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THE

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EACH FOR ALL, AND ALL FOR EACH

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Editorial Notes.

Amalgamation of Wholesale Societies.

Co-operators in our province are well aware of the activities of the C.W.S. and the S.C.W.S. It will be a welcome news to learn that the proposals for their amalgamation are under active consideration. This step envisages the creation of the most powerful National Co-operative Trading and Productive enterprise in the world for in 1943 the trade of the C.W.S. amounted to £ 166.83 million, the value of its own production being well nigh £ 50 million while the trade of the S.C.W.S. was to the tune of £ 35.66 million, its production being about £ 12.19 million. There is no doubt this amalgamation is a step in the right direction as it would immeasurably strengthen the structure of the Movement and increase its usefulness especially as in the post-war period the Movement has to face great opposition from capitalistic enterprises. This amalgamation has lessons for us in this country. We too must avoid fissiparous tendencies and join hands with organisations with similar objects so that united we stand and face competition in the post-war period. We too wish we have not only a Provincial Trading and Productive Enterprise but also a national one so that one policy, one organisation and one ideal may influence the Movement. In this province the Provincial Marketing Society has to be strengthened in all possible ways and its by-laws may even have to be altered if necessary to make it

undertake productive activities. The so-called gulf between the producers' and consumers' organisations must be bridged. Even the TUCS in Madras should cease to consider the Marketing Society as its rival. They should both join hands and try to be complementary to each other even if they cannot merge themselves into one single Trading and Productive enterprise.

Legitimate Pride.

We shall not be considered as vain glorious if we refer to certain references made to the articles in our *Journal* even in distant places. The *Social Justice Review* of the United States refers to an account in our *Journal* of the activities of the South Kanara Wholesale Agricultural Produce Marketing Central Society under the heading "Truck-farmers need protection." It speaks appreciatively of the working of this South Kanara Society and concludes 'And we would wish to say, what is possible in India should not be impossible in the United States'. The nagain comes an appreciative reference from the battle front (it is difficult to say from which theatre of war the correspondent writes as the movements are considered strictly confidential) to the article on 'Village Uplift' by Mrs. K. Saththianathan. The writer responds to our invitation for criticism and makes some useful observations. Exigencies of space prevent us from reproducing this communication. Last but not the least in importance from nearer home. Speaking on the occasion of the International Co-operators' Day, Mrs. K. Saththianathan was good enough to pay a compliment to our *Journal*.

Speaking of the work of the Provincial Co-operative Union Mrs. Saththianathan concluded 'Above all, it has showed its worth in its *Journal of Co-operation*, which, in the opinion of several people, is one of the best in the world in its subject, with its independent views, its fearless criticism of defects and its enthusiastic suggestions for construction'. We thank all for these unsolicited and kindly references and we hope to maintain the level of the *Journal* even if we cannot improve it.

Co-operation and Post-war Problems.

It may be remembered the last Provincial Conference passed a resolution expressing its disappointment that a separate sub-committee for Co-operation of the Post-war Reconstruction Committee had not been created and resolved to constitute a committee of its own for the purpose. While we also equally share the regret we must

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express our satisfaction that co-operation has played no mean part in the deliberations of all sub-committees. In fact co-operative principle has been accepted in regard to various schemes of post-war development. But while there may be unity in diversity, these schemes have to be put into a cohesive whole. So there is no doubt there is need for such a separate committee. We are sure the Madras Government will welcome its constitution and render all possible help to make its deliberations helpful in solving the problems facing the Movement in the post-war period. Our readers will be interested to know that a Post-war Reconstruction Committee on Co-operation was set up in Bombay with the active co-operation and assistance of Government and it has produced a valuable report. The Provincial Co-operative Union is eminently fitted to act similarly and constitute a Committee and the Government, as already stated, are sure to welcome such a Committee and give its report every consideration.

Various Co-operative Conferences on Post-war problems have been held all over the world, notably in London, Washington and Columbia. The reports of these Conferences indicate a common purpose, a common ideal and a common platform. These reports will afford guidance to the Committee which may be set up here. After all the Movement all over the world is actuated by a common ideal and its realisation is the concern of all co-operators living in every part of the world.

Audit Fees.

