---|---|---|---|---|---|
| | | | | Rs. | Rs. | Rs. | Rs. |
| 1940-41 | ... | 8 | 984 | 5,647 | 1,244 | 14,026 | 4,158 |
| 1941-42 | ... | 9 | 910 | 5,926 | 977 | 14,708 | 31,171 |
| 1942-43 | ... | 25 | 4,326 | 83,463 | 1,935 | 2,17,287 | 7,07,051 |
| 1943-44 | ... | 49 | 10,565 | 2,51,888 | 13,521 | 7,74,600 | 66,05,630 |

Owing to the conditions created by war, a keen need for the organisation of stores was felt, and even though a cautious policy in the registration of stores societies was pursued, the number of stores increased to 49 by the end of the year 1943-44. The membership and share capital in these 49 stores societies on 30-6-44 were 10,565 and Rs. 2,51,888, respectively. The 48 primary stores effected sales to the tune of Rs. 32,37,527 and the Wholesale Stores sold articles to the tune of Rs. 33,68,103. The Stores sold articles to members as well as non-members without any distinction. Though the rapid growth of the stores movement is mainly due to the present day War conditions, necessary steps are being taken to make it a permanent feature after the War by stabilising their resources and keeping them on sound financial basis. The stores are now carrying 50 per cent (instead of the statutory 25 per cent of their net profits to Reserve Fund and also create appreciable reserves for Business Losses. They are also increasing their paid up share capital substantially. There is a Co-operative Sub-Registrar and a Co-operative Senior Inspector sanctioned by Government for supervision of stores societies besides a separate auditor for them. The Wholesale Stores pays for its own audit and has employed a Senior Inspector under F. R. 127 exclusively for its audit.

All the 25 ration depots in Kurnool and 6 out of 15 depots in Nandyal are managed by Co-operative Stores societies in the respective towns.

**Weavers Societies:**

| Year. | No. of societies. | No. of members. | Paid up share capital. | Reserve Fund. | Working capital. |
|---|---|---|---|---|---|
| | | | Rs. | Rs. | Rs. |
| 1940-41 ... ... | 7 | 428 | 1,585 | 838 | 9,240 |
| 1941-42 ... ... | 7 | 642 | 2,548 | 1,040 | 13,042 |
| 1942-43 ... ... | 8 | 944 | 3,121 | 1,116 | 29,108 |
| 1943-44 ... ... | 11 | 1,358 | 11,958 | 7,326 | 58,951 |

On 30-6-1944 there were 11 weavers' societies in the district with a paid-up share capital of Rs. 11,958. The societies are supplied with yarn by the Madras Provincial Handloom Weavers' Co-operative Society. The Kurnool District Co-operative Central Bank provides necessary finance to these societies. Arrangements are also made for the sale of finished products of these societies through the Sales Emporium at Kurnool established and managed by the Provincial Weavers' Society. The societies produced cloth to the value of Rs. 77,395 and sold stock to the value of Rs. 87,680 during the year 1943-44.

The weavers' societies at Kodumur and Gudur were entrusted with the execution of War Orders for the following varieties of cloth:—

| | | |
|---|---|---|
| Bondage Plaster of Paris | ... | 150,000 yds. |
| China Sheeting | ... | 90,000 yds. |
| Dusters | ... | 39,000 yds. |

To relieve the distress among the weavers at Kodumur, the Government sanctioned a Relief Scheme which worked for one year from 1-4-1943 to 31-3-1944. Under the Relief Scheme work was provided to about 350 looms in the village. To supervise the work under the Relief Scheme, the society was given the services of a Co-operative Inspector free of cost and a monthly subsidy to meet establishment and contingent charges.

**Other Non-credit Societies.**

| Year. | No. of societies. | No. of members. | Paid up share capital. | Reserve Fund. | Working capital. |
|---|---|---|---|---|---|
| | | | Rs. | Rs. | Rs. |
| 1940-41 ... | 36 | 678 | 10,550 | 3,445 | 1,12,329 |
| 1941-42 ... | 37 | 1,004 | 12,730 | 3,943 | 96,178 |
| 1942-43 ... | 39 | 1,128 | 12,980 | 4,147 | 80,091 |





On 30-6-1944 there were 38 non-credit societies of various types including cottage Industries, societies, fishermen societies, stationery stores societies, etc., as detailed below :

| | | |
|---|---|---|
| Cottage Industries societies | ... | 2 |
| Fishermen societies | ... | 6 |
| Stationery Stores societies | ... | 8 |
| Marketing societies | ... | 7 |
| Milk Supply societies | ... | 2 |
| Cattle breeding society | ... | 1 |
| Cumbly Weavers societies | ... | 3 |
| Agricultural Improvements' societies | ... | 2 |
| Land Colonisation society | ... | 1 |
| Chenchu society | ... | 1 |
| Building society | ... | 1 |
| Labour Contract societies | ... | 2 |
| Charcoal Purchase and Sale society | ... | 1 |
| Swadeshi stores | ... | 1 |
| | | 38 |

There are two cottage industries societies. The one at Nandyal is providing work viz. weaving, spinning, embroidery work. etc. to the poor women of the S.P.G. Mission. The other society at Kurnool is for the basket-makers and the members are provided with the necessary finance to obtain the raw materials on joint purchase system. The possibilities of organising societies for the development of other cottage industries have to be examined.

The Atmakur Chenchu Purchase and Sale Society, for which the Collector is the ex-officio President, is marketing the minor forest produce to the best advantage of the Chenchus. During the year 1943-44, the society sold minor forest produce to the value of Rs. 11,566. The society is also supplying food grains to its members.

The Government have been pleased to sanction a Colonisation Scheme at Ahobilam and a society has been formed for the purpose. The Government alienated 578-94 acres of land in favour of the Colonisation Society. The members are attending to the reclamation work. Necessary financial assistance is also being given by the Government as well as the Kurnool District Co-operative Central Bank.

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# Recent Utterances

## THE MADRAS PROVINCIAL CO-OP. MARKETING SOCIETY, LTD.

### OPENING OF AN EMPORIUM

Mrs. K. Satthianathan M.B.E., who presided on the occasion, said:—

I feel very proud that I have been selected to preside to-day, especially when such a man as Sir N. Gopalaswami Iyengar is to speak. It is a privilege for us to have him here, and I am sure that, like me, you will all listen to him with the greatest of pleasure, and reap much benefit from the remarks he will make.

It has been admitted on all sides that the Madras Provincial Marketing Society has shown great strides in its upward progress. Started as long ago as 1936, its sales have advanced by leaps and bounds, amounting nearly to about 4 million rupees in 1944. The area of its catering is wide and far-flung, its range of supplies is vast and varied. Hitherto restricted to the marketing of agricultural produce only, it has now advanced to the sale of various articles produced by the cottage industries societies in this Presidency. This show-room, that has just been opened, is the first of its kind in this branch of the society's work. I have been going through the list of articles for sale in this Emporium and I have been so impressed that I feel any one can do all the shopping here that he or she requires.

For dress, you can get coatings, dhoties, banians, vests, lungis, belts, shoes and sandals of various kinds. Ladies can purchase beautiful leather hand-bags, good handkerchiefs, shawls and foot-wear. Children can be provided with toys of various kinds.

If you wish to travel, you can provide yourself with camp-cots and camp-quilts; you can furnish your drawing room with fine carpets, brass ornaments, rose bowls, flower vases and electric standard lamps: you can supply your bed-room with sheets, pillow covers, blankets and rugs; your dining room can be provided with plates and dishes of all sorts and with cutlery; your kitchen can be set up with cooking vessels, and there are knives to cut up vegetables and meat. Your bathing room can get soaps, scents, and towels, water-vessels and *chembus*. You can keep your water cool in white *kujas*. You can get jaggery for your sweets, and honey for your medicine. You can get cigars to smoke, matches to light them with and ash-trays to empty your ashes into. You can present your servants with cumblies, grey blankets, vests and banians. If you get burglars at night, you can tie them up with coir ropes purchased here. If you have a boat, you can get anchor ropes for it. In short, I think you can procure everything here that you may require.

The main object of the society is of course to help the Producer Societies to market their wares to the best advantage; and now it has been recognised as the Central Agency for the procuring and distributing of controlled commodities on behalf of the various District Central Stores during the duration of the war.

This Emporium is specially dedicated to Cottage Industries, and I am very pleased that these are being encouraged on such a large scale, not only because such industries will bid fair to become one of the props of industrial India after the war, but also because their growth and advance will have the great effect of bridging the activities of women to the fore-ground; for there is no doubt that women are specially fitted for cottage industries, not only because of their habits of prudence and thrift; not only because of the delicacy and fineness of their touch, but also because most of them will be able to spare more leisure for this kind of work than men can.

I am very happy also to note in this Emporium the inclusion of articles from Ladies' Stores, like the Ladies' Welfare Society at Tirupathi, the Mangalore Ladies' Stores, the Pudupet, Royapettah and Thyagarayanagar women's cottage industries societies, the Social Service League of the Queen Mary's College at Mylapore and so on.

I am sure we all wish more and more success to this new venture of the Co-operative Marketing Society. And I feel certain that it will eventually prove its worth, if the people





who conduct its activities make up their minds to work for it heart and soul. Untiring energy in securing supplies and courteous tact to purchasers are urgently required. More than all, careful balancing of accounts, scrupulous honesty in financial dealings and un-impeachable conduct of affairs, are needed. In addition, there is the need for the true spirit of co-operation, viz., the greatest mutual mixing-up of interests, a fine espirit de corps, a kindly spirit to subordinates and an intense desire to satisfy the wishes and suggestions, not only of the members of the society, but of all earnest well-wishers of the same. I am sure, we shall continue to find all this, as the Society grows and expands, and as the show-room comes more into prominence and grows in size, bulk and variety. I wish you again all success and I pray that God may bless all your endeavours.

The Hon. Sir N. Gopalaswami Iyengar, C.S.I., C.I.E., who performed the opening ceremony then said:—

When I was approached with the request to participate in this morning's function I felt a natural hesitation in agreeing to undertake a task for which, I was conscious, I had no credentials except perhaps my general faith in the co-operative ideal. The qualities which made Rao Bahadur Giriappa when in office, and make him now even when out of office, so successful an apostle of all forms of co-operative endeavour got the better of my hesitation; I am accordingly here to-day, allured not so much by the prospect of performing the pleasant, albeit ornamental ceremony of opening the Show-room *cum* Emporium of the Madras Provincial Marketing Society as by the desire of establishing contact with, and educating myself in another of the interesting developments of co-operative effort in this province.

What has impressed itself on me after reading the brief report on the activities of the Madras Provincial Marketing Society—which Mr. Giriappa has been kind enough to supply me with—is the remarkable progress that the Society has achieved in the short period of 8 years during which it has been in existence. This progress is in the main due to the fixity of purpose, and the persevering devotion to the cause, of the Society's Presidents—the first, my esteemed friend Mr. T. A. Ramalingam Chettiar, whose impressive contribution to the Co-operative Movement in the province, over the long years that he has been connected with it, has throughout been characterised no less by high character than by wisdom and practicalness; the second Mr. Giriappa, a tried administrator, a genuine friend of the Movement and still an unusually energetic worker therein. The sales effected by the Society have risen from about Rs. 86,000 in the year following its inauguration to Rs. 40 lakhs in 1943-44. The commodities and articles dealt in have shown a commendable expansion in volume and variety. The war has no doubt been responsible for the bulk of the increase in volume particularly during the last two years but, even making allowance for this, the progress registered is a matter a genuine satisfaction.

The economic upset due to the war has left its impress on this institution for co-operative marketing as well. With due regard to the need for rendering maximum service to the public, the Society has found itself unable to keep rigidly to co-operative theory. The primary object for which the Society was originally started was to find a good market for the surplus goods of the Producer Societies in the Presidency. This for the time being has come to be but a minor item of its transactions, so much so that the writer of the report—to which I have made reference already—has been obliged to strike a somewhat apologetic note "The Society has however, *not forgotten* its main object of helping Producer Societies in marketing the produce of their members to their best advantage."

It will probably not be possible for the Society for many years to come to avoid dealing in goods not co-operatively produced and there is nothing intrinsically blameworthy in the Society's selling other consumer goods to a clientele, the retention of whose custom ensures the successful marketing of the goods produced by Producer Societies. In respect of a number of commodities, controlled and other, the Madras Provincial Marketing Society has functioned as a Wholesale Society in relation to both primary and district wholesale stores and the Society has pursued a policy of making large scale purchases for wholesale distribution not merely to consumer co-operatives but to private retail shopkeepers and to clubs, hotels and other non-co-operative large establishments; and a large portion of these purchases has been made from sources co-operatively organised. Prima facie, I see no objection to this policy being pursued during exceptional times, such as the present, especially in view of the very substantial service rendered to the public.

There are people who think that there will be an inevitable conflict of interests between those members of the Marketing Society who are consumers' co-operatives and those who are producers' co-operatives and that it is unwise to combine in the same Society the functions of a central marketing organisation for the sale of the goods produced by producers' co-operatives and of an agency for the wholesale purchase of the articles required for consumption by members of consumers' co-operatives. I firmly believe, however, that there is, in any case there ought to be, no room for any such conflict in the field of co-operation. Producers' Societies, apart from getting their products marketed, economise substantially in their cost of production by linking themselves to a co-operative organisation which can engage in the wholesale purchase of the raw materials they need; and consumers' societies, both primary and wholesale, have, both in India and other parts of the world, found it to their advantage to organise on their behalf co-operative production of some, if not all, of the articles they need for consumption as well as co-operative control of raw materials on a large scale.

The fear of conflict between producers and consumers is directly attributable, I should say, to members of co-operative societies not being real co-operators, of their being still under the sway of the maximum profit motive of a blatent competitive economy. The fear is directly at variance with the fundamental co-operative ideals of substituting harmony for rivalry and co-operation for competition, of making service and not profit the aim of economic organisation and of the principle of each for all and all for each. The fear can be largely removed by both sets of co-operatives becoming members of a common Central Organisation This is bound to produce greater understanding and promote closer collaboration. It is also in the interests of the Marketing Society that it should attempt what is bound in the long run to prove a healthy development. I believe such development is the trend all over the co-operative world. What will be necessary is a clear recognition of the co-operative ideal and a determined attempt—if necessary by a revision of by-laws and policy—to realise it. A joint central organisation like the Marketing Society should help in achieving the harmonisation of the interests of producer and consumer. I should for my part deprecate any attempt to raise barricades in the field of co-operative endeavours between consumers and producers.

No national planning of industrial advance in India can ignore the important role that cottage industries must play therein, nor fail to co-ordinate them harmoniously with the development of big industry. There is no denying that cottage industries must and will occupy a prominent place in our national economy. The prosperity of the country side, for instance, is closely linked up with their development. For want of adequate State protection and encouragement and in the face of powerful competition from mechanised industry many of them have languished. To revive them is our duty and for reviving in a satisfactory form, many, if not all, of them, the co-operative method seems admirably suited as it ensures continuity and permanence to the organisations set up for the purpose.

The outstanding example of fairly successful rehabilitation of a cottage industry by co-operative organisation is that of the handloom industry in this province. It is a matter for disappointment that co-operation has hardly touched the fringe of the similar problems that confront other cottage industries. Many of these have languished for want of raw materials or of facilities for the purchase of raw materials and the marketing of finished products. It is therefore good that the Marketing Society proposes not only to assist in the successful





marketing of products by organising show-rooms *cum* emporiums and otherwise but also to arrange for the procurement of the raw materials and perhaps some of the appliances required for manufacture. These forms of assistance are undoubtedly necessary and will help in their revival but more is obviously needed. During the period of production and later until sale is found for products workers in the industries have to maintain themselves. The cost of running these cottage industries societies including efficient arrangements for ensuring punctuality in the execution of orders, uniformity in quality etc., though it may not be large, is still beyond the means of many societies. The system of assistance afforded to Weavers' Societies, inadequate as it has been complained to be, has, I understand, contributed considerably to setting the handloom industry on its feet in recent years. I would strongly plead that the Government should agree to afford similar assistance to other cottage industries and on a more liberal scale to enable them to re-establish themselves successfully.

The condition of cottage industries societies other than Handloom Weavers' Societies is deplorable in the province. Of the 156 societies of this type which stand registered on the books of the Co-operative Department, 2/3 and more are either dormant, or not started at all or just started. Hardly a third are reported to be functioning. Only 7 are said to be working well. Of the 5 Charcoal Producers' Societies 3 are dormant. Of the 11 Ghee Production Societies one is not working and 9 are dormant and yet between March 1943 and June 1944 the Madras Provincial Marketing Society was able to supply to the Military ghee valued at Rs. 22.25 lakhs. Obviously most of this must have been purchased outside the co-operative movement. Of the 6 hand-pounded rice and malt-making societies 5 are either dormant or not functioning at all. It is obvious that a complete overhauling of the working of these societies is immediately called for. Also a vigorous programme for establishing new societies for cottage industries on a large scale in the province has to be launched. I am told that in the Industries Department Government have taken steps for the organising of a district staff for helping the promotion of cottage industries. But if as I have already indicated cottage industries are a field of industrial endeavour in which co-operation has a notable part to play it is important that the establishment of cottage industries and their guidance according to co-operative principles should be in the hands of an officer or officers trained in Co-operation. The present condition of registered cottage industries shows that the District Co-operative staff have their hands too full already with looking after other types of co-operative institutions. The Registrar has obviously no other trained staff at his disposal to help him in the supervision of the work of cottage industries societies. As a beginning, I think, he should have the assistance of a separate Deputy Registrar for cottage industries societies in the province, if it is not possible at once to divide the Presidency into 4 or 5 regions for each of which a Deputy Registrar should be appointed for this purpose. Short of this step it is too much to hope that there will be any substantial progress made in the near future in the establishment and proper functioning of co-operative institutions for cottage industries. The opening and running of a show-room *cum* emporium for cottage industries products will largely fail of its purpose if there are not producers societies enough in the province to stock it with goods.