On the question of audit fees levied by Government, representations have been made time and again and the basis on which they are fixed has remained the same in spite of repeated requests to fix them on some recognised principles. We are conscious of the fact that audit involves time and labour. But at the same time the Government should also recognise these depend more on the efficiency of the personnel employed. It is a common experience of co-operatives that one auditor takes more time to audit the accounts and in respect of the same another auditor may take less time. What is required is to improve the efficiency of the audit staff and not saddle the co-operatives with increased fees. We have just perused a Government Order increasing the rate of audit fees, the increase being from Rs. 3-12-0 to Rs. 5-8-0 per diem. It is to be in respect of co-operative societies, other than Central and Urban Banks, whose working capital or the value of whose purchases, sales or articles of goods produced, as the case may be, is rupees one lakh or over. In not fixing the rate on the basis of one or the other of these but on either, the object seems to be to secure the maximum revenue. The working capital made up as it is of various items can by no means be a satisfactory basis. Nor are the purchases made or the goods produced a satisfactory basis. It should be based either on actual sales made or the profits earned for only when sales are effected the institution either makes or loses in the transaction. It is also necessary to point out that the sales may be large but the margin of profit may be small especially in respect of sales of

controlled articles. So even the sales do not afford a correct basis. We can quote innumerable instances to show how in spite of large sales the profit earned is comparatively small. Owing to the impetus created by the conditions of war, a large number of consumers' co-operatives have come into existence which are mainly influenced by service motive in running them. To saddle them with exorbitant audit fees and that too when audit is the Government's statutory duty is, to say the least, not calculated to promote their growth. We hope the Government will review the position once again and do justice to institutions whose main object is to render service to the community especially in times of emergency such as those prevailing now. In fact we would urge that the consumers' co-operatives shall be exempted from payment of audit fees during the period of war and till normal conditions are restored after the cessation of hostilities.

The Underprivileged in Rural Areas:

An editorial under this heading appears in the *Indian Farming* which deserves prominent notice. The writer discloses intimate knowledge of conditions prevailing in rural areas. He mentions that out of India's population of 400 million nearly 100 million are habitually underfed and they are mostly in rural areas. We feel 100 million is a modest estimate. It would be correct to put the figure at 200 million. Most of this large population depends for its existence either on wages earned for their manual labour or the agricultural produce from their small holdings. They have no other alternative sources of income however much they may be willing to work. The lot of these classes in unirrigated areas is more distressing as their existence is mainly dependent on precarious rains. It is agreed no single remedy can offer solution to these ills. The writer sums up his proposals as follows:

"There is scope for raising the level of nutrition and the standard of living of these people by restricting the further sub-division of holdings, by consolidating fragmented holdings, by the extension of irrigation in all forms (be it canals, tube wells, open wells, tanks or otherwise), by the conservation of the soil and of rain water through extensive anti-erosion measures, by assisting landowners to eradicate deep-rooted weeds with heavy machinery, by the compulsory use of improved varieties of seed, by the improvement of milk yielding capacity of cows, by so modifying the land tenure and land revenue systems, where need be, as to prevent them from acting as deterrents to production, by the more extensive use of manures and the greater conservation of all organic waste, by the development of cottage industries, by the development of rural power industries to process agricultural products, by the development of basic and other large industries in urban areas, by improving the health of the people and by imparting to them such useful knowledge as will help them to help themselves."

Recent Utterances.

The First Rayalaseema Weavers' Societies Conference Yemmiganur, Bellary District.

Welcome Address by Sri M. Somappa, President, Yemmiganur Weavers' Co-operative Society.

On behalf of the Yemmiganur Weavers' Co-operative Production and Sale Society, I have great pleasure in offering you a hearty welcome for the First Conference of the Rayalaseema Weavers' Co-operative Societies. I need offer no apology for taking the initiative in calling this Conference as our Society has from small beginnings come to occupy a prominent place among the weavers' societies of this province, thanks to the generous assistance received from Government and the support of the sympathetic public. Our Society too has had its share of anxiety and has with great difficulty managed to overcome the troubles which the handloom weaving industry in general and the weavers' societies in particular had to go through. I felt it would be an advantage to us all to come together, share our experiences and take counsel to promote the future development of weavers' societies in Rayalaseema. I have no doubt the delegates who have assembled here from distant parts of Rayalaseema will appreciate our object and assist in coming to decisions calculated to improve conditions of work and living of the large number of weavers in our districts.

It is needless for me to point out that next to agriculture handloom weaving is the industry in our districts in which large number of people are engaged. Unlike in other districts handloom weaving is mostly followed as a hereditary profession by weavers, a community which cannot follow any other occupation. As the failure of rains throws a large number of agricultural labourers out of employment, so any factor affecting the yarn or cloth trade has an immediate effect on the handloom weaving population. According to the statistics furnished to the Fact Finding Committee, the number of looms districtwise in our districts was as follows and very few of them have been regularly working for want of facilities.

1. Cuddapah district	...	17,495 looms.
2. Kurnool "	...	14,686 "
3. Bellary "	...	23,280 "
4. Anantapur "	...	13,787 "
5. Chittoor "	...	10,963 "

These looms, though generally consume yarn of lower counts, have to depend entirely on yarn imported from outside. It is said cotton now grown in our districts will spin up to 20s and for spinning finer counts only Karunganni or Cambodia will have to be imported. It is hoped even the varieties of cotton required to spin finer counts will soon be available when the Tungabhadra and other projects become accomplished facts. When even the cotton already produced is capable of spinning up to 20s which, as I said, is generally required by handloom weavers in our districts, it is distressing that we have to depend on uncertain supplies, even for these lower counts of yarn from outside. Therefore, we the handloom weavers of Rayalaseema feel it is high time that at least one spinning mill is started in our districts to satisfy our requirements of yarn. If private enterprise is not forthcoming to start a spinning mill, we feel the Government should come forward to sponsor the project or provide sufficient inducement to private capitalists to undertake this task. I am tempted to exclaim why not a co-operative spinning mill.

The crisis through which the handloom industry passed resulting in acute distress is too well known. Our districts too had their share. Being less vocal and unorganised we did not raise sufficient hue and cry to attract the attention of the authorities. But we know and realise that such schemes of assistance provided on occasions of acute distress are only temporary. If the economic ills to which the weaving community is subjected are to be

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warded off; permanent organisations are necessary. What better form such an organisation can assume than that of a Co-operative Production and Sale Society? Many of you may not know in previous famines the Government opened weaving centres to afford relief to weavers thrown out of employment and our Society is a continuation of such efforts after a severe famine we had in this area. Our experience has been that a properly conducted production and sale society can successfully alleviate distress even in times of famine. It is regrettable that in spite of the assistance preferred by Government very few centres have been working in our districts. The following figures for 1942-43 tell their own tale:—

	No. of Centres.	No. of Members.	Maximum No. of looms.
1. Cuddapah	3	545	864
2. Kurnool	8	1,096	658
3. Bellary	7	1,912	1,210
4. Anantapur	3	591	198
5. Chittoor	11	966	820

It will be noticed the maximum number of looms worked during 1942-43 is not even equal to the number of members. If the large number of looms mentioned by the Fact Finding Committee are to be worked, I need not say we need more centres, large membership, and more efficient organisation for production and marketing. In view of the backwardness of our tract I appeal to the Registrar of Co-operative Societies to appoint a Special Deputy Registrar of Co-operative Societies to organise weavers and afford them all facilities so that within a period of time almost all looms in our districts may be working in full swing producing fabrics for local consumption and for markets outside. Otherwise I dread to think of the plight of our weavers when slump sets in. At present one Special Deputy Registrar for the whole province is not able to give the time and attention which backward areas like ours specially need. May I also appeal to members of the weavers' societies present here, not only to organise more societies but also increase the membership, share capital and production in the existing societies?

This leads me to the question of the place of weavers' societies in the post-war period. It is true circumstances created by the war and the fillip given to the textile industry especially to the handloom industry have enabled the weavers to maintain themselves without wholly abandoning their craft. Will this state of things continue after the war, when all the Control Orders are withdrawn and the special facilities offered to the handloom weavers in order to maintain supplies for consumption are dispensed with? In other words, will the weavers and their organisations be able to stand on their own legs and face the competition from mills which cannot be avoided? Pre-war experience affords us sufficient guidance in this matter. I shall not be indulging in prophecy if I say that unless the handloom industry is treated as complementary to mills and its production is encouraged by affording special facilities, its future is gloomy. Necessary organisations may be set up; required finance may be provided; technical skill necessary to prepare fabrics which can compare favourably with those prepared in the mills may also be secured. Even with all these facilities it is doubtful if the handloom industry can compete with the mills as long as the mills are permitted to manufacture fabrics in the manufacture of which the handlooms have attained proficiency. It is a well known fact that a great portion of the market which once belonged wholly to the handlooms is now in the hands of the mills and measures taken by Government such as import duty on yarn has hit the handloom industry. Compared with the benefits derived by the mill industry on account of the imposition of the tariffs, such help as the Government are giving the handloom industry is really insignificant and not worth mentioning. The mill industry which has supplanted the handloom and which even now to a great extent depends for its existence on the handloom industry, for only a portion of the yarn spun is converted into cloth, while the rest is consumed by the handlooms, and the Government who are benefitted by the tariffs by making them valuable sources of income,

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both owe a duty to the handloom industry. As a measure of protection as also a source of income, it is suggested some sort of duty may be imposed on mill production. It may take the form of imposition of a cess on mill yarn used by the mills themselves. Another method suggested, which, I understand, was acceptable to the Tariff Board was the levy of a cess on the mill-made cloth itself. I feel the Government of India should not hesitate to consider the imposition of either of the cesses in order to protect the handloom industry. The proceeds of these cesses should be utilised to promote the handloom industry by affording financial assistance of the kind, but on a more liberal scale, which the Government of India are now offering to the handloom industry.