The conditions in Madras City seem recently, to have taken a turn for the better particularly in respect of cottage industries societies organised amongst women. Six such societies are reported to have been registered so far with a membership of 270 and a paid-up share capital of Rs. 788-12. These are now engaged in tailoring and needlework, embroidery and lace-making, also making of leai plates and papadams! They have just begun work and their business, it is expected, will steadily increase. I note, however, that there is a Woman Special Officer to foster the development of cottage industries among women in the City, besides a Senior Inspector of Co-operative Societies for executive work and a Junior Inspector deputed free of cost for the audit of the accounts of the Societies in the City. I take this opportunity of congratulating co-operators in enlisting the assistance of Mrs. Satthianathan in the work of promoting cottage industries particularly amongst women in the City. I have no doubt that under her guidance and with her capacity for drive, we shall very soon have a number of full-fledged industrial co-operatives scattered over the City producing a variety of articles. If this happens, as I hope it will, the example set by the City is bound to spread to the mofussil and provided the Government sanction the necessary staff for this purpose we shall soon have a large number of industrial co-operatives all over the province. Let me finally express my hope that the initiative and enthusiasm which the Madras Provincial Marketing Society has shown in sponsering this movement will, irrespective of the returns in the shape of profits realised, remain.

It is a source of great pleasure to me to declare this Show-room *cum* Emporium of the Marketing Society open and in doing so I wish it an unending career of ever increasing usefulness and service.

# The Hon. V. Ramadas Pantulu

**October, 1873—March, 1944.**

"In the death of Mr. Ramadas Pantulu the country has lost a patriot, the agriculturist a valued and staunch friend, and the Co-operative Movement its pillar of strength." To these simple yet profound words, with which the Editor of the *Madras Journal of Co-operation* opens his Tribute to the great Indian Co-operative Leader who passed away at his home at Mylapore on the 16th March, we would add—that the International Co-operative Alliance has lost a distinguished member of its Central Committee and a great co-worker.

Mr. Pantulu's visit to Europe in 1934 when he came to attend the I.C.A. Congress in London will always be remembered. From the first moment of contact, the great unity of thought and purpose between him and the authorities of the Alliance was revealed. In the ten years since then, he has not merely followed all the work of the I.C.A. and made his contribution on every possible occasion, but he has earnestly striven to make the Alliance and its work, especially for world peace and understanding, better known and appreciated in India, and to keep the Alliance informed about the peculiar problems of the Indian Movement and the needs of Indian co-operators. By these efforts, which were sustained right to the end of his life and in spite of his failing health he has prepared the way for the Indian Movement's fuller participation in the international field and has indicated how the International Movement and the National Movements in the democratic countries can further the development of Co-operation in India.

Mr. Ramadas Pantulu, like many other great co-operative leaders, has devoted himself to the service of the people—and especially to the social and economic uplifting of the Indian agriculturist through Co-operation. Those familiar with the "Year-Book of the Indian Co-operative Movement," which he so brilliantly edited in 1942, will remember that he dedicated it "To the Indian Peasant, who is groaning under the crushing loads of indebtedness and illiteracy which he carries on his either shoulder."

His rich knowledge, his depth of thought and breadth of vision, and the high ideals which were the fount and inspiration of all his work, have been reflected with crystal clearness in his abundant writings, and it is particularly through this sphere of his activity, as well as by correspondence, that Mr. Pantulu has become well known to a great company of co-operators and co-operative leaders in many lands, and has merited their admiration and high esteem.

For a number of years he has filled the highest offices in the Indian Movement as President since 1924 of the All-India Co-operative Institutes' Association and of the Indian Provincial Co-operative Banks' Association since its foundation in 1927; other important offices which he has held include the Presidency of the Madras Provincial Co-operative Bank and the Madras Provincial Co-operative Union. He has been Editor of the *Indian Co-operative Review*, one of the best national co-operative journals in the world Movement, since it was launched in 1935.

Naturally a man of such outstanding ability and experience has played an important role, too, in the national life. Mr. Pantulu was a Member of the Council of State and leader of the Congress Party. His services were sought in connection with a great number of Government Committees, including the Indian Central Banking Enquiry Committee; Townsend Committee on Co-operation, Madras, 1927; Committee on Co-operation, Madras, 1939-40; Indian Central Cotton Committee, and Rural Finance and Marketing Sub-Committee of the National Planning Committee (of the latter he was Chairman). In addition he was a member of the Governing Body of the Indian Research Fund Association; of the Senate and Academic Council of the Madras University, and of the Court of the Delhi University.

Mr. Pantulu attached the highest value and importance to research, and in April, 1943, on the occasion of the Standing Session of the All-India Co-operative Institutes' Association and the Indian Provincial Co-operative Banks' Association, which owing to the state of his health met at his home at Mylapore, he formally dedicated in trust a part of his house, with his library, to the Institute of Co-operative Research and Service. Through this Institute Mr. Pantulu's work will be carried on, and his memory will be perpetuated.

The International Movement shares the sorrow of the Indian co-operators in their irreparable loss; it shares their profound appreciation of the noble life and character of their great leader, and also the fervent gratitude, which will be in their hearts, for the privilege of fellowship with Mr. Ramadas Pantulu.

G. F. P. *in Review of International Co-operation.*

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**Rao Bahadur M. Giriappa.**
*Joint Registrar of*
*Co-operative Societies, Madras.*



THE

# Madras Journal of Co-operation

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## Editorial Notes.

### Rao Bahadur M. Giriappa.

We offer our heartiest congratulations to Mr. M. Giriappa, Joint Registrar of Co-operative Societies in this province, on the title of Rao Bahadur conferred on him on the occasion of Their Majesties' Coronation. Like his predecessor in office, Diwan Bahadur K. Deivasikamani Mudaliar, Mr. Giriappa entered the Co-operative Department as an Inspector and has risen to his present position by sheer merit. From old masters he has learnt the art of managing men, of smoothing difficulties and of doing things with a smile, which has won him affection and popularity wherever he has served. He is very keen on promoting non-credit co-operation in all its various forms. With his vast experience of the movement he knows that non-credit co-operation is very difficult to promote and that many attempts have failed. But he has not allowed those failures to damp his enthusiasm. He is as willing to listen to a new scheme and as optimistic in his outlook as any young man of half his years. Both as Joint Registrar and as Acting Registrar he has been eager to acquaint himself with the non-official point of view on various questions and willing to adopt it as far as possible—rightly holding that in the field of co operation the official and non-official views ought to be one and the same. We wish him further honours and their enjoyment for a long time in perfect health.

## Consolidation of Holdings.

We sincerely hope that Mr. Austin's impressions of his visit to the Punjab, especially the portion relating to the consolidation of holdings along with the valuable information he has collected regarding it in the Central Provinces, will be read with the greatest interest and profit by our readers. In the village of Palnau which he visited, 964 blocks have been reduced to 279, the average area of a holding being raised from .39 acres to 1.31 acres. Every block is now accessible by road. It gladdens one's heart to read:

> "The villagers are delighted with the result; it has meant 14 acres more under cultivation, 50 acres converted from dry to well-aided, ponds of stagnant water converted into playing grounds, manure pitted outside the village and space left for expansion of village site, grave-yards etc."

Again, he says, rentals have increased as the result of consolidation and in some cases have doubled and that tenants are easier to find. We have Mr. Darling's testimony that consolidation increases a ryot's income from 10 to 30 per cent; he therefore considers it as valuable as all the rest of reconstruction work put together. While we were fairly familiar with the striking benefits derived by the Punjab, thanks to the excellent publicity of that province, we were not aware that equally striking benefits were being reaped by the Central Provinces, which are contiguous to our province, and village conditions in which are more like ours rather than of those in the Punjab. We are told that where before consolidation a month was required for sowing it is now done in 15 days and weeding in 20 days; and that the sowing of improved seed and cultivation of later varieties are now possible, whereas they were not before. The cost of consolidation both in the Punjab and the Central Provinces appears to be very small indeed. In our province we are all very anxious that the scope for consolidation should be well examined and that some experiments should be made. We are afraid so far only lip homage has been paid to the idea—even by some of the newly started District Economic Councils. We heartily endorse Mr. Austin's view that consolidation should be tried by Government in one or two places at its cost and that the villagers should be allowed to see the result. We think however that a good deal previous propaganda would be necessary, especially in the villages concerned, before the experiments are started, and for that propaganda the co-operation of





non-official bodies like co-operative institutions should be availed of. We will be glad to give due publicity in the pages of this *Journal* to schemes for consolidation and encourage propaganda.

## Central Banks' Finances.

From the statement made by the Hon'ble Mr. Ramadas Pantulu, as President of the Provincial Co-operative Bank, in opening the Conference of Central Banks on the 17th of April last, one is glad to note that there has been an appreciable improvement in their financial position since the close of the last co-operative year. While at that time the overdues amounted to Rs. 169 lakhs against a total outstanding of Rs. 303 lakhs, at the end of February last they were less than Rs. 162 lakhs against an outstanding of nearly Rs. 326 lakhs. This gives a percentage of nearly 50, which, no doubt, considered by itself, is quite bad. But we have to look at it not from an absolute but a relative point of view; and compared with the last few years, which were years of extraordinary depression, the improvement is decidedly appreciable. Similarly there was improvement in respect of surplus funds with the Central Banks. There was release of local board deposits due to the restrictive action of the Registrar and also an increase in the demand for loans from the primary societies, so that by the end of February last the surpluses had ceased to be a matter of concern at all. We believe the position in respect of both overdues and surpluses has further improved since Mr. Pantulu made the statement, and that at the end of the present co-operative year it will be better still.

With regard to the rates of interest on deposits offered by the Central Banks, Mr. Pantulu legitimately complained that some Banks continued to violate the convention accepted by them, namely, that the highest rate offered should be ½ per cent below the lending rate of the Provincial Bank. Now that the latter is reduced to 4 per cent, he stated, the Central Banks of Malabar and Anantapur, instead of reducing their rate of interest on deposits to 3½ per cent as other Banks had done, were willing to pay 4½ per cent to the Provincial Bank in order that they might pay 4 per cent on local deposits. This seems to be a most absurd position. We do not yield to any Central Bank in our appreciation of the importance of local deposits. But we must point out that the first concern of a Central Bank is the supply of funds as cheaply as possible to the primary societies, and not the convenience of depositors. We do not see why these depositors should expect or be given a higher rate of interest in some districts than in others when the Provincial Bank can act as the balancing centre If they insist on it they should be politely asked to seek their investments outside the co-operative movement.

## Politics and Co-operation.

The fifth Andhra Provincial Co-operative Conference, a summary of the proceedings of which is published in this number, was opened at Pasivedala in West Godavari District on the 2nd May by the Hon'ble Mr. V. Ramadas Pantulu and was presided over by Dr. B. Pattabhisitaramayya of Masulipatam. Eminent co-operators as these gentlemen are, they are also prominent Congressmen, and it is not therefore surprising that they should have exhorted Congressmen to join co-operative societies and co-operators to join the congress and promote through co-operation the welfare of the country according to their own lights. We are sure that this exhortation is not to be interpreted as an advice to co-operative societies to become political organisations. Members always are free to have their own political opinions and whatever the complexion of a person's politics he is entitled to admission as a member, if he is otherwise qualified to be one. What is rightly demanded is that in transacting the business of a society—in issuing loans, in buying and selling goods, in electing office-bearers etc.—one should not be influenced by political or party considerations. This, we believe, is conceded by everyone.

But so far as co-operative policy or the direction of the co-operative movement in any country or province is concerned, as distinct from the management of co-operative institutions, we do not think it is either contemplated or possible to keep it unaffected by political policies of the Government for the time being. In most countries, and certainly in our country, the State, which means the Government for the time being, aids, directs and controls the co-operative movement by means of a special department and in other ways. The policy of the particular political party in power at any given time is bound to influence the direction of the movement. Co-operation is an economic policy and as such it is bound to be as much affected by politics as other economic policies like capitalism, socialism, protection etc. In co-operative conferences the merits of different policies relating to the co-operative movement should be discussed, so that the right kind of public opinion may be formed about them.





This, as we have pointed out above, is different from introducing politics into the affairs of societies. We believe the distinction is important and ought to be borne in mind to prevent confusion of thought.

## Amalgamation of Central Banks.

An unusally large number of resolutions were passed at that conference, of which we have been able to publish only a few. On one or two of them we should like to offer a few remarks. One of the resolutions recommended that the Madras Provincial Co-operative Bank should be split up into two provincial banks, an Andhra and a Tamil one, and that until that was done no change should be made in the present number of Central Banks. The resolution further expressed resentment at the Registrar's attempt to amalgamate the four Central Banks of East Godavari into one. We are not at all convinced that there is need at present for two provincial banks in our province. For several years past only a very small part of the resources of the Provincial Bank is being utilised by co-operative institutions, the rest being invested outside the movement in Government paper and other securities. When there is so little co-operative business for the existing single Bank, the time is not opportune for the creation of another. The present Bank commands immense prestige and public confidence, which is a matter of legitimate pride to all of us. If it is split up into two, public confidence in the two separated units may not be of the same degree as in the case of the single strong Bank and money may not be as cheap as it is to-day to the primary societies. One can understand the demand if it is made when or after the Andhra districts and the Tamil districts are constituted into different provinces. But at present we do not see any force in the demand either on business or other grounds.

Nor are we able to appreciate the demand that unless the Provincial Bank is split up the number of Central Banks in the province should remain unchanged and that the four Central Banks in East Godavari should remain separate. Evidently it is based on the apprehension that the voting strength and influence of the Central Banks in the Andhra districts in the general body and the Board of Management of the Provincial Bank will diminish with the reduction in the number of Central Banks in Andhra area. But there is similar scope for reduction of the number of Central Banks in Tamil Nadu as well as not to disturb the balance. At present out of 25 districts including Madras City, 18 have one Central Bank each, 3, viz., Vizagapatam, Krishna and Tanjore, have 2 each, Coimbatore and Nilgiris have only 1 between them, Ramnad district is divided between the Mudura-Ramnad and Srivilliputtur Central

Banks, while East Godavari has as many as 4. The presence of more Banks than one in a district is due to a change in departmental policy and not to business needs or natural causes. Without envisaging future consequences, at one time Central Banks were started liberally in some districts and they have remained. Indeed in the East Godavari district the three new Central Banks in addition to the one at Cocanada which still has jurisdiction over the whole district were forced on the co-operators of the district by the department against non-official co-operative opinion of the district. The presence of more than one Central Bank in a district is now felt to be an inconvenience rather than an advantage, owing to the fall in transactions, the accumulation of overdues and the supervision of societies having devolved on the Central Banks. In the interests of economy and efficiency we should welcome their amalgamation into one bank for a district wherever possible. In the case of East Godavari there may be a case for two banks, the Konaseema area being peculiarly isolated from the rest of the district by physical factors. In any case there is no need for four separate banks. The total working capital of all the four banks in East Godavari, we believe, is not more than that of some single banks, while one or two individual Central Banks in the district have so little working capital that they cannot run efficiently as separate institutions. Amalgamation would certainly result in a considerable saving in management expenses. If there are any valid reasons special to East Godavari which make the existence of four banks in it necessary, the resolution ought to have mentioned them.

## Co-operative Salaries.

Another resolution calling for comment is that which lays down that no person in co-operative service including officials should be given a remuneration of more than Rs. 300 per month including allowances, unless he be stationed in the city of Madras, in which case he may be given a special allowance of Rs. 50. It is now admitted by all except those with vested interests that Government salaries in India are abnormally high and utterly unsuited for her economic condition. Therefore a reduction in them and the fixing of a maximum, say, of Rs. 500 for all posts as the Congress has done, may be reasonable. But there is no reason why an arbitrary lower figure, different from what is fixed for other departments, should be fixed for the Co-operative Department. This is an inferiority complex against which we emphatically protest. When the Congress brings down its level of salaries to Rs. 300 we may fall into line with that idea in regard to co-operation as well. But not till then, for we cannot agree to be put on a lower grade than other departments of officials or non-official services. The resolution is applicable also to non-official co-operative institutions like the Provincial Bank and the Central Land Mortgage Bank, which deal in crores. For the management of such institutions men of the highest ability and





integrity would have to be attracted. The offer of Rs. 300 per month is inadequate and compares unfavourably with the salaries paid in other institutions of a similar magnitude outside the field of co-operation. It is therefore not wise to adopt a resolution of the kind passed by the Andhra Co-operative Conference specially as it is not in consonance with the general standard prescribed by the Congress in public interests.

## T. U. C. S. shows the way.

We commend to the attention of all big societies in this country a step taken recently by the T. U. C. S. (Triplicane Stores) to make its meetings of the general body more satisfactory than hitherto. The constitution of the society has been so amended that, instead of every member who had made purchases of Rs. 50 in the previous half-year being entitled to attend and vote at the general body meeting, the right to take part in it is restricted to the Directors, the five Panchayatdars of each Branch and to five others specially elected by the members of each Branch to represent them on the general body. At the first meeting held under the new constitution the attendance was 167 out of a possible maximum of less than 270; while under the old constitution the average attendance was about 125 out of a possible maximum of more than 2,000. (The membership of the society is nearly 6,000, but those making purchases of Rs. 50 and above in a half-year are a little over 2,000.) The chief advantage of the new constitution is that it has made it impossible for a comparatively small group of 50 or 60 members, drawn from one or two Branches, with a particular view on any question, dominating the meeting of the general body and making it appear that their view was the view of the general body on the particular matter. It has also happened in the past that an individual, keen on being elected by the general body as a paid or an honorary auditor, has brought his supporters to the meeting from outlying Branches in buses and secured his object. Such undesirable tactics will no longer be possible. The level of the proceedings also tends to rise, as a duly elected representative takes a more continued interest in the affairs of the society that a mere member. Most big societies in England and other countries in the west have adopted this system of electing representatives to the general body. Our big urban banks and stores, whose meetings of the general body are often hampered by numbers will do well to consider the advantages of this system.