It is deeply regretted the Government of Madras recently replaced the Madras Regulation of the Sale of Cloth Act of 1937. Whatever may be the labour involved in the administration of the Act, its enforcement, even increasing the rates of licence fees, would have had a wholesome effect and could have been used to protect the handloom industry. At least the proceeds could have been used to promote the handloom industry much more effectively than it is done now. I wish the Act had not been repealed. Instead, its enforcement could have been more effective to make it yield more revenue. In fact we should expect other provinces and the States to enact a similar measure. I fear Madras has set a bad example by repealing the measure.

The war-time activities such as the preparation of the handloom standard cloth and war supplies in which weavers' co-operative societies engaged and acquitted themselves creditably, despite the I.S.D., are almost at an end. There is no denying the fact some of these activities solved unemployment among the weavers' in critical times. Now we have to think of peace-time activities and how best the societies can carry on under normal conditions. Fluctuations in the yarn market are disturbing factors and the handloom weaver has no hand in controlling them. While normal trade channels should be allowed to function in regard to the supply of yarn to the societies, the Government should be prepared, if circumstances demand, to acquire stocks of yarn required for handloom industry and arrange for its distribution. Greater use should be made of co-operatives as distributive agencies. The handloom weaver should not be at the mercy of the mills, which on account of the vast resources they possess, can dictate their own terms especially as long as imported yarn is not in the market. The Provincial Handloom Weavers' Society should continue to be the agency through which the yarn should be supplied. Besides, the system of granting subsidies to meet working expenses to societies whose financial condition requires such assistance should be continued. This kind of help is more necessary in areas like our districts especially when new centres are organised for production. There should be closer contact between the Provincial Society and the primaries specially in regard to advice and guidance as to the varieties and designs of fabrics for which market can be found and the consequent changes to be made in the methods of weaving. I have heard it said that we have more designers than the varieties of cloths produced. It is not true and it should not be so. Then again marketing facilities by extending those already existing should be amply provided. In this connection, I would suggest that more touring agents should be employed to book orders in the province and outside as quick disposal of manufactured goods is essential for the success of the handloom industry. There should be co-ordination and co-operation between the various marketing organisations so that there can be quick movement of cloth from one area to another for which the demand exists. The lessons we have learnt in regard to handloom standard cloth and supplies of yarn should be borne in mind in the future organisation of the handloom industry.

There is one aspect of the handloom industry to which I may be permitted to refer. It has been mentioned in the Report of the Fact Finding Committee, is what is known as the *Karkhana* system. The Fact Finding Committee expresses its preference to the domestic system of production which is so well established in the country. Those who express preference to this domestic system think that "the weavers' lack of punctuality and

carelessness in regard to dimensions, and ends and picks, can only be cured by the discipline which a co-operative system can give." From my humble experience of our society I entirely agree with this view. Perhaps the *Karkhanas* run under the aegis of co-operative societies, if only those *Karkhanas* are located in the midst of weaver villages, may remove the defects that are now rightly attributed to the weavers and their products. Otherwise it is feared societies will not be able to ensure punctuality in fulfilling orders and uniformity in quality and design of the goods manufactured. Let us remember that after all our products must find a sale and in finding a sale we have to compete with the products of well-organised mill industry. Our methods of work should be changed to meet the changing circumstances. Therefore, I would suggest to the Registrar of Co-operative Societies to start a few co-operative weaving establishments or *Karkhanas* to train weavers and locate them in the weavers' quarters, provide expert supervision and improved appliances and enforce discipline. If necessary every weaver may be enabled in the course of time to become the owner of the improved loom on which he works and when he has attained sufficient proficiency he may be allowed, if he so chooses, to revert to the domestic system of production. This compromise is bound to yield satisfactory results without displacing wholly the cottage system by the *Karkhana* system. I have ventured to make these suggestions as I believe in backward tracts where weavers have not attained much proficiency, this system will prove helpful in improving the craft. However, as far as I am concerned, I am a strong believer in the domestic system of production.

I have done. It is now my duty to request the Registrar of Co-operative Societies whose sympathy and support for the handloom weaver are, if I may say so, notorious that sometimes one wonders whether the advocacy of our cause could have been done better by weavers themselves, to open the Conference. His presence here we greatly appreciate. I am sure I am voicing your feelings when I say we are deeply indebted to him for the trouble he has taken to come here this afternoon. To the Provincial Textile Commissioner, Mr. S. Venkateswaran, I.C.S., but for whose timely assistance especially in regard to supply of yarn not only the weavers would have abandoned their craft but they would have also ceased to exist, we publicly acknowledge our indebtedness. We regret very much he is not with us to-day, as he intended to do, owing to unavoidable circumstances. Both he and Mr. Sathianathan have verily been two pillars of the handloom industry and without either or both of them the industry would have collapsed.

Let me once again offer you, brother co-operators, a hearty welcome. I am sure we also appreciate the presence of many distinguished visitors on this occasion whose advice and guidance in the conduct of our proceedings we shall greatly value.

~ II.

Opening Speech by W. R. S. Sathianathan, Esq., I.C.S.

Let me thank you for having invited me to open this Conference to-day. Conferences of this nature have a great deal of educative value. A conference of weavers' societies, while desirable at periodical intervals even ordinarily, is most welcome at the present juncture when the war is likely to end soon in a glorious victory for the Allies. The war has raised numerous difficult problems and it is high time that weavers' societies took stock of their present position and planned for the future. The Yemmiganur Weavers' Co-operative Society is the biggest society not only in the Ceded Districts but also in the entire Province and it is in the fitness of things that it has convened this conference. Mr. Somappa, who is the president of this society as well as a Director of the Madras Handloom Weavers' Provincial Co-operative Society, is a true missionary in the service of handloom weavers and possesses the real spirit of selfless service.

Next to agriculture, the handloom weaving industry is the largest cottage industry in this Province. There are about 3.4 lakhs of looms in this Province and as many as 2.60 lakhs

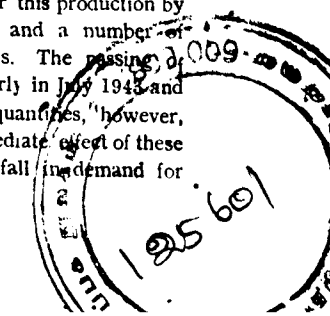
of these are engaged in cotton weaving. The number of men and women engaged in this industry including those carrying on ancillary occupations is about 9.15 lakhs.

The weavers have always been subjected to several disabilities. The main problems facing them are their extreme poverty and poor credit-worthiness, their intemperate habits and application of questionable methods in industry, their indebtedness to the master weavers and their consequent dependence on them and the difficulty in marketing their goods in the face of competition by weaving mills.

The co-operative movement from its inception has interested itself in the lot of weavers. At first, a few societies were started to provide work by supplying yarn and by marketing the finished goods but marketing was a failure as fluctuations in market rates lead to great hardship. The next step was the starting of a comparatively big society capable of dealing directly with the Mills and of withstanding market fluctuations better. Such a society was started at Conjeevaram but this too failed. The failure of these societies was attributed to the absence of a central institution to co-ordinate the activities of the primaries. Thanks to the liberal subsidies granted by the Governments of India and Madras, the Madras Handloom Weavers' Provincial Co-operative Society was brought into existence in 1935. Its establishment lead to rapid expansion in primary societies. The activities of the Madras Handloom Weavers' Society were, however, confined mainly to the grant of financial assistance to the primaries both by way of subsidies to meet overhead charges and cash credit loans for the purchase of yarn and other raw materials. The society was also assisting in the marketing of finished goods. But for long the Provincial Society could not even touch the fringe of the problem.

After the war broke out, many new problems and difficulties arose. Production of textiles fell far short of demand because of the diversion of the organized mill industry to war requirements as also the fall in imports. Even so, there was considerable unemployment among weavers on account of the violent fluctuations in the prices of yarn and the shrinkage in demand for handloom cloth like lungis and Madras handkerchiefs on account of the closure of some foreign markets and the restrictions in transport by land and sea. At my instance, Government generously came to the rescue of these societies and assisted them with men and money in the working of relief schemes, thereby providing employment to the weavers in distress. They also enabled the societies to find work for the weavers by securing orders for textiles from the consuming departments of the local Government and the Supply Department of the Government of India. Orders for the supply of various fabrics such as Mazri, China-sheeting, Dosuti, Bandage, Gauze etc., to the value of Rs. 9.4 lakhs were received and so far goods worth Rs. 7.2 lakhs have been supplied. These measures afforded much relief to the weavers in general.