## A Good Example.

It gives us much pleasure to bring to the notice of our readers the work that is being done by a humble society in a direction which is not very common in our country. The Adi-Andhra Co-operative Society, Krishnampet, Madras City, was a small credit society of the Telugu-speaking scavengers of Madras. It was encouraging recurring deposits among its members and was also issuing loans cautiously. But five years ago as a result of a decision of the Madras High

Court, the Corporation began to levy a tax of Rs. 30 per half year on every co-operative society in the City. Then this society collected all its dues, paid back the deposits, stopped further transactions and applied to the Registrar for liquidation. As however it was not liquidated, it remained dormant for more than three years until it was revived about a year and a half ago. After revival it has not been anxious to give loans, but is encouraging thrift and also supplying rice to its members on the indent system. Every member pays one rupee per month towards the share capital; he rightly believes this to be a very desirable form of thrift. Then the society pools the indents of members for rice, purchases the required quantity from wholesale merchants and distributes it to the members after adding a small percentage for its own margin During the last fourteen months it has purchased rice worth about Rs. 4,000 and supplied it to its members at a net profit of about Rs. 200. The members recognise that the rice they are getting from the society is better and cheaper than they could ever hope to get otherwise. The monthly indent has risen from 20 to 40 bags. The members are given one to two months' credit, because they get their pay for any month only about the middle of the next month, while the rice has to be supplied at the beginning of the month. It is gratifying to note that so far there has been no failure on the part of any member to pay either the value of rice or the instalment of share capital. Some time ago it got a consignment of *saris* from the Weavers' Society of Salem and is now thinking of supplying dhal, chillies and some other articles. The little community of Krishnampet is showing its co-operative spirit in other forms also; it is maintaining a temple, a panchayat for settling disputes, a reading room and library and a young men's association. We commend its example to other societies.

## The Late Mr. E S. Sunda.

In Mr. Sunda's death, which took place at Madura suddenly and at a very early age, the co-operative movement in this province and in Madura district in particular, has suffered a very great loss. Though comparatively young, he was connected with the movement for a long time and had served it at different times as President of the Madura-Ramnad Central Bank, member of the Board of Management of the Madras Provincial Co-operative Bank, member of the Executive Committee of the Provincial Co-operative Union, honorary editor of the Tamil fortnightly co operative journal the "Kooturavu", conducted by the Tamil Nadu Co-operative Federation, and in other capacities. He was a close student of economics, and spoke and wrote frequently on co-operative and allied subjects. He was a rising lawyer and recently published a book on the newly established Federal Court of India. He was an active member of the Senate of the Annamalai University. We offer our deep sympathy to his brother Dr. E. S. Ramasubban and the other members of the bereaved family.



# Impressions of a Visit to the Punjab.

By T. Austin Esq., I.C.S.

*Registrar of Co-operative Societies, Madras.*

## Co-operative Education.

The Education Staff consists of 1 Education Assistant Registrar, 6 Education Inspectors and 6 Education Sub-Inspectors. Three of the Inspectors and three of the Sub-Inspectors are maintained by the Provincial Government while the Assistant Registrar and the remaining three Inspectors and Sub-Inspectors are maintained from the Government of India grant.

*Sub-Inspectors*.—The minimum qualification for a Sub-Inspector is a pass in the first or second division of the Matriculation examination; third division men are not taken in. These are recommended by the Assistant Registrars and selected by Deputy Registrars, subject to approval by the Punjab Co-operative Union. After selection, they are given field training for four months. Examinations are held monthly, and those considered fit by the Assistant Registrar are sent to a class held by the Education Inspector for 3 months. They are not paid any stipend during the period of training. If they pass the final examination, they are made to work under a supervisor till they get an opening. Their syllabus mainly consists of the Law, Theory and Practice of Co-operation. There is no dearth of graduate candidates. In the matter of recruitment, preference is given to those coming from rural areas and to those with co-operative connections.

*Inspectors*:—The qualification prescribed for selection as Inspectors is a degree in Agriculture (B.Sc) or in Economics. One-third of the recruitment is by promotion of the Sub-Inspectors and two-thirds direct; but there is no hard and fast rule in recruitment. Communal proportion also is considered while recruiting candidates direct and also unrepresented districts.

After selection, the candidate works 3 months in the field with the Inspector, Supervisor and auditor, i.e., Sub-Inspector. If after these three months of training the candidate is found fit, he is appointed Sub-Inspector in independent charge. He has then to undergo field training for six months. He then attends the class held by Education Inspectors for four months. During the period of training a candidate receives a stipend of Rs. 50 from the Punjab

Co-operative Union. They are not borne on the staff of Government till they are appointed Inspectors. Before the actual appointment of Inspectors they would have undergone field training for a period of 15 months including 1 month in the Assistant Registrar's Office and 1 month in the Central Bank.

Education Inspectors and Sub-Inspectors are selected from Inspectors and Sub-Inspectors respectively; they must have attended the classes and worked in the field.

The standard of examination is very high. The Inspectors have to secure not less than 66 per cent in each subject. Last year only 7 out of 22 came out successful. The Sub-Inspectors have to obtain 50 per cent of marks in each subject and 55 per cent in the aggregate. There are also classes for

1. Office-bearers of Primary Societies.
2. Secretaries of " "
3. Staff of Central Banks.
4. Secretaries of Unions.
5. Execution agents and liquidators.
6. Staff of Commission Shops.

These classes are also held by the Education staff throughout the year in different places in each circle. No classes are held for the education of members of primary societies. The office-bearers of societies are taught now as being the leaders and the most intelligent men of the village. The members are taught by the Sub-Inspectors when they visit their villages. This is one of the items of their work.

All the Inspectors have to read books on co-operation and report about them in their diaries. There are libraries in all offices. They are also required to contribute articles on co-operative subjects to local newspapers.

*Refresher courses:*—The refresher courses are held annually for 10 days; each course is attended by the Assistant Registrars, Inspectors and Sub-Inspectors, of two circles. Lectures by Sub-Inspectors, Inspectors and Education Inspectors are delivered, problems discussed and debates held. Select non-official co-operators and officers of other departments are invited to take part in the discussions. These classes were inaugurated as early as 1919 and they are proving very useful. The Sub-Inspectors take notes of the discussions which are cyclostyled and sent to the entire staff.

The education staff meet yearly, review the practice in the whole Province and try to unify it. Measures are being taken to





introduce co-operation as a subject in schools. No classes are held by non-officials. When I met the Assistant Registrar, he had just sent out 3 drama parties (Inspectors and Sub-Inspectors) and was about to purchase a loud-speaker.

**Rural Reconstruction.**

Mr. F. L. Brayne, as Commissioner for Rural Uplift, is waging an uphill fight with no staff or executive power. His work is purely advisory—but he has the Governor behind him. He tours extensively and advises on the co-ordination of the different departments; and departmental heads come to him for advice. According to two Assistant Registrars all the propaganda is being done by the Co-operative Department. Mr. Brayne holds that the Co operative Inspectors must put social reform and thrift first, economic questions next. Unless a co-operator has health, a sanitary house and surroundings and capacity for enjoyment or recreation, there is no use in his saving money.

Mr. Brayne tours with models of ventilators, bore-hole latrines, the dirty and the clean village etc., etc., gives lectures, distributes pamphlets. Commanding officers of regiments are allowing young soldiers to be taught the rudiments of rural uplift. Mr. Brayne is trying to get in the women. Although there are 150 women's societies, there is no woman organiser, no woman above the rank of Inspector. Co-operative Inspectors are expected to do a good deal of rural uplift—this may interfere with their legitimate work but is considered part of it.

But Mr. Brayne admits that, at present, if supervision and control be withdrawn, the old slackness and dirt will return; there must be a keen inspecting staff. The danger is that, with the withdrawal of a keen Deputy Commissioner or keen Assistant Registrar, the people would go back to their old ways; and this actually happened in Gurgaon, where Mr. Brayne began this work, because the people thought his successor not interested. It was suggested to me that people should be forced to adopt improvements which led to their earning more money, and could only be gently and quietly persuaded to adopt hygienic and similar improvements. All seem to agree that without the strong and continued drive of the Revenue staff, the work of rural uplift will never succeed, however much work the co-operative staff may do. A sudden inspection has found all the ventilators in a village blocked, some being bricked up.

**Consolidation of Holdings Societies.**

I motored with the Assistant Registrar of Palnau, six miles from Phillaur. (The P. W. D. Roads are perfect but the District Board and other roads are not good). Palnau is one of 12 villages near Phillaur, where consolidation has been completed. Six more will be finished by July. His Excellency the Viceroy visited this village; the maps show the enormous change from a large number of scattered holdings to a smaller number of compact areas. In Palnau (375 acres) there were 964 blocks before and 279 blocks after consolidation: the average holding before consolidation was ·39 acres and after it was 1·31 acres. The survey numbers were reduced from 1240 to 413 and every block is now accessible by road.

There are 200 consolidation societies in Jullunder district. Members pay Rs. 0-10-6 as contribution per acre, but for the first 10 years or so (these societies were first originated by Mr. Calvert in 1921) Government bore the whole cost. The contributions are voluntary but, unless the contributions are paid, the work is not taken up; and there must be complete unanimity in a village or part thereof. The villagers are delighted with the result; it has meant 14 acres more under cultivation, 50 acres converted from dry to well-aided, ponds of stagnant water converted into playing grounds, manure pitted outside the village and space left for expansion of village site, grave-yards etc. Other villages are asking for consolidation and the difficulty now is staff; this latter is quite distinct consisting of Inspectors and Sub-Inspectors the latter being generally taken from village accountant. The Sub-Inspectors do the paper and field work, which must be very intricate and detailed, and the Inspectors check it. A Sub-Inspector working in a village must have his own servant with him and may not put up with a villager. In cases of dispute the Committee and the Registrar arbitrate.

The consolidation society often does the work of a better living society also, e.g., hygiene and sanitation. After consolidation is completed, a better living society may be formed, but the consolidation society continues—mainly in order to prevent encroachments. Its funds come from (1) admission fee; (2) fees on alienation of land; and (3) fines for persistent encroachment. After consolidation, the Agricultural, Veterinary and Medical officers visit the village and take action.

Mr. Darling considers consolidation to be worth all the rest of reconstruction work put together and to increase a ryot's income by





10 to 30 per cent. Consolidation should be the beginning of rural reconstruction; the rest will follow. The Central Provinces have had an Act for some years and contributions cover the cost. (A note on consolidation in the Central Provinces is appended). The Punjab Act has just been passed, and it is hoped, will be more for effect than use. The rate of contribution varies from district to district; the average cost per acre is Rs. 1-6-0 and the average contribution is As. 8. In Amritsar district it is only As. 2; the policy is to raise the contribution as demand rises, but not above 50 per cent of the cost. If a start were to be made in Madras, it might be best to consolidate a village here and there at Government cost, let the ryots see the result, and then only act if contributions be received. In some Punjab districts the villages would willingly pay the whole cost as they would recover it in the first harvest. The Revenue Department are doing some consolidation of their own under the new Act.

I drove out to Kathar on the Hoshiarpur road and saw Kathar and Masanian Co-operative Consolidation of Holdings Societies, Ltd.,—to give the full name. Generally consolidation takes just within a year. In Kathar, a village of 483 acres, the number of blocks has been reduced from 1822 to 377 and of Survey numbers from 1924 to 543, and the average size per block (*i.e.*, contiguous fields of one owner) has increased from ·25 acres to 1.28 acres, 109 acres of waste land have been reclaimed and old paths have been straightened or new paths made to give access to all fields. This society gave trouble at first and consolidation was stopped. When the villagers again asked for it, the Department refused to take it up again till they agreed to pay a contribution of Re. 1 per acre. The society is also paving the lanes, partly from voluntary contribution, and dealing with drainage, hygiene, and sanitation.

In Masanian (368 acres), the number of blocks has been reduced from 1921 to 329 and of survey numbers from 2885 to 544: the average size of a holding has increased from ·19 acres to 1·12 acres. One acre was reserved and a school was newly built there for these two villages.

Rentals have increased as the result of consolidation, and in some cases, have doubled; tenants are easier to find. Everything is in favour of consolidation and the villagers demand it. Trouble will only come when, with the law of inheritance (whereby in the Punjab, generally the land of a deceased Muslim, Sikh or Hindu owner is divided among his sons) these consolidated plots are all again split up; in 3 or 4 generations or so the position will become as bad and re-consolidation will be necessary.

### Umar Women's Co-operative Thrift and Saving Society, Limited.

The society's members are all Muslim women. Since 25-7-30 they have contributed Rs. 750 in monthly payments and Rs. 1,500 in deposits. The Sub-Inspectress keeps the accounts. From interest on deposits with the Union, profit is made. Interest is paid on deposits, not on contributions. The rules for withdrawal of money are relaxed in women's societies. So far, only thrift is being tackled and there is little demand for loans. But the Sub-Inspectress in independent charge has been to a course and proposes to teach members to make jams and preserves etc., for consumption and for sale and also simple domestic science. It is hoped that advanced members will go to villages and teach women there, hygiene, sanitation, sewing, etc. The Women's Co-operative Society is to be a focus for the advancement of women. The societies try to keep in touch with the Education Department. At present, the Committees do not function efficiently, as it is very difficult to get the members together.

There are 1 Inspectress and 12 Sub-Inspectresses for the Province; they are selected from educated women of good family and are paid more than the Inspectors and Sub-Inspectors. The Sub-Inspectresses begin on Rs. 75. They find touring difficult except where there are girls' schools to stay in. (It may be noted here that the Punjab Inspectors and-Sub Inspectors draw Travelling Allowance under the Fundamental Rules, with a fixed minimum touring and never Fixed Travelling Allowance). It would be useful, it is suggested, to have a highly qualified woman, of Head of Department's grade, to advise on women's activities in all departments.

### Cattle Breeding Societies.

I drove with the Assistant Registrar some 16 miles to Tangra, to see the Cattle Breeding society established in 1934; it has now 22 members. There are 50 such societies in this district alone and about 200 in the Province. Before these societies were formed, some Co-operative officers were sent to Bangalore for training which they found essential. There is a Cattle Breeding Association in the district head-quarters, composed of representatives of societies and interested non-officials, which gives advice to affiliated societies. The society is





limited to the extent of Rs. 30 per member; but a member's only expenses are admission fee (Re. 1 or less) and fee for the bull's services (As. 8: non-members are charged Re. 1).

Each member must own a cow approved by the Association and the Veterinary Sub-Inspector whom Government employs for these societies. Members buy cows with advances from the local credit society. The District Board provides the bulls and some early expenses and the society keeps one, entering into an agreement with the District Board: it is the idea that the society will later buy its own bull. All male calves are castrated: there is no scrub bull in the village. The District Board holds shows at which cattle are shown and prizes given. The cattle are not insured; this was tried and failed.

The Provincial Bank advances loans upto Rs. 50,000 at a low rate to primary societies for purchase of cattle. One intelligent member of each Cattle Breeding society is to learn animal first aid.

I saw the Society's cattle and was impressed: the members want double purpose cows but are very pleased and have been able to pay off sowcars by selling cattle. Some societies pay Rs. 4 to a man to keep the bull: it must be tied up and fees collected for service. These societies are too new for Milk Supply Societies to be started as adjuncts to them, and there is as yet no demand.

Why should not Central Banks adopt this scheme ?

### Arbitration Societies.

I visited in the evening the Mozang Co-operative Arbitration Society, Ltd. This is a quarter of Lahore city. The Society was registered in 1927 with 24 members and now has 381, mainly but not entirely Muslims. Funds come from admission fees, fees for cases and fines. 102 cases have been referred to the society but probably the existence of the society has stopped the birth of very many more. Each member agrees in writing—with two witnesses—to refer to the society any dispute covered by the schedule with other members. The disputants choose each an arbitrator from a panel and the Committee chooses a third arbitrator. Appeal from the Arbitrators' award lies to the Committee. Any member going at any stage to the Court can be fined Rs. 500. Membership can cease only on 2 years' notice. It is proposed to extend the schedule to include all disputes that can go to civil courts; it already includes non-cognizable criminal complaints. Some years back the Bar got the then Minister to close down all Arbitration societies; later they were revived under a different scheme. A well-qualified Secretary is necessary, and societies seem to flourish best where the people are simple and are bound by a social tie e.g in the Hills, where also the distances from the Court are greater. There is still doubt as to whether all Courts will enforce the award unless the parties have first ratified them in a Court. No authentic ruling has been obtained and the Department is rather shy of putting things to the touch. For this reason, societies are rather hanging fire.

## APPENDIX.

### The Consolidation of Holdings in the C. P.

(INFORMATION GIVEN BY RAI SAHEB R. C. CHAURE) (11-10-1934.)

Chattisgarh Division.

Consolidation of Holdings Act was passed in 1928, but work was started on a voluntary basis in 1927, and 9 villages were done.

*Staff*:—The work is in charge of Rai Sahib R.C. Chaure, who was appointed Consolidation Officer in July 1929, by when 10 more villages had been done. He is a Thasildar, but was originally a member of the Agricultural Department from which he was transferred to the Settlement Department. He has had 6 years' settlement experience, 3 years as Assistant Settlement Officer. His pay is Rs. 275 plus Rs. 100 allowance, and he works under the Deputy Commissioner. His staff consists of :—

(*a*) 2 Assistant Superintendents, formerly Revenue Inspectors (i. e., Kanungos), on about Rs. 70 per mensem.

(*b*) 23 Consolidation Inspectors, pay Rs. 30 to 40 per mensem, who were chosen from the Patwaris and the additional Revenue Inspectors on the Settlement staff.