During the year 1943, the Government ordered the reorganization of the Provincial Society to afford continuous work to the handloom weavers to a larger extent than before and at the same time to make cloth available to consumers at reasonable prices. They also initiated the production of handloom standard cloth through the Provincial Society and its affiliated societies and the Government collective weaving centres under the Provincial Textile Commissioner, Madras, and guaranteed repayment of loans taken by the Society for this purpose to the extent of Rs. 50 lakhs on the whole. This scheme was started in April 1943 and went on vigorously for some time. Owing to my continuous drive and the unceasing efforts of the Departmental Officers, practically all the societies took up the scheme in right earnest and no less than 20,190 looms in 192 societies were harnessed for this production by the end of June 1943. A large staff to inspect and advise was appointed and a number of emporiums were opened in the City and in districts to market these goods. The passing of the Cotton Cloth and Yarn Control Order by the Government of India early in July 1943 and the import of mill-made standard cloth into the Province in large quantities, however, resulted in a set-back in the handloom standard cloth scheme, as the immediate effect of these measures was a collapse in the prices of yarn and cloth leading to a fall in demand for



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handloom cloth. The result was the accumulation of stocks with the Provincial Society. The production of handloom standard cloth was thereupon gradually curtailed and it was finally given up. The Society was for a time seriously faced with the problem of disposal of the accumulated stocks of its standard cloth and yarn. While surplus yarn has been got rid of with considerable difficulty, there still remains a large stock of standard cloth.

There are at present 264 weavers' co-operative societies all over the Province with a membership of 89,804. The number of looms actually working in them is 15,291.

The number of weavers coming within the co-operative fold as compared to those remaining outside, still does not exceed 10 per cent. It is necessary to bring more weavers into the Movement. Deputy Registrars, particularly those in the Ceded Districts, have been instructed to organize more societies in areas not served by such institutions wherever the conditions are favourable. The weavers in areas where societies are working should also avail themselves of this opportunity and join the weavers' societies in large numbers. I would suggest that the directors of the societies should start a propaganda campaign to increase the membership in all societies. Even the collective weaving centres may, wherever it is possible, be converted into co-operative weavers' societies. In fact, it is the intention of the Government that these centres should eventually be formed into co-operative weavers' societies, but so far no move has been made in this direction.

The main function of the Provincial Society has all along been to supply the yarn required by its primary societies. Even during the years 1941-42 and 1942-43, when the handloom industry was passing through a period of acute distress, the Provincial Society tried its best to secure yarn from the mills at favourable rates by entering into forward contracts with them. After the re-organization in 1943 and the introduction of the handloom standard cloth scheme, the difficulty of securing yarn in the open market was obviated, and, under an arrangement voluntarily agreed upon by the South Indian Mills at the instance of the Government, the yarn required was obtained by the Provincial Society at panel prices through the Provincial Textile Commissioner, Madras. Under the present arrangement, every society requiring yarn has to send indents to the Provincial Society once in a quarter. These indents are to be received in the Provincial Society 6 weeks in advance of the beginning of the quarter or the month to which it relates and should contain information regarding the number of looms employed under each count on the last day of the previous quarter or the month as the case may be. Based on these indents, consolidated indents of the yarn required by all the primary societies are prepared and passed on to the Provincial Textile Commissioner, Madras, through the Registrar of Co-operative Societies. If societies delay to submit their indents even by one day, they cannot be supplied with yarn. So it is up to societies to be alert about their indents and see that they are sent well in time. It is no use complaining about non-supply when the fault lies with the societies themselves. The yarn allotted to the societies will be sent to the emporiums of the district in which the societies are situated and the societies will take delivery from them. The societies have been told that, as the Provincial Society is obliged to take yarn from all the mills in South India, they should not insist on the supply of yarn of particular mills. To ensure that the societies purchase the yarn indented for on their behalf, they are required to deposit an advance of Rs. 100 per bale in the case of counts of 40s and above and Rs. 52 per bale in the case of yarn of below 40s counts. Yarn is supplied to societies at ex-mill ceiling prices plus 7½ per cent in the case of 40s and above and ex-mill ceiling prices plus 4-11/16 per cent in the case of counts below 40s. The rates are f.o.r. emporiums. This present system of distribution of yarn came into force in June 1944 and the yarn distributed in each of the subsequent months is as shown below :

June	1944	...	189 bales
July	1944	...	332 "
August	1944	...	276 "
September	1944	...	807 "

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For October 1944 about 1,300 bales have been indented for.