(*c*) 30 Madagars or Assistant Inspectors, pay Rs. 15 to 25, men of the Patwari type (in the C. P. a patwari gets Rs. 12 to 20), and

(*d*) one Reader.

One Inspector and one Madagar work together in every village and consolidate 3 to 4 thousand cultivated acres a year.

*Area of operations*:—Work is at present confined to three districts of the Chattisgarh division—Drug (about 450 villages consolidated), Raipur (about 60 villages) and Bilaspur (16 sample villages).





*Statistics*:—Total area consolidated under the Act—490, 405 ac. Number of permanent tenure holders—42,905—*Khasra* Nos. reduced by 86 per cent i. e., from 7 to 1.

(*Cf.* 6 to 1 in the Punjab during 1932-33, but in the Punjab, the figures relate to blocks and not to *Khasra* Nos.).

In one village 3,951 *Khasra* numbers were reduced to 140, i. e., 28 to 1 and in 21 others from 25 to 1. This was in 1931—32. In 1932—33 maximum reduction was 34 to 1. (3322 to 96), and there were 6 cases of over 25 to 1.

*Expenditure*:—At first consolidation was done at a concession rate of 2 annas per acre, but a charge of 4 annas was introduced in 1931—32, which was sufficient to cover all expenses, which in the last 3 years have averaged 3 annas 7 pies an acre. In 1931—32, 106 applications were received on this basis, and in 1932—33, the number rose to 338. People grumbled only at the great labour involved in having to make new embankments to rice lands; this was all the greater where straight boundaries were fixed.

The average acreage consolidated every year in the 3 years ending September 1934 was about 115,500.

Preference is given to villages which pay in advance, but usually the collection of the cost starts when the work begins. This is done by the headman who pays the amount into the Treasury direct, the consolidating staff being forbidden to touch money.

*The Act*:—This is very little used, but it provides a very useful weapon for dealing with the stubborn few, and the Rai Sahib says that without it the pace would have been only half as fast. This naturally greatly affects the cost, and it is significant that before the Act was passed, the cost was Rs. 1-7-0 per acre as against Rs. 0-3-7 in the last three years.

The Act provides various safeguards against abuse. Under Section 11 there is an appeal from the Consolidation Officer to the Deputy Commisioner, and from him to the Settlement Commissioner, and finally to the Local Government. In only 1 or 2 per cent of the schemes has there been an appeal to the Deputy Commissioner, and in only about 12 in the last 5 years has there been an appeal to the Settlement Commissioner and only 2 cases have gone to Government. In all other cases agreement has been unanimous.

For the first 2 years progress was very low because the Act was virtually not applied. The first case tackled by the present Consolidation Officer (who took over in 1929) had been going on for 2 years. Seven persons out of 63 objected. The case went first to the Deputy Commissioner, then to the Settlement Commissioner who confirmed the scheme put up by the Consolidation Officer. In spite of this, the 7 objectors refused to give up possession and had to be forcibly ejected. Resistance only broke down when one was put on Rs. 500 security. After this the giving of possession was never resisted.

In another case the Consolidation Officer found collusion between two Inspectors, who were related to each other, and one of whom had land in the village. Both were dismissed and there has been no abuse of the kind since. When a scheme is submitted by an Inspector, the Consolidation Officer goes to the spot himself and hears all objections, which can generally be met by small adjustments. The average number of people who object in a case is 5 to 10 per cent. In 50 per cent of the villages consolidated, there has been no objection at all; and this is usually the case where the Inspector is experienced and strictly honest. The selection of the staff is all-important and the Consolidation Officer finds that patwaris trained by himself do better than men taken from the Settlement staff, who often have bad habits.

*The Panchayat*:—Another important factor is the selection of the village panchayat, which is appointed *ad hoc* thus:

(*a*) one member elected by the proprietors;
(*b*) two elected by the tenants; and
(*c*) two nominated by the Consolidation Officer.

The Consolidation Officer generally allows the tenants to select (*c*) as well. If there is faction in the village,—this is the case only where there are many proprietors—the Panchayat may be increased to allow of each party being equally represented, and each party elects its own representatives separately. Generally speaking, every important caste is represented and the Consolidation Officer finds that an experienced cultivator, even when illiterate, is much better than an educated man who knows little about cultivation.

*Classification and Valuation*:—Everything turns upon this being done accurately, and for this purpose the productivity of every field is converted into annas. Rice is the chief crop of the tract, and an average field produces 20 times the seed (very good land may yield 35 times); four times the seed is allowed for the cost of production, leaving a multiple of 16 as the net yield; this is regarded as 16 As. and the different classes of land are measured in annas





accordingly, as this is readily understood by the cultivator. There are never less than eight classes or more than 12. Each village is divided into two areas (*a*) rice land (*b*) non-rice land, and rice land is always exchanged for rice land, and non-rice land for non-rice land. The absence of wells, fruit trees and mortgages with possession (there are very few of these) simplifies matters compared with the Punjab.

*Benefits of Consolidation*:—The field being bigger, better levelling is possible and also better bands (the irrigation is entirely by tank, band and canal), and supervision is closer; much time is also saved, and the Consolidation Officer calculated that a month's sowing now takes 15 days and a month's weeding twenty days; at harvest time cultivators are not tempted to reap over the edges of their fields. They can also use better seed and go in for later varieties, which is impossible before consolidation unless every one else does the same, for all crops have to be harvested at the same time. So much remodelling has to be done during the first year or two after consolidation that every one is busy. In one village 3,456 fields were reduced to 131.

It is now proposed to double the staff. A second Consolidation Officer (a Settlement Tahsildar, who worked for four years as Assistant Settlement Officer is being appointed on Rs. 225 plus Rs. 100 allowance, and each Consolidation Officer will have working under him two Assistant Superintendents, 20 Inspectors and 25 Madagars.

Success depends upon two things; (1) great patience and (2) a spirit of service. The staff must therefore be very carefully selected and it must consist only of cultivators or men in close touch with agriculture. (323 applications are pending at present, and all have been submitted on the understanding that the cost must be borne by the applicants.

# The Depressed Classes Societies.

BY MR. R. SURYANARAYANA RAO, B.A.,

*Member, Servants of India Society.*

It is well-known that the Depressed Classes in this presidency are mostly landless agricultural labourers getting their wages in many cases in kind, and that the existing economic depression has hit them very hard as the grain they earn as wages is hardly enough for their maintenance and such quantity as may remain in excess in some cases fetches very little price. So the members of the Co-operative Societies belonging to this community have not been able to repay the loans contracted by them and consequently the financing banks, especially the Christian Central Co-operative Bank, have suffered considerably on this account. Before examining the various methods which, in my opinion, are considered necessary to enable the Depressed Classes to derive economic benefits resulting from the co-operative movement, it may be useful to give a short history of these societies to understand the causes for their present plight.

Before beneficient socio-economic activities were undertaken by the Government through their specially organised Labour Department, the efforts made for the uplift of the Depressed Classes were spasmodic and confined to a few places here and there, and mostly this work was undertaken by non-officials as a labour of love. With the advent of the Labour Department persistent and organised efforts were made to improve the social and economic condition of the Depressed Classes by organsing co-operative societies, opening schools etc. Even in the districts where the Labour Department had not started its activities co-operative societies came into existence. By 1931-32 there were 1632 societies under the Co-operative Department, while those under the Labour Department numbered 1136. It looked as though the co-operative movement was bound to make headway and confer economic benefits on this the poorest class of the population. As already stated, the economic depression set in and its worst effects were on the poor and helpless labourers. The overdues both under principal and interest in 1930-31, which were only 28 per cent and 10.9 per cent respectively, rose in 1931-32 to 56.2 per cent and 13.5 per cent and the number of societies also went down from 3133 to 2905. At a time when the natural causes which would have produced disastrous





effects even on the best of organisations were in operation, it was absolutely necessary that every effort should have been made to provide closer supervision. Instead, for some reason the Government were pleased to transfer the supervision of the co-operative societies in certain districts from the Labour to the Co-operative Department in 1930-31, and owing to the partial abolition of the Labour Department as a measure of retrenchment, all societies under Labour Department were transferred to the Co-operative Department in 1932-33. This strange coincidence of the transfer with the prevailing economic depression seems to have affected the growth of the movement adversely. Engaged as the Labour Department is mainly in the uplift of the Depressed Classes, there can be no denying the fact that it could exercise closer supervision and this transfer of supervision was an unwise stop as is evident from the fact that by 1934-35 the overdues under principal and interest rose to 52·7 per cent and 36·3 per cent respectively. The number of Inspectors employed also was less being 110 for 2777 societies, while for 2768 societies in 1930-31, there were 145 Inspectors. Year after year the Christian Central Bank which financed some of the societies complained of absence of intensive supervision by the Inspectors. Now a stage has been reached that unless steps are immediately taken to take stock of the situation and adopt remedial measures it looks as though the co-operative movement among the Depressed Classes is bound to prove a failure. The situation has been rendered worse by the threat of the important financing bank that unless the steps suggested by it are taken by Government it would be compelled to close its affairs. That this threat is a warning in good time will be evident from the fact that in 1935-36 the percentage of overdues work out at 61.8 under principal and 41.2 under interest.

From the above account one is likely to form an alarmist view of the situation. But the facts are otherwise. When we remember the fact that the percentage of balance to demand under principal and arrear interest in the presidency as a whole in agricultural societies in 1935-36 was 65.35 and 71.35 respectively, the condition of the societies for the Depressed Classes can by no means be considered disquieting. It may be said that in the case of other classes of population their repaying capacity is better and in course of time with better prices for agricultural produce the percentage of overdues may go down. Equally so, though not to the same extent, may happen with the Depressed Classes. Moreover, there is the extenuating fact that most of the loans advanced to the members of the Depressed Classes Societies are small amounts and amongst the poor and simple folk the virtues of honesty, loyalty and dependability are generally more discernible and persistent. These virtues are assets of great value in the co-operative movement. One other fact that should be borne in mind is that for some reason some of the Depressed Classes societies are financed by one Central Bank viz, the Christian Central Co-operative Bank and the percentages of arrears due both on account of principal and interest quoted in reports are with reference to loans from that Bank. So naturally the arrears loom large. If, on the other hand, the financing of these societies had remained with the District Banks, the arrears would not have looked so heavy at all and they would have formed a small portion of the large amount of arrears in each district. Whatever may be the analysis of the existing situation, at least in the interests of the Depressed Classes themselves, sustained efforts should be made by everyone interested in their uplift with a view not only to rectify the defects in the existing societies but also extend the scope of the movement, avoiding the defects noticed. However much one may find fault with the existing societies, there is no gainsaying the fact that co-operation offers the best means for the economic uplift of the Depressed Classes.

The Christian Central Co-operative Bank was, as already stated, for some reason chosen as the financing bank for most of the societies. Whether the District Banks with better and more intimate knowledge of the needs and economic conditions could not have been entrusted with this task and why a bank, presumably a communal one, situated in Madras, was chosen for the purpose and that too to finance even Hindu Adi-dravida societies, though pertinent in view of the demands now made by the Christian Central Bank, are matters of past history. But it is interesting to note that out of the existing 2777 societies in 1935-36, only 1324 are affiliated to the Christian Central Bank, making it clear that the remaining 1453 societies are mostly affiliated to the District Banks. Unfortunately the figures of overdues in respect of principal and interest already referred to relate to those of the Christian Central Bank only. Even out of the 1324 affiliated to this Bank only 797 were indebted to it on 30th June, 1936, including a large number of societies under the process of liquidation. If overdues in respect of other Banks as well had been separately shown, they would have told their own tale. However, the Christian Central





Bank has appealed to Government either (1) to arrange for better and real supervision over the Depressed Classes societies by the Government staff and ***guarantee to the Bank the repayment of loans recommended by their own staff*** (Italics are mine) or (2) to transfer the supervision of the societies to the Bank and grant a subsidy of an amount equal to the amount now being spent by Government in this behalf for a period of five years. It is understood that the 'Interim Ministry' is seriously considering the representation and as a gesture of goodwill and their 'abiding interest' in the Depressed Classes, they may take advantage of the present political situation to grant either of the requests of the Bank. But any such step will not be in the right direction. As already pointed out there is a large number of societies outside the scope of the Christian Central Bank and any guarantee given to it should naturally be extended to other Banks as well who are also equally anxious to obtain repayment of loans made by them. Nor can the grant of subsidy for supervision be treated as the sole monopoly of the Christian Central Bank. Other Banks also will press for the protection of their interests either by this or some similar method. The Christian Central Bank was for two years, 1932-33 and 1933-34, entrusted with the work of supervision of societies in Guntur, Chingleput and Cuddapah and was paid a subsidy. The results were by no means encouraging and the scheme had to be abandoned in 1934. Even the suggestion of appointment of group clerks made by the Bank and accepted by Government had to be abandoned in 1936 after giving a trial of one year. As far as the request of the Bank relating to the provision of intensive supervision is concerned, it is eminently reasonable and I have no doubt all the other Banks in the presidency will join with it in the matter. The Government too ought to consider the request favourably, examine what the defects in the present arrangements are and meet the wishes of the financing Banks. But the question of guarantee raises many problems, for the guarantee will have to be extended to all financing banks. It also involves a question of principle. Unless the Government are convinced that in giving guarantee for the transactions of financing institutions they are discharging their moral, if not legal, obligations and thereby promoting the interests of the Depressed Classes, they have no right to commit the general tax-payer. And instead of giving a subsidy of nearly Rs. 1 lakh per year to the Christian Central Bank only for a period of 5 years, they might as well take over the assets and liabilities of the defaulting societies, make every effort to collect the dues and then write off such amounts as are unrecoverable, as after all on 30th June 1936, overdue amount under principal was Rs. 3.50 lakhs and under interest Rs. 26,189. But this concession will have to be extended to other banks as well. Moreover, what is to happen after 5 years of supervision by the Christian Central Bank? So the suggestions made by the Christian Central Co-operative Bank are neither in the interests of the financing banks nor of the Government nor of the Depressed Classes themselves. They are not calculated to promote the growth of the movement in general or among the Depressed Classes, though their adoption may temporarily allay existing fears.

What then is the solution for the existing situation? One line of approach which the Government can think of is to prevail upon all the District Banks in the presidency to take over the assets and liabilities of the societies in their jurisdiction which are now financed by the Christian Central Bank. It is noted from a statement of the Christain Central Bank that the paid-up share capital of the societies indebted to that Bank on the 30th June, 1936 was Rs. 56,961 and the accumulated reserve fund was Rs. 2,10,702; while the principal outstanding was Rs. 6,59,618, including Rs. 1,17,518 under Peravaram Agency which is a special venture of the Christian Central Bank, and the overdue amounts under principal and interest were only Rs. 3,50,264 and Rs. 32,417 respectively. The District Banks, except in a few districts such as Guntur, Chingleput and Cuddapah where the outstanding principal and overdue interest are heavy, will not find the burden heavy. They will also be indirectly helping the Depressed Classes societies to form part of the general co-operative movement. Like separate schools, separate communal societies to serve the special needs of backward communities are the inevitable evil of a transitional period. But to provide for separate financing of those societies for all time is to perpetuate the evil. In the districts where the overdues are large the Government may undertake to provide greater intensive supervision and if after a period of years, say five years, the liabilities of the Banks are not discharged by the societies, then the Government may think of replenishing the losses incurred by them. Keen observers and those who are in intimate contact with the Depressed Classes have every reason to feel that if only prices for agricultural produce improve, a contingency such as that envisaged may not arise at all, for mostly the loans are for small amounts. The moral responsibility of Government would then have





been properly discharged to the satisfaction of the tax-payer. Other methods such as the waiver of penal interest by Central Banks and of societies, reducing the lending rates of Central Banks and societies on new loans, reduction in the rate of interest chargeable on outstanding loans and above all a generous remission of overdue interest, may go a great way in rehabilitating the existing societies. Then the question of retransfer of the supervision of societies to the Labour Department may be considered. It is doubtful if the transfer of supervision to the Co-operative Department has improved the situation at all. Though a special staff has been employed, the Co-operative Department cannot in the nature of things give special attention to the Depressed Classes societies. The same staff or even increased staff may be placed at the disposal of the Labour Department. Being so intimately connected with the social and economic welfare of the Depressed Classes, the Labour Department is eminently fitted to supervise these societies. There is the Labour school teacher who can be easily asked to take charge of a society wherever the school and the society both exist in the same place. The District Labour Officers who are all Revenue Officials and who at present in most districts are responsible for the educational activities only, can very easily supervise the working of the societies. To enable the Commissioner of Labour to exercise closer supervision, he may be given two or three Deputy Registrars of Co-operative Societies. As in the case of admission of pupils of the Depressed Classes into ordinary schools, the Government should call for a special report every year or even once in six months and review it *promptly*. Then recently the Government came to the conclusion in respect of societies for the purchase of house sites that the co-operative movement is liable to abuse and mismanagement among the depressed classes and that it is better to deal directly in future with the individual. How far the Government were justified in casting this unmeritted aspersion on the co-operative movement is a matter for grave doubt. It is far better for even Government to deal with a society than with an individual. Moreover, I wonder if the Government ever cared to give weight to the causes set forth by the Commissioner of Labour successively for a number of years for the large amount of overdues. With the transfer of supervision of societies to the Labour Department and the revised orders governing acquisition of house-sites, it is hoped the Government will be pleased to revive the method of lending through co-operative societies. Then again there is the question of organising societies to provide credit facilities for those who are not able to make use of the lands assigned to them either for house sites or for cultivation. As long as the Depressed Classes have to depend on other classes for land required for house building and cultivation, even herculean efforts to improve their social and economic condition would be of no avail. Societies of the landless agricultural labourers have to be formed for joint cultivation. Societies to inculcate the habit of thrift and to improve the earning capacity by providing subsidiary occupations are urgently required. These efforts demand special concern on the part of the Government agency entrusted with this work and the Labour Department alone is best fitted to discharge this responsibility. The activities of the Labour Department should be extended to all districts. These and other ameliorative measures calculated to improve the lot of the Depressed Classes demand faith in the uplift work and its results. They need careful planning. Will Government or whoever comes to power to rule the destinies of the province rise equal to the occasion ? Let us wait and see.