The Provincial Society also supplies dyed yarn to the primaries through its dye factories at Madura, Salem and Chirala. While it may not be possible for these 3 dye houses to supply all the coloured yarn required by the primaries, they may with some difficulty arrange to supply the requirements of the societies in higher count of 60s and above and to a considerable extent in 40s also. Where societies wish to get their grey yarn dyed through these factories, the necessary facilities are given to them. The yarn is sent by the emporium direct to the dye factory and after dyeing it is booked by the dye factory to the society concerned. It has been decided to increase the number of dye factories with a view to serve the needs of all societies; but, owing to the unsatisfactory position of dyes in the Province, more dye factories cannot be started just at present.

With an assured supply of yarn under the present arrangement, there is ample scope for the primaries to produce normal varieties of goods for which they have earned a good name thereby providing continuous work to the weavers within their fold. It should be the aim of each society to popularise itself in one or two varieties instead of attempting the production of numerous varieties. The Provincial Society enters into contracts with the societies for the production of particular varieties according to the specifications previously approved by it. The yarn required for such production is supplied by the Provincial Society and wages are paid at the rates agreed upon. A commission of 9 pies per rupee on the actual cost of production is paid to meet the overhead charges of the societies. To ensure production according to specification, those goods are inspected by the D.S.Os. or Designers concerned before they are despatched to the emporiums or other places as may be directed by the Provincial Society. This scheme, which is known as the Normal A scheme, can be availed of by societies which have not got adequate financial reserves to purchase yarn and pay wages for their production as also by societies which want to increase their business by bringing in more looms within their fold.

A common handicap for weavers' co-operative societies is that their members are frequently disloyal to them. When there is no work under master-weavers in dull seasons or when there is scarcity of yarn in the market, they rush to the societies in large numbers. The moment master-weavers resume production and pay a little more by way of wages, they desert the societies. This seriously affects the normal production of societies and where such societies have already undertaken contracts, this affects the completion of such contracts as well. To prevent such desertion by weavers and to ensure a greater degree of loyalty on their part, the societies have been advised to enact suitable by-laws making provision for the forfeiture of the earned bonus as a penalty for desertion. The by-laws of societies also provide for the levy of small fines in such cases. One of the main reasons why the weavers are attracted to the master-weavers is that the master-weavers give them money advances particularly during the busy seasons. At present there is no provision in the by-laws of the weavers' societies for the grant of such facilities to weavers. I am considering the desirability of suitably amending the by-laws so as to provide for sanction of advances to the members to the extent of their paid-up share capital in deserving cases in places where there are no co-operative credit institutions. Where societies have taken up production under the Normal A scheme against contracts placed by the Provincial Society, the societies have been advised to obtain similar contracts from their members for the production of the quantities allotted to them against the main contracts. It is hoped that by entering into such sub-contracts, the societies will be able to enforce the production of the prescribed quantities so that the main contracts may be fulfilled without difficulty. Again, under the new scheme of distribution of yarn promulgated by the Provincial Textile Commissioner, Madras, the sale of yarn to consumers viz., weavers, will be strictly controlled and will be made in accordance with the scheme drawn up by the Textile Control Officer of the area in consultation with the local organisations and merchants. The Provincial Society has made a request to the Provincial Textile Commissioner to instruct the Textile Control Officers to check attempts on the part of

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the master-weavers to attract members from weavers' societies to their fold merely with a view to getting more yarn for themselves. Where a weaver is already a member of a weavers' society, no yarn should be allotted to any master-weaver on this behalf. If Textile Control Officers exercise an effective check over attempts by master-weavers to win over members of weavers' societies it will go a long way towards the complete stoppage of desertion by weavers.

Central Banks have generally liberalised their attitude towards the weavers' co-operative societies and most of them have agreed to finance the societies to the extent of 8 times their paid-up share capital and reserve fund. The share capital in most of these societies is not appreciable and their reserve funds are still meagre. It is essential, therefore, to increase share capital and build up strong reserves. Banks should not, however, be hesitant in lending further sums on the security of finished goods and yarn.

The Provincial Society has always been taking active steps to tackle the problem of marketing. With the help of the subsidy granted by the Government, it has launched a vigorous campaign of propaganda and advertisement. Calendars, wall posters, cinema slides, hand-bills, stalls in exhibitions, insertions in the popular dailies, exhibition of display cards in tramcars and in railway carriages are a few of the methods employed. After re-organisation, it has augmented the number of its emporiums and there is now a net-work of emporiums all over the Province—three in the City and twenty-three in districts. The Society has also appointed a number of depot-keepers—there are as many as 118—who are selling handloom standard cloth as well as the goods of primary societies on a commission basis. The services of co-operative stores societies are being utilised for the sale of these goods and as many as 300 stores all over the Province are now selling them.