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## A Short Catechism on Rural Reconstruction.

BY A CO-OPERATOR.

Q.—What is rural reconstruction ?

A.—(1) Improvement in the general rural environment of the cultivator and in the conditions in which he lives.

(2) To improve the amenities of rural life and generally to make conditions in the villages more attractive.

(3) To devise measures which may render the rural community more receptive to new ideas and facilitate the introduction of measures tending to improve rural outlook and conditions.

Q.—What are the present conditions of village life ?

A. Agriculture is by far the most important industry. The typical unit of cultivation is a holding of a few acres. The financial resources of the cultivator are very slender. Illiteracy is the rule. Sanitation is non-existent. Unprotected wells and tanks, unmetalled roads, unswept village streets, close pent up houses, without windows excluding all ventilation. Filth, squalor, depravity, poverty, idleness, dirt, disease, drink and debt. These last named four demons haunting the villagers with their footless track even in their dreams and driving them desperately into Death's door. Above all an innate conservatism, which views everything with suspicion and which refuses to believe that things can mend. Three qualities in our farmers make it impossible for the most stalwart of enthusiasts, to organize them for purposes of improvement—*viz.* (1) conservatism abhorring progress, (2) indifference courting stagnation and (3) suspicion breeding distrust. Thus the whole outlook of the villagers is extremely gloomy and requires to be changed.

Q.—How is this great change of outlook to come about ?

A.—It can be done by means of propaganda.

Q.—What sort of propaganda is necessary ?

A.—Functions of various kinds should be got up frequently in villages for the benefit of the villagers and in collaboration with them. These functions should be such as to awaken mass consciousness on the various problems affecting rural life and environment.

Q.—Mention some of the methods by which such propaganda may be carried on throughout the year.

A.—Something is being done. That is not at all sufficient. We must have health weeks, education weeks, animal weeks, co-operative weeks, agricultural weeks, industries weeks, irrigation weeks, panchayat weeks, temperance weeks and so on, which should be got up by the local officials of the Department concerned with the aid of local subscriptions, until in every village the leaders are in a position to get up such functions themselves unaided. It is of the highest importance that all agencies, official and non-official, which are engaged in grappling with the problems of rural life must combine and adjust their relations to one another with a view to bring about perfect harmony and co-ordination of work in developing the basic principles of rural reconstruction as propounded by Sir Horace Plunkett—" better farming, better business and better living."

Q.—What are the agencies which are directly concerned with the realisation of the needs of villagers?

A.—Many departments of Government are directly concerned with everything that the villagers need, for example, the departments of Revenue, Agriculture, Industries, Co-operation, Veterinary, Public Health, Medical, Sanitation, Public Instruction and Local Self-Government. **The villagers should first know that these** departments of Government are at work in bringing about a change in rural outlook in various directions, in active co-operation with them and they must also know how to make use of these departments in reshaping rural ideas and ideals. The celebration of the various weeks enumerated above will be conducive to a better understanding of men and things and the objects for which they stand. It must be the aim of the official organisers of these weeks, to recruit rural workers who will take interest in such weeks and become propagandists themselves. If necessary, they may be paid small grants from the funds at the disposal of the District Economic Councils, on the recommendation of the departments concerned. The nature and extent of the work to be done in the villages and the difficulties and obstacles in the path of the worker in villages are so great, varied and puzzling that for every village one guide at least is necessary.

Q.—Cannot existing organisations in the villages, such as co-operative societies and village panchayat be made to take up rural reconstruction work?

A.—They are the proper agencies for this sort of work and wherever they are managed properly they may do so, for corporate





life and united action are the very essence of team work and these bodies are already engaged in team work for the betterment of villages.

Q.—What items of work affecting the village upkeep and village welfare may be entrusted to the co-operative society and the village panchayat?

A.—Where a typical co-operative society and a village panchayat consisting of intelligent and well informed committee members exist side by side, items of work such as primary and adult education, rural sanitation, water-supply, prevention of epidemics and cattle mortality, registration of vital statistics, preparation of season reports and price returns, carrying out famine relief works, petty construction and repairs to Kudimaramat and other irrigation works with village labour, insurance of men and cattle, settling disputes of all kinds in the village, between parties seeking redress, advancement of social, industrial and temperance reforms, and management of local trusts and trust funds, may be attended to by them by a judicious distribution of work between them without clash of interests.

A reading room, a library, a recreation ground and a debating society are necessary auxiliaries to a well conducted co-operative society and village panchayat. An ounce or two of religious and moral education may be mixed up with doses of physical and general (adult) education to give strength and tone to the village system or body politic.

Popular songs on various subjects, Harikatas and Kalakshepams on moral stories from the Puranic folklore, dramas or cinemas on co-operation, public health, agricultural prosperity, temperance etc., should be organised and given freely. Bhajanas should be conducted. All these activities are intended to give a new orientation or change in outlook to the villagers—their habits, manners, customs and temperaments.

When the people of our villages combine together into voluntary organisations for self and mutal help and with their pooled forces and resources help themselves to command credit to purchase their domestic and agricultural requirements, to increase their production, and sell their produce to their best advantage, to build and equip their houses, to weave their clothes, to rear their cattle, to plough their lands, and provide for themselves against a rainy day, so as not to depend upon adventitious aid and extraneous agencies for their upkeep, and in order to effectively prevent exploitation at every step in the journey of their lives, the Co-operative Rural Commonwealth would have truly achieved its object in their midst. To attain this end, all must strive. What is eminently needed is unity—unity of aim, unity of purpose, unity of belief and unity of action. What that real Servant of India—the late and esteemed G. K. Gokhale—said years ago, is true to-day. This is what he said :

> "There is work enough for the most enthusiastic lover of his country. On every side, whichever way we turn, only one sight meets the eye, that of work to be done, and only one cry is to be heard, that there are few faithful workers."

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## Reserve Bank's Circular.

### TO SCHEDULED BANKS AND THE SHROFF ASSOCIATION.

Sir J. B. Taylor, Deputy Governor of the Reserve Bank of India, has addressed the following circular to all scheduled banks and the Shroff Association :—

In connection with its statutory obligation to present a report under section 55 (1) (*a*) of the Reserve Bank of India Act, regarding the 'extension of the operations of the Reserve Bank to persons and firms, not being scheduled banks, engaged in the business of banking in British India', the Reserve Bank has been examining the criticisms and suggestions evoked by the publication of its preliminary report on agricultural credit, and I am desired to forward to you the following suggestions for your consideration. If there are any other constructive suggestions which you feel that you could usefully make, the Reserve Bank will be glad to give them its careful consideration.

There are one or two general principles which seem to emerge fairly clearly. In the first place, it seems obvious that even though the scheduled banks may develop branch banking on a rapidly increasing scale, they will not be able, at least for a considerable time, to spread sufficiently widely to handle the whole of India's finance directly, on the lines of banks in more highly organized countries such as the U. K. or U. S. A. The individuals and firms referred to in section 55 (1) (*a*) of the Act, must therefore, continue to be an essential part of the banking structure of the country, and any scheme for the proper control and regulation of banking in India must contrive to bring them within its ambit.

*Intermediate Agencies.*

Secondly, it would be impossible for the Reserve Bank under existing conditions to deal with the indigenous private bankers direct. Their number alone would make this impossible. Their business is also generally of a highly personal and fluid character, so that any real attempt to gauge the amount of credit which could usefully be accorded to them would require personal contacts which would necessitate the creation of an impossibly large and costly organization. Under existing conditions, therefore, the Reserve Bank can only deal with the indigenous banker through some intermediate agency which will share the financial responsibility and undertake the detailed examination and control which is necessary if credit is to be accorded, but it will be prepared to give its most careful consideration to any practical scheme emanating either from the indigenous bankers themselves or from any other source for organizing their own members to enable credit to be afforded to them direct.

The essential conditions with which it would seem necessary for such organizations to comply are that they should be self-contained legal entities with reasonable resources of their own, such resources in the opinion of the Reserve Bank being at least equal to those stipulated for scheduled banks. They would also have to maintain separate and properly audited accounts of their banking business with proper legal provision for the segregation of any other business which they might be conducting, so that liabilities incurred in respect of the latter would not affect their credit in respect of their banking business. Such other business as they might conduct would also have to be confined to *bona fide* trading and not to speculation, and the accounts which they maintained would have to be devised in such manner as to bring this out. Lastly joint stock scheduled banks have to operate in the light of publicity and arrangements would have to be made to ensure similar publicity in the case of these institutions, in particular, as regards their balance sheets and accounts. For purposes of control, they would also have to maintain the same deposits with the Reserve Bank as scheduled banks.

If indigenous bankers or shroffs were prepared to accept these conditions and could put up a practical scheme on these lines, the Reserve Bank would be glad to consider how it could deal with them. In any case, however, any such scheme will take a lot of working out, and in order that something practical may be done as soon as possible, the Reserve Bank would be glad of your opinion on the following provisional scheme which seems more likely to produce early results and which would also, if it is developed successfully help to improve the status and organisation of the indigenous banker.

### *Provisional Scheme.*

Section 17 of the Reserve Bank Act lays down the various types of business permitted to the Bank, and I would particularly draw your attention to sub-sections 2 (*a*), (*b*) and (*c*) and sub-sections 4 (*c*) and (*d*) under which we suggest that business with the indigenous banker might be transacted through scheduled banks. There are two kinds of Bills or Promissory Notes with which the Reserve Bank is empowered to deal. One is the *bona fide* trade bill originating with a merchant or an agriculturist and endorsed by the indigenous banker and rediscounted with a scheduled bank. For the purpose of dealing with such documents the Reserve Bank would not require the nature of the transaction to be set out in the document itself, but the scheduled bank would be responsible that it represented a genuine trade transaction, so that the bill would be self-liquidating. The second type of bill would originate with





the indigenous banker himself in the form of a promissory note with a possible second signature and discounted by a scheduled bank. These bills or promissory notes should be for the purpose of helping local trade or agriculture, the business in which such bankers are usually engaged and be drawn to finance it.

Scheduled banks might maintain lists of the shroffs with whom they are prepared to do business with a record showing the amounts of credit which they could have safely accorded and the type of business which they do.

With this information available the Reserve Bank would be prepared to make advances against bills or promissory notes on the following basis.

(1) Until the scheme developed and the Reserve Bank had acquired experience of the amount and character of the credit which was likely to be involved, such documents would not be definitely discounted by it but it would merely make demand advances to the scheduled banks against their security under Section 17 (4) (*c*) of the Act. This would mean that the scheduled bank would be responsible for the collection of the bill on maturity, a task which would be difficult for the Reserve Bank with its existing machinery to undertake and one for which the obvious agency is the scheduled bank itself.

(2) Scheduled banks would have to classify the bills presented for discount under such heads as might be prescribed by the Reserve Bank from time to time as being made for dealing in a particular commodity. They would also have to undertake to keep the Reserve Bank informed of their total advances under such heads, not merely the amount presented to the Reserve Bank for re-discount. This precaution is necessary to enable the Reserve Bank to see

(*a*) that no scheduled bank is over-trading either generally or in respect of one particular commodity or allowing any individual customer to over-trade, and

(*b*) that no particular commodity is being overfinanced with possible dangerous repercussions later.

(3) Such advances would at first at least be of a seasonal nature only and the Reserve Bank, until considerably more experience had been obtained, would have to make it a definite stipulation that all such advances would be cleared at the end of the normal season of the commodity in respect of which they had been made. It would also have to be clearly understood that such advances were not to be regarded as automatic. Scheduled banks anticipating the possibility of taking out such advances would be required to inform the local Manager of the Reserve Bank some time in advance, of the amount which they considered that they would require, so that their limit of credit could be fixed

in relation of their business as a whole and their capital and reserves. This stipulation is necessary to prevent scheduled banks overtrading in the hope that they could secure accommodation when they required it from the Reserve Bank. It must be emphasised that scheduled banks must operate primarily and ordinarily on their own resources.

*Prevention of Exploitation.*

The criticism may be made that though this procedure will ensure the scheduled banks obtaining the prevailing rate of the Reserve Bank, there is no guarantee of the extent to which they will pass on this concession to the shroff or indigenous banker. In principle, the Reserve Bank is opposed to any attempt to dictate the rates at which other banks will do business. From enquiries which it has made, it finds that where the indigenous banker is properly organised and confines his activities to clean banking business, as in the case of the Multani Shroffs, and the Cutchi Memons and Marwaris in respect of finance bills, he is able to obtain funds at as favourable rates as on Government Paper. There is, therefore, every reason to anticipate that if the indigenous banker elsewhere took advantage of the facilities now being offered and organised his business on similar lines, he would be able to obtain equally favourable terms from the scheduled banks, and that even when the latter were obliged to charge higher rates owing to the possibility that they themselves would have to rediscount the paper with the Reserve Bank, the margin would be very small. At the same time, it must be clearly understood that the Reserve Bank would not like scheduled banks to charge excessive rates from approved shroffs and would be glad to have any practical suggestions how this might be prevented. The main object of the scheme is that the scheduled banks, who benefit under it in the first instance, should pass on these benefits in a tangible manner to the indigenous banker for whose benefit the scheme is being primarily devised. In particular, it has been suggested that it might refuse to accept paper for rediscount if the scheduled bank itself had discounted such paper at more than a reasonable margin above Bank rate, say 2 or $2\frac{1}{2}$ per cent. This would be a very wide margin indeed for good paper and it could reasonably be argued that if more than this had been charged by the scheduled bank it was either being extortionate or that the credit of the initial borrower was not above suspicion and that in both events the Reserve Bank would be fully justified in refusing to deal in it.

*Indigenous Banker's Place in Rural Economy.*

It is possible that the scheme outlined above, if properly developed, would be adequate for the requirements of the indigenous banker and that he would be content to continue under it without undertaking the further responsibility of organising himself on scheduled bank lines in





the manner outlined in the early part of this letter. Organisation as a scheduled bank would, of course, bring with it certain privileges particularly in that they could deal with the Reserve Bank direct, and also in the matter of remittance, but in practice at present it would appear that where the indigenous banker is properly organised the scheduled banks are prepared on a competitive basis to meet him in these respects to such an extent that there would be little actual advantage to him in further organising himself as a scheduled bank. This, however, would be difficult to determine without practical experience. If a scheme on the lines suggested above could be found to work successfully, it would be for the indigenous banker himself, once he had arranged his business so as to take advantage of it, to determine whether any real advantage would accrue to him by further organising himself on scheduled bank lines so as to be able to deal with the Reserve Bank direct with the accompaning necessity of fulfilling the essential conditions which the Reserve Bank would have to prescribe for such direct contact.

The scheme here presented is, of course, only in broad outline and numerous details will have to be filled in later. The procedure for rendering the documents legally available to the Bank as security will, in particular, require examination, but before going into detail the Reserve Bank would be glad to know as soon as possible whether you consider that a scheme on the above lines would, in practice, be likely to bring an appreciable number of indigenous bankers within its ambit or whether you have any other suggestions to offer in this connection. The importance of the role which the indigenous banker plays in the financial and economic structure of India at the present time cannot be too strongly emphasised, and if the credit machinery of India is to be properly organised and complete, it is essential that he should have a definite place in it. We, therefore, hope that constructive suggestions will be forth coming on which some practical scheme can be based. I am further to point out that this reference is intended to deal solely with that aspect of the question which concerns the shroff and the indigenous banker. The question of co-operative banks is under separate consideration.

I am to request that the views of your Bank (Association) may be communicated to us as soon as you conveniently can and in any case not later than 31st July 1937.

# Conferences.

## THE FIFTH ANDHRA PROVINCIAL CO-OPERATIVE CONFERENCE.

The fifth Andhra Provincial Co-operative Conference was held at Pasivedala in West Godavari district, on the 2nd May last, under the chairmanship of Dr. B. Pattabhisitharamayya of Masulipatam. The Hon'ble Mr. V. Ramadas Pantulu opened the conference and Mr. K. Narasimham welcomed the delegates in the place of the late Mr. V. Suryanarayana Rao who had been chosen as the Chairman of the Reception Committee but who unfortunately passed away just a few days before the conference. Many delegates from all parts of Andhra Desa and hundreds of villagers from neighbouring villages attended the conference. Mr. N. Satyanarayana of Alamuru hoisted the co-operative flag while Dr. P. Gurumurthi of Rajahmundry opened the exhibition attached to the conference.

### WELCOME ADDRESS.

Mr. Narasimham read the welcome address which had been prepared by the late Mr. Suryanarana Rao. It was stated in the address that the co-operative movement which was started more than 30 years ago for providing credit facilities, inculcating thrift, and developing a spirit of co-operation in the villages, had failed to achieve its object. Poverty, illiteracy, communal troubles and village factions had contributed to the failure. Indebtedness had not been relieved but on the other hand had increased threefold. Among the suggestions made for the improvement of the situation were the abolition of unlimited liability, and the replacement of it by limited liability, the starting of societies for the double purposes of agriculture and handicrafts and for purchase and sale and the employment of paid staff for working the societies in the place of elected honorary officers.

### OPENING ADDRESS.

Mr. Ramadas Pantulu in declaring the conference open said that the Justice Ministry in our province which originally helped the growth of the movement was in its last days engaged in liquidating the societies by thousands. He deprecated the tendency of the Government in recent times to interfere unduly in the internal management of the societies. Referring to some of the amendments made to the Co-operative Societies Act in our province, he said, that the whole Act had as its centre the Registrar and not the co-operative society. For the economic betterment





of the people, Mr. Pantulu observed, there could not be a better movement than co-operation. In spite of it, the Government never provided any place for co-operators in the committees of the newly formed District Economic Councils. The attitude of the Government could only be attributed to the ignorance of the authorities.

Referring to the subject of the appointment of Registrars, the speaker said that previous to the Montford Reforms the Co-operative Department used to be under the the control of the Finance Member, but the actual head of the department was an Indian. For the Government then thought that an Indian alone was best fitted to direct the popular movement. Subsequent to the Montford Reforms co-operation came under the control of popular Ministers along with other transferred subjects, and they at once began appointing Europeans to the Registrar's post for they viewed with suspicion the effects of allowing a popular movement like co-operation being entirely in the hands of Indians without having a check on it. In conclusion Mr. Pantulu appealed to the Congress to include co-operation as a part of its agrarian programme, for the peasants could be helped to a greater extent.

### PRESIDENTIAL ADDRESS.

Dr. Pattabhisitharamayya in the course of his presidential address analysed the various causes which contributed to the present miserable position of agriculturists, such as the existence of intermediaries between the agriculturist and the Government, rural indebtedness, uneconomic holdings, the existence of forced labour in one form or another in Zamindari areas and heavy taxation which has not proportionate to the income of the agriculturist. Dealing with rural indebtedness, he said that various relief measures revised by legislation would be of very little use unless an agency was created to pay the amounts of conciliated debts. In the opinion of the speaker a Trustee Bank which had been the subject of discussion at various conferences was an immediate desideratum. It was one of the important duties of any civilized Government to allot a portion of the State revenues to provide for the social, economic and cultural amenities of the villagers who were responsible for the income of the Government. Small beginnings made here and there would never produce any appreciable results. What was wanted was that the ryot should get his legitimate share of the revenues of the country in the shape of roads to provide good transport facilities, schools, hospitals, libraries, recreation grounds, banks and a host of other socio-economic amenities.

Speaking about co-operation, Dr. Pattabhi observed that it was closely linked with the subject of agrarian programme and that that was the reason why the co-operative movement should not be looked upon as an isolated effort. There was a time when politics and economics were considered to be two different entities and as a result of the passage of time, politics and economics were going side by side. It was a matter for great regret that even some of the constructive activities of the Congress were looked upon by the Government with suspicion in the belief that those activities were a part of political propaganda.

In conclusion he said:

"Special facilities must be contrived to help the Harijans. What the Harijans want in particular is co-operative land-owning. Land should not be assigned to the Harijans individually, for that would only put temptation in their way to capitalise its value and convert it into cash. Land must be assigned to a co-operative society of groups of Harijan families who are only lesseses of the society which owns the land. Each individual should have a living interest in cultivating the land but cannot alienate it. After the land is fully reclaimed, ownership may be passed to the individual members.

Rural uplift can no more be achieved by uttering well-mouthed phrases any more than Swaraj can be attained by passing sonorous resolutions. Day-to-day work, hard work in the slush of villages, has to be done and to do such work systematically an existing organisation may profitably be taken advantage of. For this purpose, a liaison must be established between the Congress and the co-operative movement. The co-operative movement must by the breadth of its outlook or the width of the range of its interests, help the peasant to realize himself as the unit of society and the nation. His home life, his culture, his health and happiness, his prosperity and progress must all be brought within the range of the village co-operation. Through all the havoc and vandalism wrought in Russia in its recent revolution the co-operative movement has remained untouched, nay, has remained as a beacon of life pointing to the line of advancement. When the co-operative movement is thus strengthened in foundations and expanded in scope, it will serve as the one instrument of what we have been popularly terming Rural Reconstruction which knows no restrictions of politics but which will carry light and happiness to every home."

RESOLUTIONS.

The Conference passed a large number of resolutions of which some are given below:—

1. The Conference opined that the Provincial Co-operative Bank should be divided into two Banks namely the Andhra and Tamil Provincial Banks, and till then no changes should be made in the present number of Central Banks in the Province. The meeting expressed its resentment against the attempt of the Registrar to amalgamate the four Central Banks in East Godavary district into one.





2. The Conference expressed its emphatic opinion that Indians only should be employed as Provincial Co-operative Registrars as an Indian only could understand Indian conditions and direct the movement to the betterment of the people.

3. The Conference appealed to the Provincial Co-operative institutions to help the cottage industries through the co-operative societies. The meeting also appealed to all co-operators to help cottage industries, and to prefer only those articles as are manufactured through co-operative institutions and thereby encourage the Swadeshi movement.

4. The Conference appealed to the Provincial Co-operative Union to establish better-living societies in the Province on the lines of societies established in the Punjab.

5. The Conference resented the gradual handing over of the co-operative administration to official hands and opined that it was against democratic principles and discouraged non-official co-operation.

6. The Conference was of opinion that the Provincial Co-operative Union is best fitted to manage co-operative educational institutions and appealed to the Government to entrust the Union with the work of running such educational institutions.

7. The Conference expressed its disappointment at the Report published in accordance with Section 55 of the Reserve Bank Act. The Conference opined that the Reserve Bank authorities did not realise the necessity of establishing an Agricultural Credit Branch of the Reserve Bank, and appealed to the Bank authorities to advance short-term loans to Provincial Co-operative Banks on the security of agricultural produce, title-deeds of such produce, and the Provincial Government's Promisory Notes.

8. The Conference condemned the nomination of two members by the co-operative department to the primary land-mortgage banks and opined that these nominations were detrimental to the good management of the societies. The conference particularly resented those nominations made without consultation with the elected directors.

9. The Conference was of opinion that the liquidation of societies after their supersession and the execution proceedings which followed such liquidations such as auctioning the lands etc. of ryots, was against the very spirit of co-operation and requested the authorities to stay the executions pending and to devise methods of re-establishment of such societies in consultation with their members.

10. The Conference opined that no person working in the co-operative department including officials should be given more than Rs. 300 per month including all allowances, except in cases of officers residing in Madras, when an additional city allowance of Rs. 50 might be given.

**11. The Conference resolved that co-operative farming societies should be established in the villages and constituted a committee to take the necessary steps.**

**12. The Conference requested the Government to amend the Usurious Loans Act so as to fix the maximum rate of interest on secured debts at 6 per cent, on unsecured debts at 9 per cent, and to apply the rule to all pending debts.**

## THE SEVENTH WEST GODAVARI DISTRICT CO-OPERATIVE CONFERENCE.

The seventh session of the West Godavari District Co-operative Conference was held at Pasivedala in West Godavari district, on the 3rd May last, and it was presided over by Mr. N. Satyanarayana of Alamuru. Many delegates from all parts of the district attended the Conference. Mr. D. Venkatakrishna Rao in welcoming delegates observed that the co-operative movement when run on proper lines could save the world from the evils of Fascism and Socialism. After giving a brief account of the various kinds of co-operative institutions in the district he appealed to all those working in the movement to establish non-credit societies.

Mr. Satyanarayana in his presidential address detailed the history of the movement since its inception in this country. He stated that the movement in its initial stages was under the control of Indian Registrars who directed the movement to the best advantage of the people. After the advent of the Montford Reforms even though co-operation was in the hands of popular Ministers, the Europeon I.C.S. Registrars controlled the movement. These officers, in the nature of things could not understand the needs of the country and ran the movement according to their own notions. He observed further that as a result of the present economic depression the ryot could not meet his obligations to the co-operative societies, which were consequently faced with the problem of overdues and unrealisable loans. As the societies became moribund the Registrar who was to be the "friend, philosopher and guide' of the movement changed into a "dictator abitrator and liquidator." In Mr. Satyanarayana's opinion the downfall of the movement was due to the entry of unscrupulous persons into the societies combined with their unlimited liability, which resulted in the penalisation of honest people.

Speaking about rural indebtedness he said that providing cheap credit alone would not suffice but that the income of the ryot should be increased by subsidiary occupations. While Governments in other countries were taking all possible measures to reduce rural indebtedness, the Governments in this country were not taking any adequate steps in the direction. In conclusion he said that co-operative societies could help college industries to a much greater extent than at present.



## Recent Utterances.

Presiding over the Silver Jubilee celebrations of the Tirukattupalle Co-operative Society in Tanjore district, on the 14th May last, Mr. T. Audinarayana Chettiar of Salem made an interesting and instructive speech from which the following are extracts :—

*Consolidation of Holdings.*

If the Tanjore (small) ryot is ever to lift his head above water, he should resort to a scheme of consolidation of holdings. Among the Indian states, Baroda showed the way. In Punjab over 7 lakhs of acres have been till now consolidated and in the Central Provinces over 5 lakhs. The cost has worked out between 4 and 8 annas per acre. But G. O. No. 860 of the Madras Government dated 10-4-37 puts it at Rs. 1-8-0. If the people of Tanjore will only see their way to effect this reform and to abstain from their traditional partiality for draggng people to Court on all possible occasions, much can be done for the poor and middle class ryots. The present Registrar is in favour of the scheme, having seen with his own eyes the benefits of consolidation during his recent visit to the Punjab. I trust you will move in the matter. You will find not only the yield from your lands but your credit worthiness also will go up by leaps and bounds. The incidental advantages of consolidation are that roads are straightened and new connections with small plots to each land owner for manure pits, a common play-ground and a tree-nursery. New wells can be sunk and litigation about boundaries will virtually cease. I must in this connection also tell you that long term and land mortgage loans are granted not on the basis of market value of lands but on the repaying capacity of the borrowers.

*Co-operative Marketing in Salem District.*

Between the harvest and the realisation of the price, the ignorant and unorganised ryot is exploited in a thousand ways. This exploitation may not be so bad in the case of paddy; but in the case of commercial crops, the state of affairs is notorious, especially where the buyer is in a position to form "rings" and to dictate his own terms. Cotton and ground-nut would be the most familiar examples. As regards the latter, false weights, false market quotations, false standards as to what a "pothi" or "kandagam" should be, exactions for commission, 'dharmam', samples, etc. have become veritable scandals. A modest but successful attempt was made at Cuddalore with groundnuts. Cotton has been dealt with at Kovilpatti, Dindigul, Tuticorin, Tiruppur, etc. Marketing of paddy has been attempted at Madura and at Nellore. It has not been an easy matter to co-operatively market paddy, although fair success has attended the attempts as regards the other stuffs.

I trust the figures for the Salem District for the period 1st July 1936 to 31st March 1937 will prove interesting. But I must preface it by saying that the Salem District Urban Bank advances to ryots Rs. 10 per acre for cultivation, taking an agreement from the ryot that he will market his produce through the Sale Society. The Supervisors check and report from time to time regarding the state of the crops in the fields. Local agents collect the small quantities of produce and cart the accumulated stuff to the Sale Society. Open auctions are held, daily in season and bi-weekly at other times. Bidders from even distant places attend and good prices are realised. The knocking down is always in the presence of the ryot. If the ryot wishes to hold out against a rise in price, the produce is detained in the godowns and an advance up to 60 to 70 per cent of the market value is made. The rate of interest is 6 per cent per annum and goods are insured.

Out of Rs. 40,250 sanctioned and Rs. 25,396 disbursed under the scheme for cotton in four unions of the Salem district, only Rs. 16,590 remained to be collected on 31-3-37. The season is not by any means over. Only in rare cases or in case of crop failure will a balance remain until the next harvest. It should also be remembered this year, owing to drought, there was not even a 8 anna crop in the area. We have also a second crop to come in. But the most remarkable thing is that some of the old "overdues" are being collected along with a cultivation advances. Cases of evasion (failure to bring produce to the sale society's godown) are very rare. A new life has come into the societies which have been 'dead' or dormant for years. New persons are clamouring for admission as members and the remaining areas in the district also want to come in. During the same period, goods sold have amounted to Rs. 3,85,841-10-3. All these are from the ryots' and not middlemen's stuff. To realise what this means by way of savings to the ryots, one can study it better from the happy faces of the people than in dull statistical columns. A careful and conservative calculation has shown that the saving to the ryot is at least ten per cent.

Ragi, the staple food which is grown in two of our northern taluks to the extent of Rs. 4 or 5 lakhs a year, is to be tackled next. Marketing of ghee has been going on a modest scale. Marketing of fruits has already commenced. Betel-leaves, which are sent out from this district to a total value of Rs. 15 lakhs annually, clamour for early attention. The Provincial Co-operative Marketing Society has been making an attempt to deal with perishables, condiments etc. (surplus produce of the muffassal) and it must be your duty to feed it. You can do so in respect of plantains whose export would work out to lakhs, edible roots, betel leaves and cashew-nuts, to mention only a few items that occur to me on the spur of the moment. I am sure you will think of many





more. Co-operative marketing is the one thing which will put more money into the hands of the ryot. The help thus rendered is much more than the grant of cash loanes. I earnestly solicit the attention of co-operators, official and non-official, to this important and urgent matter.

### *Official Control.*

The recent drastic powers taken by the Registrar to remedy defects or evils, are not, I humbly submit, calculated to enhance the prestige or influence of the better-minded among the non-official workers whose services in the cause of the movement are not negligible. For instance, the rule about "supersession" of committees of management of even district financing institutions. The Registrar in his report mentions that 37 co-operative institutions (with 3 Central Banks among them) have had their committees superseded. I am not glad of it. The Registrar adds that in cases (mentioned) there has been an i nprovement in their working. I can, on the other hand point out instances where supersession has caused great injury to reputation and bad results. I shall give only one instance. In a certain district a loan of Rs. 1 lakh or more was applied for a scheme of land purchase and house building. A special G. O. sanctioning the purchase of particular lands was got issued. It seems, the land has not yet been allotted nor have the houses been constructed. Whereas the society is saddled with payment of interest to the extent of Rs. 3,750. I hope my information is correct. The person whose land was purchased happens to be a pillar of the political party then in power but since beaten hollow at the polls.

Supersession means the appointment of a Junior Inspector, occasionally a Senior Inspector or very rarely a Sub-Deputy Registrar and they are only human and have either their own likes and dislikes or have to dance to the tune set by the Deputy-Registrar. Nearer home, I was recently told of a man being exonerated in an arbitration suit for reasons not very convincing. Even if it takes longer time to rectify defects in a normal way, I beg to point out, it is worth waiting for; but drastic remedies which are unco-operative in their very nature are not in the long run good. If a set of people are acting perversely, other methods are open to the Registrar or the institution may be cancelled and the movement may, perhaps be better for such pruning.

### *Official Help.*

I am glad the relations between the non-officials and the Department have been good and of late fast improving. The help given by the Department in the day to day administration, in inspection, in liquidation, in collection work and in execution and arbitration is invaluable, although I occasionally wish that more careful lending and more efficient supervision had left little scope for official help. The Department have also urged the central financing institutions to reduce the rate of interest on loans and in several districts to forego penal interest altogether. I appeal to you, friends of Tanjore, to put more strenuous work into a beneficient movement, to sink your petty differences and to help your fellowman, remembering always that service of man is service of God.

# Correspondence.

## URBAN BANKS AND THE ISSUE OF DRAFTS.

To

THE EDITOR,

SIR,

Now, so far as the credit side of co-operation in this Presidency is concerned, we are in a position to say that every town has got an urban bank working somewhat satisfactorily. But in most of such urban banks the transactions are more or less restricted to the credit side *i.e.* borrowing and lending. Many of the members of urban banks are petty traders and they will be served to a very great extent if facilities for easy transfer of amounts from one place to another where he has got dealings are afforded and for this purpose, the introduction of the system of issue of demand drafts by co-operative banks on any other bank in the Presidency will be highly helpful.

Most of the banks in the Presidency, urban and central, have current accounts in the Madras Provincial Co-operative Bank, and hence, there will be no difficulty in depositing the amount of draft issued on any one bank to its credit in the Madras Provincial Co-operative Bank by the drawer of the draft. The issue of the draft also may be intimated to the drawee by the drawer bank then and there.

The Madras Provincial Co-operative Bank, being the pivot for all such transactions, is ideally suited to bring all the co-operative banks, urban and central, together for this, and arrange for the issue of drafts by any one bank on another. The urban banks will, I am sure, feel grateful to the Madras Provincial Co-operative Bank if the same is successfully arranged enabling them to serve their customers in this way also, which will, in turn, be highly useful to the general public.

Hence, I appeal to the Madras Provincial Co-operative Union, Madras Provincial Co-operative Bank and other Banks also to consider the suggestion and introdue the system, if found feasible and practicable.

PERIYAKULAM, L. MEENAKSHI NAGESWARA AIYAR,





## IMPORTANCE OF PROPERTY STATEMENTS.

To

THE EDITOR.

SIR,

In all rural societies there is the need for ascertaining the assets of all members of every society every year. This course is to aid the financing bank and the department to know the credit and soundness of the society besides fixing the maximum borrowing power of the society. It is a well known principle that the property statement when it is prepared is read out in the general body of the society and the signatures of the members are obtained in the statement so as to ensure its correctness. The property statement form now in vogue though clear, in my humble opinion, is wanting in one respect and I will explain it presently.

Columns 12 and 13 of the form refer to secured and surety loans of members to the society. Generally under column 13, the amount of dues to the society from a member who happens to be a principle debtor only, is noted. But nothing could be known about the sureties from a perusal of the property statement. What I want to suggest is that there should be some provision or an additional column in the statement wherefrom one could be guided to ascertain the liability of a member as a surety. This sum need not be included under column 20, so much so, there will be no manner of alteration in column 21. Why I would like to insist on this is for the following reason.

Now-adays the principle debtors of some societies are unable to pay and in those cases we have to proceed against sureties. Invariably if three years after the date of the loan this course is occasioned there is every likelihood of the sureties escaping, they acquiring the precious right under the statute of limitation as their acknowledgment of liability could seldom be obtained in the loan bonds. If therefore, the provision suggested is insisted, then year after year there is the preparation of this statement when and where the liability of the members of societies could be noted and they cannot think to take shelter under the law of limitation.

I therefore request that this suggestion would find favour with the authorities.

PAKKAM. T. TIRUVENKATACHARI.

# Extracts.

## "THE LAST WAR."

### Time: 1960.

*Play by Oscar Cooley in " The Co-operative Builder."*

Curtain rises on " No-Man's-Land." On each side, facing each other, and in rear facing front, are sandbag barricades with rifles peering over, trench helmets barely showing. Red Cross dressing station in rear left, barbed wire in front. Hollow booming of big guns in distance, occasional flash of shell bursting. Sound of big guns slowly dies out.

English Cockney voice from left trench: " Sounds as if they were going to give us time to dig the bloody mud out of our ears." Silence.

American voice from right trench, addressing comrade: " Gimme a Camel, Bill. Haint got none you say? Gee, that's tough." (Pause). " Hey, John Bull, got any smokes?"

Cockney: " Sure, Yankee, and why not. They ain't Camels, but they be Co-ops., which are just as good or better." (Pack of cigarettes sails through the air. Hand from right trench reaches up and catches them).

Yank: " Co-ops. No kiddin.' Who makes 'em?"

Cockney: " They be co-operative. That's who makes 'em."

Yank: " Co-operative. Ye don't say. (To comrade.) Bill, ever hear o' that company?"

Bill: " Sure. They have a branch in the U. S. A. They run stores, too—didn't ye ever hear of 'em, you dumb cluck?"

Yank: " Say, them ain't a bad smoke." (Smoke curls out of American trench. (Pack of cigarettes sails back to owner). " Many thanks, John' ol' dear."

Cockney: " Don't mintion it." (Pause.) " Say, who's that blighter off to yer left? Who's he shootin' at? "

Yank: " That? " Oh, that's Bolshevisky. He's a-defendin' Moscow against the capitalists. Yeah, when he gets tired of pottin' at us Americans, he takes a shot or two at you John Bulls."

Cockney (cackles with laughter): " I say, Bolshy, will ye smoke?"

Bolshy: " Ya !" (Cigarettes are tossed over to Russian trench. Dense cloud of smoke arises. Pack is returned. Pause).

Yank: " Hey, Bill, how about offerin John Bull a swig o' that coffee. No use our bein' stingy."

Bill: " Sure! Chances are he's been standin' in water up to his knees just as long as we have."

Cockney: " Blimey, ye don't mean to say ye've got summat to warm a man's innards over there!"





**Yank: " Sure. Is the shootin' off?**

**Cockney: " The shootin's off fer good an' all as fer's ah'm concerned. What do you say, Bolshy? "**

**Bolshy: " Ya, ya !"**

Bill: " It's a bargain. We'll meet you at the wire." (Two American soldiers scramble out of right trench, British soldier from left, Russian from rear. Guns are laid down. Bill hands vacuum jug to Cockney who raises it eagerly to his lips. As he lowers jug, label catches his eye. He turns label toward audience. It reads CO-OP.).

Cockney (slapping his knee and cackling with laughter): " Boys, ye make me larf. Here ye ask me wot kind of butts them Co-ops. be, and now ye offer me coffee in a Co op jug. Lordy, it's time fer you to be seein' America first."

Bill! " Now if we had something to eat." (Looks hungrily around).

Bolshy: " I have chocolat. Here, have chocolat." (He produces bar of chocolate. It too is labelled Co-op.).

Bill (looks sharply at Co-op. label on chocolate, then at Bolshy): " Co-op. chocolate. Why, Bolshy, you ol' mudjik, you've got some o' them co-ops., too.

Bolshy (with delight): " Ya, ya ! Co-op., ya !"

Cockney: " Lordy, we no business to be a-fightin'—we're all co-ops." (He cackles, takes another drink, wipes mouth with back of hand), " Blimey if that aint good."

Yank: " Say, what the hell is this war all about, anyhow? Any o' you guys know?"

Cockney: "Wull, I don't know what they told you blokes, but they told us we were a-fightin' this war to 'make the world safe for democracy,' he, he, he !"

Bill: " Democracy! Then tell me this: " Why is it we workin' stiffs are the ones that do all the fightin'? Why don't the boiled shirts and the big shots take their ' democratic ' turn at the fightin'? "

Yank (musing): " To make the world safe for democracy. Seems to me that is what my ol' dad said they told him when he went to fight the Germans in 1917."

Bolshy: " Ya, ya. They always say de same thing. In my country every war is ' in defence of the Soviet Union !' "

Cockney: " Mon, ye wouldn't expect 'em to invint a new slogan for ivry war, would ye? Not when it's so much cheaper to dust off an old one. Now—one more co-operative pull at the Co-op. jug."

Enter officer from American side, and officer from British side simultaneously.

American officer: "Here! What's going on here? Back to your trenches, men!" (He whips out revolver. British officer does same).

Bill: "Aw, cut it out, cap. Come an' have some coffee."

British officer (to Cockney): "Back to your trench, man! Don't you know there's a war?"

Cockney: "I say, boss, come an' meet our boy friends. Their coffee ain't arf bad, that's what it ain't, bein' as how it's Co-op."

(Officers observe one another, point revolvers to fire, but the weapons click and do not explode. They search clothes vainly for catridges. Each rushes and grabs rifle from ground. These too fail to explode. The soldiers, meanwhile, with arms around shoulders, sing:

"'Tis always fair weather.
When good fellows get together"—

Officers drop guns, grab their men and drag them frantically back into their respective trenches).

British officer: "Put in a call for ammunition!"

American officer: "Let's have some cartridges up here! How does the old man think we're going to fight a war without ammunition!"

Enter American general and aide.

American General (to aide): "Do you mean to say that the ammunition dumps are entirely exhausted?"

Aide: "Not only that, sir, but we have just received a wireless that the Camden munitions plants are entirely shut down, and that although there are limited supplies of shells on the wharves, there is not a single ship to transport them. Moreover our commissary is getting dangerously low. Food ships were on the way, but they were suddenly re-routed to feed the starving Chinese."

American General: "Chinese, hell! What is uncle Sam thinking of? How does he expect us to carry on a war in this fashion!"

Enter British General and aide carrying a white flag.

American General: "Come on over. You needn't worry. We haven't any weapon more dangerous than a pocket knife!"

British General: "Are you out of ammunition, too? Bless my soul, that's some relief. My aide tells me that we haven't another shell and that our munitions factories are closed down. Worse yet, Denmark has refused to sell us another pound of bacon for our armies. How the War Office thinks we can carry on surpasses me. We demand a truce."

American General: "So do we. Now let's put our heads together and figure out how we can get this war going again." (Aides bring chairs. Generals sit and light cigars. Soldiers fraternise in rear. Officers eye one another suspiciously. Aides exit).





American General: "As near as I can see, we'll have to have some of those white collar chaps from home—you know, the kind that don't know the smell of gunpowder from a lady's sachet—come and explain matters."

British General: "Right you are. We simply cawn't go on this way."

British Aide enters, salutes: "His lordship, Baron Halfpenny, to see you, Sir." (British General hops up and salutes as Baron enters. They begin conversation, the General expostulating, the Baron in defence).

American Aide enters, salutes: "Mr. Herby Smith, U. S. Secretary of War, to see you, Sir."

American General growls at visitor: "What does this mean, Herby?"

Herby: "Have patience, General, it is a matter of finance."

American General: "What do I care about finance? I want shells, and bully beef for my men. Look at those silent guns!"

Herby: "But shells and bully beef have to be paid for."

American General: "Paid for! Isn't Uncle Sam's credit still good? When we fought the Germans in '18, there was no question of paying for things. What's wrong with that Wall Street crowd? Aren't they backing us?"

Herby: "You forget, my dear General, the Wall Street crowd is now comparatively powerless. This is 1960. Things have changed since 1918 But wait, I have sent for a man who can help us if he will."

American Aide enters, salutes his General: "Mr. Robert Owen Thompson, president of the American Co-operative Wholesale Society, to see you, Sir.,'

Enter Thompson, American General stiffens. Herby extends hand.

Herby: "Sit down, Mr. Thompson. I was the one who sent for you. You see it's a matter of money, credit. Our army is in desperate need of munitions and food. Without them it can not carry on this war —which, as you know, is purely a defensive war". (The Britons bristle). Your company has large resources, in fact by far the largest of any organisation in America. Your country now calls on you for help in her hour of need".

Mr. T. (half-amused): "But what about our enemies? What hinders them from overwhelming us, if we are without munitions?"

Baron.: "Our munitions, too, Sir, are exhausted."

Mr. T. (thoughtfully): "Hm . . . It is true that the American Co-operative Wholesale Society has large resources, and so has the British Co-operative Wholesale Society and the co-operative wholesale societies of every other country. But our resources, I am sorry to have

**to tell you, gentlemen, are not available for war purposes. That money belongs to millions of American co-operators, and they will never consent to having it used to buy shells to blow their brother co-operators of other countries to pieces."**

**Herby: "It is true, then, is it, that your company has recently gained control of the steel industry and refused to supply to our Camden shellcase plants?"**

Mr. T.: "It is."

(Soldiers in rear, begin to pay attention).

Herby: "And that, because the War Department could not pay you promptly for those shiploads of food, you had them re-routed to China to feed, the famine sufferers?"

Mr. T.: "Yes, that's right. And it is also true that the British Co-operative Wholesale Society has voted to sell nothing to the Government for war purposes—except cigarettes and that the Danish co-operatives have agreed not to ship another pound of bacon to England until peace is declared. You see times have changed since 1918. This is the age of Co-operation. The people are the masters now. Through their co-operative system, they have gained control of all industry and all credit.

"They will permit no more war; no, not even 'defensive' war." (He picks up rifle lying on ground, points it in air and clicks the hammer). Instrument of torture and destruction! Your death-dealing work is over. A piece of scrap-iron!" (Lets it fall. Then turning to the Generals). "You might as well shake hands, gentlemen. Your soldiers have already settled their differences—if indeed they ever had any. The war is over, and it is the last war. The time has come to 'beat your swords into plow-shares and your spears into pruning-hooks.'"

(Soldiers burst into spontaneous cheer. Generals shake hands, a little sheepishly. Baron H. and Herby do same. All join and sing song "Brothers in Co-operation." (Tune: Men of Harlech).

Curtain.

(*The Co-operative News.*)

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## VILLAGE UPLIFT WORK AT SANTINIKETAN.

### *Sir John Russel's Tribute.*

Glowing tributes were paid by Sir John Russel to the village uplift work done under the guidance of the Visva-Bharati staff, in the course of an interview to the United Press, giving his impressions of his visit to Santiniketan. Sir John said: I visited the various sections of the work being done at the Visva-Bharati, Santiniketan, spending a good deal of time in the Sriniketan section which deals with agriculture, handicrafts





etc. The purpose of the work is to improve the material conditions in the villages by raising the standard of farming, introducing new varieties and improved methods, improving also the water supply to the soil by clearing out the old bunds so that they can again function as sources of water supply. The distinguishing feature of the work, and one which impressed me very favourably, was the deep interest taken by the workers in the welfare of the cultivators, and the fact that they are working primarily for the purpose of improving the life of the village. They are inspired by the true missionary spirit, but they recognize that the surest way of accomplishing their purpose is to organize the villagers to improve their own conditions. The work of the improvement is done by villagers themselves under expert guidance from the institution's staff, and inspection of two of the villages showed that the cultivators had been made sufficiently interested to do a considerable amount of the necessary work without any other reward than the improvement of their village. Roads have been made and drains constructed, and the villages have been taught to keep their villages clean. The result is a great improvement in the health conditions.

Another important development is the development of the handicrafts of the village. Weaving and leather work have both been considerably improved and a new industry—batique—has been introduced. This furnishes useful occupation in the village. Further, the clearing out of the old bunds and improvement of the channels for irrigation and of the roads, has given the cultivator greater possibilities of using his land to advantage. I was interested to note in going round the village that the men all seemed to be at their work.

Another feature of the work is the medical service, which is now becoming self-supporting and which is a potent factor in improving the health of the village.

Altogether this village work appeals to me as being among the best I have seen in India being inspired by the spirit of human interest and an intense desire to do all that is possible for improving the life of the village in all its aspects.

(*The Leader, Allahabad.*)

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# Reviews.

I

GRAMA AYKYA SANGAM (Village Co-operative Society.) By Mr. V. K. Rajagopala Iyer, B.A., L.T., Pudukottai; Published by the State Co-operative Institute, Ltd., Pudukottai. **Price As. 5.**

*Grama Aykya Sangam*, is a Tamil drama by Mr. V. K. Rajagopala Iyer, B A., L.T., the Secretary of the State Co-operative Institute, Ltd., Pudukottai. This is a revised and enlarged edition of a drama on the benefits of co-operation written by the author in 1929. It shows how in a small village, people are likely to be exploited by sowcars and how by the formation of a co-operative society not only could the evil of sowcars be eradicated, but that so many other benefits are likely to follow; nay if the true co-operative spirit is to prevail, even sowcars could be incorporated into the co-operative societies as depositors.

All these well-known truths about co-operation are set forth in the form of a very interesting drama, in which there are many scenes that are likely to appeal to the masses. The characters are simple village folk who talk their own native language. It may be that the Tamilians of other districts may not be able to appreciate the subtle beauties of the local idioms of Pudukottai but the main ideas can easily be followed and we hope this book would find its way into the library of every co-operative institution in all the Tamil districts of the province.

S. K. Y.

II

A BRIEF HISTORY OF THE CO-OPERATIVE MOVEMENT in the Surat District by P. T. Parikh, B. Com., Add. Gen. Manager, Surat District Co-operative Bank, Ltd; Published by the Surat District Co-operative Bank Ltd., Surat; Price (not mentioned.)

Mr. P. T. Parikh, the Additional General Manager of the Surat Co-operative Bank, Ltd., the author "A Brief History of the Co-operative Movement in the District" deserves to be congratulated on the excellent volume he has produced. The history of the movement covers about 200 pages and to this is attached a Souvenir of the Silver Jubilee Celebration of the Bank on 23-12-1934 covering about 60 pages.

The history of the movement in Surat District is divided into five sections. The first section deals with the formation of agricultural credit societies in the district. Secondly the origin and development of the financing institution, the Surat Co-operative Bank, naturally occupying a





major portion of the history; thirdly the origin and development of Urban Banks in the district which is followed by an account of non-credit co-operation. Lastly comes the fifth section dealing with the education, supervision, organisation and propaganda. Thus it is a very comprehensive record of the origin and growth of the co-operative movement in the district of Surat.

The first section deals with the beginning of the movement with the starting of a few societies here and there two years after the passing of the Co-operative Societies Act of 1904. The statements given on pages 10 and 14 show how these agricultural credit societies have been steadily expanding. The author does not varnish or white wash the difficulties as set forth in the dispassionate analysis of the causes of failure of the movement.

The second section dealing with the origin and history of the District Bank is a very interesting one. It was originally started by individual members and societies were slowly admitted and as statements on pages 41 and 64 show the individuals still predominate. We are glad to find that overdues are not much compared with what is obtaining in other parts of India. The Bank has been steadily growing and has been getting additional privileges as it gather experience. For example it was not allowed to have current accounts to start with. It was permitted to have only Fixed Deposits and Savings Bank Deposits. But when the Bank became settled and the experience of the staff could justify the introduction of current deposit, the privilege of having that section opened was conferred upon it by the Department. Following the Bombay tradition, the District Bank has got branches in Taluka headquarters. It has been very liberal in financing, education and propaganda. It has taken powers to inspect constituent societies. The history of it has been summarised in the able speech of welcome on the occasion of the Silver Jubilee given by the Bank's Chairman, Dewan Bahadur C. M. Gandhi.

Urban Banking has made an enormous progress in this district and the Peoples' Bank, Surat, is considered to be the best of its type in the province of Bombay. Non-credit societies are mostly societies for the sale of cotton or for getting it prepared for sale by ginning. Education and propaganda and allied activities are in the hands of the Surat Branch of the Bombay Institute.

Thus the book gives a comprehensive history of the movement in the district as a whole with special reference to the activities of the District Bank. Two attractive features of the volume are biographical notes of eminent co-operators who have rendered the services in one capacity or another and the fine illustrations which add considerably to the attractiveness of the volume.

**The authorities of the Bank are to be congratulated on this excellent production and it is hoped that other District Banks will follow this excellent example, collect data and record facts about the origin and growth of the movement within the area of their operation.**

S. K. Y.

III

RESERVE BANK OF INDIA—Agricultural Credit **Department Bulletin No. 1 : Report on the Banking Union at Kodinar, Baroda State, with suggestions about its applicability elsewhere.**

This is a report on the Banking Union at Kodinar, Baroda State and it discusses the applicability of the principles applied by the Kodinar Banking Union to other co-operative institutions in the country.

As a contrast to spirit that was characteristic of the report of the Reserve Bank of India, Agricultural Credit Department submitted to the Government of India (published in the April issue of this *Journal*) there is a genuine sympathy towards successful experiments carried on by co-operators in a particular area, nay, almost an admiration for that method and an exhortation that the lines followed at Kodinar may, with suitable modifications, be adopted in other parts of India. The bulletin consists of three parts. The first, a discussion of agricultural indebtedness in the country, its causes, the partial remedies attempted hitherto by the co-operative movement, why these failed etc. The second part deals with the working of the Banking Union at Kodinar which took within its orbit a limited number of societies and became in course of time a multiple purpose society, acting as a sort of guardian angel to its constituent societies. The burden of the whole song is that people in this land are not fit to appreciate the benefits of separate societies for particular purpose as in Denmark and that it is desirable that a single society should be organised to take on hand the villager's life as a whole in all its aspects and help him in various ways.

The village society should not only cater to the current economic needs of the agriculturists, but should help them through land mortgage banks to have his old debts liquidated. It must help him to do better business by selling his produce co-operatively. It must again teach him to make his land yield more by the introduction of better methods of agriculture and of better varieties of seed; consolidation of holdings, purchase of the agriculturists' requirements on indent system, making improved implements available, introduction of subsidiary occupations,





stopping wasteful habits like litigation and extravagant expenditure on ceremonies, inculcation of sanitary habits, provision of medical relief; all these will come within the legitimate scope of a village society and the Banking Union is expected to serve as a guardian angel for a limited number of such village multiple-purpose societies. That is what the Kodinar has attempted to do and has done successfully.

The bulletin issued by the Bank seems to set its seal of approval of this method and would suggest that Banking Unions over smaller areas be started with a view to see that village societies are converted into multiple societies and to exercise sympathetic but effective supervison over them. The bulletin recommends the Central Banks may either convert themselves into a number of Banking Unions in their own areas or create the unions and serve as a balancing centre for them in its area.

A co-operator in Madras would find that one of the old unassailable rock foundation of co-operative structure in this province, namely that finance and supervision should be separate is altogether discarded. Time has its own revenge.

We heartily commend the bulletin to all co-operative societies in general and to District Banks in particular and we hope that a genuine attempt will be made to rehabilitate the movement which owing to many reasons has come almost to a stagnation point in this province by following the main line of suggestion contained in the bulletin.

S. K. Y.

## News and Notes.

Captain J. Moore, I.M.D., the organizer of the Co-operative Urban Bank, Coonoor, passed away on the 24th May last at his residence in Coonoor. He was the popular president of the Bank for about 17 years from the date of starting (from 1916 to 1933) and was loved by all members for the great interest evinced by him in working the institution.

* * *

The All-India Cattle Conference was held at Simla, on the 25th May last and it was opened by His Excellency Lord Linlithgow and was presided over by the Hon'ble Sir Jagadish Prasad, Member-in-charge of the Department of Education, Health and Lands: Over 80 delegates representing various Provincial Governments and Indian States attended the conference.

* * *

We have received interesting reports from the various co-operative organisations in this presidency regarding the conduct of the training classes for panchayatdars and members of co-operative societies during the last May. For want of space, we are sorry, we are not able to publish them at present.

* * *

A Conference of the workers and volunteers of the Y. M. C. A. Summer School of Rural Service, Madras, was held on the 1st May last at the Y. M. C. A. College of Physical Education, Saidapet and it was presided over by Mr. G. Solomon, Secretary of the Y. M. C. A. The Summer School of Rural Service was run in April last at Madras and many distinguished persons and specialists addressed the workers on several aspects of the city cleaning campaign. Certain problems relating to social work were discussed at the Conference.

* * *

Mr. G. Dattatraya, Deputy Collector, who was appointed Secretary of the Central Land Mortgage Bank took charge of the Bank on the 29th May last. The present Secretary Mr. N. S. Koneti Row will act as Joint Secretary with the same emoluments. The circumstances leading to the appointment of the official secretary have been discussed in the pages of this *Journal* more than once. This appointment was made in spite of the protest made by the General Body of the Bank.

* * *

A press note, issued recently by the Government of Bihar regarding the progress made by the Information Bureau started by the Government in March 1935 with a view to provide young men with technical qualifications to secure employment, states that up to date as many as 1,029 industrial concerns situated both in the province and outside were addressed. It received 387 requisitions for qualified candidates mainly from the industries of the province. On the recommendation of the





Bureau 97 young men were employed in permanent posts and 121 were appointed as apprentices. It has registered so far the names of 971 candidates most of whom possess technical and scientific qualifications. We hope that our Madras Government also will follow suit.

* * *

Mr. D. M. Amalsad, Principal, Government Textile Institute, Madras, followed by the Deputy Registrar of Co-operative Societies Ellore paid a visit to the Ellore Weavers' Co-operative Society on the 18th May last. Mr. Amalsad addressing the weavers gave a vivid description of the present position of the handloom industry of South India and explained the various steps which were now being taken by the Government to organise this vital industry of this Presidency, so that it might prosper side by side with the Indian mill industry.

* * *

The Silver Jubilee of the Tirukattupalli Co-operative Society in Tanjore District was celebrated on the 14th of last month under the presidency of Mr. T. Adinarayana Chettiar of Salem. Members of the Society as well as representatives of co-operative institutions in the locality attended the function. The occasion was availed of for unveiling the portrait of the late Mr. N. Panchapakesa Aiyar who was the organizer of the Society. The local Deputy Registrar who was present on the occasion congratulated the society on its working all these years without borrowing anything from the Central Bank. Mr. Adinarayana Chettiar on the occasion made an interesting speech from which extracts have been published elsewhere in this issue.

* * *

The Government of Mysore have sanctioned recently the establishment of a Rural Reconstruction Centre at Closepet, Bangalore district. The area of the centre is about 113 square miles comprising about 136 villages with a population of nearly 60,000. A rural health centre has been established at Closepet in co-operation with the Rockfeller Foundation, U. S. A, and the Government now feel that other aspects of rural reconstruction should also receive sufficient attention in this area. To make ryots interested in the scheme, the Government have proposed that experiments and demonstrations should be conducted in the villages with the co-operation of the ryots on their own lands.

* * *

A Press Note, issued by the Government of Bengal last month, states that 400 co-operative rural reconstruction societies have been formed in different parts of the province in pursuance of a resolution passed at a conference of the representatives of the Central and other Co-operative Banks held at Calcutta early in 1936 to carry on rural reconstruction and village welfare work through co-operative organisations. The scheme which was put in operation seven months ago aims

: (1) the improvement of economic condition, (2) improvement of ealth and sanitation and (3) the spread of education in rural areas.

* * *

A meeting of the prominent citizens of Coimbatore was held at Coimbatore, on the 26th of the last month, with a view to acertain public opinion for organisation of a Co-operative Milk Supply Union. Mr. M. S. Palaniappa Mudaliar the organizer of the meeting gave an account of the attempts made to organize a milk supply union at Coimbatore. The local Deputy Registrar (Mr. Balasundara Mudaliar) who was present on the occasion said that through co-operative enterprise both the producer and consumer could have a fair deal. The Additional Joint Registrar Mr. T. L. R. Chandran, I.C.S. from his experience of milk supply in England, observed that about 15 miles from the City of London was situated the Milk Supply Co-operative Society which had 6,000 employees on the rolls and it catered to the needs of the people. The meeting unanimously resolved to start a Co-operative Milk Supply Union at Coimbatore and a committee consisting of some influential persons was formed to enlist members. We shall watch with interest the working of the Society.

* * *

Consumer co-operation also confronts the profit motive intelligently. If profit be the increase which is the more that comes out of the less that has been put in, if profit be the difference between the less possessed and invested and the more desired, whether as material or psychic income, the profit motive cannot be expunged from the human heart, it can only be redirected. This, the Co-operative Movement does. Its attitude towards profits is its attitude towards property. It may employ another word for the satisfaction of this desire for increase; it may speak of 'plenty' or 'abundance'. But what else are these than the excess of value over investment in labour or goods, the increase which the Bible blesses and all men desire? Without profit in this sence of the word there cannot be a consumers' economy, a life more abundant. And the general measure of the difference between cost and gain, its book-keeping and accountancy, so to speak, gets defined in the well-known price system. This, too, the consumers' economy preserves, employs, and employing transforms.

(*Co-operative and Market News*)

* * *

*Growth of Students' Co-operative Societies in U.S.A.* Figures published by the Co-operative League of the U.S.A. and reprinted in the "New York Times" show that Students' Co-operative Societies are growing rapidly in number and importance. The total membership of these societies is now 73,232, representing 159 colleges, and the total annual business done amounts to \$ 3 million. Through the societies the students supply their own board, lodging and books at minimum cost.





They now own 55 hostels, 20 cafes, 30 book stores, 2 cleaning and pressing establishments, and 47 other kinds of co-operative enterprises, in addition to operating 5 buying clubs. A year ago the National Committee of Students' Co-operative was formed to co-ordinate all these activities and give advice and assistance. Examples of students' co-operative hostel undertakings are those at the Universities of California and Washington, begun in 1933. At Washington there are now 8 Co-operative Hostels, costing their occupants about \$ 20 a month for room and board, which is one-third less than the average price for students' accomodation. The California Students' Association has 3 Co-operative Hostels, one of which is the largest apartment house in Berkeley. The largest and oldest Co-operative Book-store is that at Harvard. Its last published report, that for 1935, showed sales of \$ 980,000, with a dividened to members of from 7 to 9 per cent.

(*Co-operative News Service*).

* * *

*Folk Schools in Denmark.*

Denmark has an enviable and world-wide reputation for its co-operative organisation in the sphere of agriculture. In addition the consumers' society is not unknown to the Danes. While there exists in Denmark a remarkable system of land tenure which makes economic democracy a reality, it is largely through the co-operative organisation of farmers that economic democracy becomes a successful reality.

It is nevertheless not too much to claim that the general opinion in Denmark favours the view that the most important reason for the triumph of co-operative ideas among the peasants is to be found, not in the social and political spheres, but in that of the spiritual influences which emanate from the Danish Folk High Schools.

The authorities on these folk schools maintain that it is not their object to make the students—who are adults—either school teachers or bookworms, but to help them to find happiness in their daily work. "We wish our pupils to return to the farm, craft or trade from which they come, and that they shall do their work with an undaunted spirit and a brighter intelligence. We wish our folk schools to become 'schools for life' in the best sense.

All the students, with the exception of those who live in the neighbourhood, reside at the schools. They bring their own bed clothes; their meals are simple; the curriculum is as the teachers agree. There is a winter session for men from November 1st to April 1st, and a summer term for young women from May 1st to August 1st. The charge is about £ 4 per month. Gymnastic training to keep the men fit for their manual work is arranged. The atmosphere of these schools is friendly. There is no compulsion on people to attend, although persons attending are expected to follow the complete courses. Singing, folk-dancing, and open-air games are usual features. Only three lectures are given each day. Instruction is given in writing, arithmetic, and drawing, and it is found that an adult can pick up these elementary subjects in a much shorter space of time than children. The State, while assisting the folk schools, does not interfere with the system or organisation.

In the first place it has to be pointed out that it is from an educated democracy that the prosperous Danish co-operative producers' organisations have found their leaders. That the existence of the Co-operative Movement far from being ignored is accepted and assisted by the educational system. The community life; the disbanding of class ideas; the conception of good followship; and the idea of helping one's neighbour, foster and encourage the spirit of producers' co-operatives. Further, it shows that even if one happens to be a tiller of the soil it does not prevent a man being educated or preclude him from a cultured life.

*(The Co-operative Review).*

## ACKNOWLEDGMENTS.

*Bulletin No. 1 of the Agricultural Department of the Reserve Bank of India.*

*Report on the working of co-operative societies in the Ajmer-Merwara for 1935-36.*

*Report on the working of co-operative societies in the Federated Malay States and Straits Settlements (1st January to 31st December 1936.)*

*Report on the working of the co-operative societies in the Central Provinces and Berar (1935-36).*

*The Path Finder. (Journal of the Jaffnese Co-operative Society Kualalumpur.)*

*The Madras Law Journal.*

*Review of International Co-operation.*

*Industrial and Labour Information.*

*The South Indian Teacher.*

*The Journal of the Ministry of Agriculture (London).*

*Labour Gazette.*

*Indian Insurance.*

*The Journal of the Jamaica Agricultural Society.*

*Digest of the Co-operative Press.*

*International Labour Review.*

*Co-operative News.*

*International Review of Agriculture.*

*The Madras Agricultural Journal.*

*The Co-operative Review.*

*The Millgate.*

*The Co-operative Official.*





### List of Societies Registered in April 1937.

| Serial No. | Names of the Societies. | District. |
|---|---|---|
| 1. | Kotturu Sree Lakshmi Narasimha Co-operative Society ... ... ... | Kistna. |
| 2. | Ramachandrapuram Ladies Thrift and Loan Society, Ltd. ... ... | E. Godavari. |
| 3. | Rangepuram Field Labourers Co-operative Society ... ... ... | ,, |
| 4. | Chintalamori Field Labourers Co-operative Credit Society ... ... ... | ,, |
| 5. | Chidipi Co-operative Society .. ... | W. Godavari. |
| 6. | Ellore Ladies Co-operative Thrift and Loan Society, Ltd. ... ... | ,, |
| 7. | The Gudur Luthern Mission Station Workers Co-operative Society ... ... | Nellore. |
| 8. | Chinthamani Co-operative Society ... | S. Arcot Dt. |
| 9. | Villipuram Co-operative Building Society, Ltd.... | S. Arcot. |
| 10. | Natham Adi-Dravida Co-operative Society ... | N. Arcot. |
| 11. | Badakuppam Co-operative Credit Society ... | ,, |
| 12. | Madhavaram Co-operative Credit Society ... | Chingleput. |
| 13. | Kanagambakkam Co-operative Milk Supply Society, Ltd.... ... ... | ,, |
| 14. | Aladikumalai Co-operative Credit Society ... | Tanjore. |
| 15. | Sithi Co-operative Credit Society ... | ,, |
| 16. | Sikkil Handloom Weavers Co-operative Society, Ltd. ... ... ... | ,, |
| 17. | Mayavaram Co-operative Poultry Farming and Egg Production and Sale Society, Ltd. ... | ,, |
| 18. | Eramanayakkanpatti Maruthakaliamman Co-operative Society ... ... | Madura. |
| 19. | Pudumadam Co-operative Society ... | Ramnad Dt. |
| 20. | Mettupatti Co-operative Society ... | Madura. |
| 21. | Attur Co-operative Land Mortgage Bank, Ltd. ... | Salem. |
| 22. | Anímoor Co-operative Credit Society ... | ,, |
| 23. | Sirumolasi D. C. Co-operative Credit Society ... | ,, |
| 24. | Kengalakurichi Alampalayam Co-operative Society ... ... ... | Coimbatore. |
| 25. | Samathanapuram Co-operative Thrift and Loan Society, Ltd. ... ... | Tinnevelly. |

| Serial No. | Names of the Societies. | District. |
|---|---|---|
| 26. | Thenthiruperi Co-operative Loan and Sale Society, Ltd. ... ... | Tinnevelly. |
| 27. | Vengad Weavers' Co-operative Purchase and Sale Society, Ltd. ... ... | Malabar. |
| 28. | Kottayam Taluk Pine Apple Growers' Co-operative Marketing Society, Ltd. ... | " |
| 29. | Kottayi Co-operative Stores Ltd. ... | " |

## List of Societies Cancelled in April 1937.

| Serial No. | Names of the Societies. |
|---|---|
| 1. | Konnur Co-operative Society. |
| 2. | Sathanur Co-operative Society. |
| 3. | Killikurissi Co-operative Society. |
| 4. | Rangapuram Weavers P. & S. Society. |
| 5. | Kadagombady Co-operative Society. |
| 6. | Royampet Field Labourers Co-operative Society. |
| 7. | Elayur Mudaliar Co-operative Society. |
| 8. | Anmarudai Co-operative Society. |
| 9. | Achamangalam Co-operative Society. |
| 10. | Kambattur Co-operative Society. |
| 11. | Bimilipatam Municipal High School Stores. |
| 12. | Koilvenni Co-operative Society. |
| 13. | Okkanadu Melaiyur Co-operative Society. |
| 14. | Kannandangudy Kilaiyur Co-operative Society. |
| 15. | Melpennatur Co-operative Society. |
| 16. | Tenkasi Union Board Official Co-operative Society. |
| 17. | Periakrishnapuram Co-operative Society. |
| 18. | Aniar Co-operative Society. |
| 19. | Ayingudy Co-operative Society. |



# Government Order.

Copy of the *Notification* from G. O. No. Ms., 1081, Development, dated 13th May 1937.

In exercise of the powers conferred by clause (*b*) of sub-section (2) of section 30 of the Madras Co-operative Societies Act 1932 (Madras Act VI of 1932), the Provincial Government are hereby pleased to remit, for a period of two years from the 27th April 1937—

(i) in full all the fees payable under the Indian Registration Act, 1908 (XVI of 1908) by or on behalf of any Primary Land Mortgage Bank in the Province, for the time being registered or deemed to be registered under the Madras Co-operative Societies Act, 1932, (Madras Act VI of 1932) or in respect of any instrument executed by any officer or member of any such Bank and relating to the business thereof, until the expiry of the period of three years from the date of registration of such Bank; and

(ii) one-half of all the fees payable under the Indian Registration Act, 1908 (XVI of 1908)—

(*a*) by or on behalf of the Central Land Mortgage Bank, Madras or in respect of any instrument executed by any officer or member of such bank and relating to the business thereof; and

(*b*) by or on behalf of any Primary Land Mortgage Bank in the Province, for the time being registered or deemed to be registered under the Madras Co-operative Societies Act, 1932 (Madras Act VI of 1932) and in existence for more than three years from the date of its registration or in respect of any instrument executed by any officer or member of any such bank and relating to the business thereof.

(By order of His Excellency the Governor.)

C. J. PAUL,
*Secretary to Government.*

SUPPLEMENT TO THIS ISSUE.

## The Madras Journal of Co-operation 1936-37.
## Vol. XXVIII.
## INDEX.

### 1. Co-operation—General.

## 2. Co-operative Finance.



## 3. Co-operative Education and Training.



## 4. Non-Credit Co-operation.







## 5. Co-operation and Law.



## 6. General Economics.

## 7. Co-operation in Legislative Council.



## 8. Miscellaneous.





## 9. Conferences, Meetings and Celebrations.



## 10. Meetings.



## 11. Celebrations.



## 12. Conferences.

## 13. Government Order & Registrar's Circulars.

### (a) *Government Orders*:



### (b) *Registrar's Circulars*.

## 18. Biographical.



## 19. Correspondence.





C. C. P. Works, Ltd., Madras.



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