To facilitate the marketing of the goods of primaries, the Provincial Society has been purchasing goods from many societies on an outright basis at the cost of production plus 6½ per cent. Instructions have been issued to the societies not to inflate the cost of production by inflating the cost of yarn, dyeing charges, etc. At present the Provincial society has agreed to take at least 50 per cent of the production of some of the societies whose varieties are popular. Other societies also may be required to supply their goods under the outright purchase scheme as and when the need arises. Societies are often found to be reluctant to sell their goods to the Provincial Society on the ground that they stand to gain more by selling the goods to local dealers. While societies should no doubt endeavour to earn more profits, so that they may build up reserves, they should realise that they have a moral responsibility to sell their goods at reasonable prices. In fact, I have assured the Government that the goods of weavers' societies will be sold at reasonable prices and it was on this assurance that the Government have agreed to treat the yarn requirements of weavers' societies against Government demands. It will, therefore, amount to an abuse of the concession granted for the supply of yarn, if societies attempt to sell their goods at abnormally high prices to outsiders. The weaver's societies are under an obligation to sell their goods to the extent required by the Provincial Society at the rates fixed by it. If any society fails to comply with the requirements of the Provincial Society in this regard, it will be time to consider the question of curtailing the supply of yarn to it.

For obvious reasons, the Provincial Society cannot undertake to purchase outright all the goods of the primaries. Sales are, therefore, undertaken on consignment basis, the Provincial Society charging a commission of 6½ per cent on the sale-proceeds of these goods. If societies produce goods which are easily saleable and send such goods to the emporiums for sale, there can be little difficulty in finding a market for them.

The best method of marketing the goods of the primaries is to centralise marketing through the Provincial Society. This will enable the Provincial Society to regulate and control the markets. The stores societies may place their indents with the Provincial Society and the latter may arrange for the production and supply of these varieties on agreed terms.

RECENT UTTERANCES

Such an arrangement will not only co-ordinate the activities of the two types of institutions but will also provide a steady and regular market for the societies' goods.

Subsidies are granted to societies under the conditions prescribed in the Provincial Society's circular No. R. C. 708/43-P, dated 25-6-43. The conditions continue the same except that they have now been greatly liberalised. I can assure you all, that provided there is an honest effort to work, no application for subsidy made to me as a special case will go unheeded.

The Provincial Society is now rendering valuable services even to the weavers who are outside the Movement. It has been recognised as one of the agencies for the distribution of the yarn of Messrs. Pioneer Mills and also of other dealers who have been charged with black-marketing. The yarn entrusted to it is being sold to weavers and master-weavers through 7 of its emporiums. It has also been recognised as the only agency for the distribution of Hydrosulphite of soda in the Presidency and the arrangement has been fully justified as will be seen by the encomiums it has received from all concerned expressing full satisfaction at the mode of distribution.

It is recognised on all hands that, on account of the conditions created by the war, there is shortage of cloth in the country. The extent of the mill goods released for civilian consumption is small at present and this is one of the reasons why there is a large demand for handloom cloth. When the war is over, the mills will naturally divert all their looms towards the production of normal varieties required for civilian use and the imported textiles will surely increase. These must have an adverse effect on the handloom industry. In respect of fabrics such as sarees, handloom fabrics will no doubt retain their market in view of the intricacy of the designs and the unsuitability of mass production by the mills. But this by itself cannot effectively assist the handloom industry to survive after the war. If the industry is to survive in the post-war period, it is absolutely necessary that it should adapt itself to the changing needs of the people and take up production of special varieties such as shirtings, coatings, furnishing fabrics, etc. The looms with fly shuttles are not suitable for such production and frame looms are required. Weavers cannot afford to purchase such looms nor do they have the facilities to install them in their homes. If large production of such varieties has to be undertaken by the primaries, this can be done only by establishing factories at suitable centres. There seems to be a feeling that the establishment of factories will kill handloom weaving as a cottage industry. This is not so. The starting of these factories will not have the effect of replacing man-power machinery as there is no intention of working the looms by power. The handloom weaver will still be there to work the looms; only he will work under improved conditions and stricter supervision and produce better varieties. Further, the societies themselves can purchase and provide the members with the frame looms and supply them with warps in which case all the essentials of the cottage industry will still remain. Under the factory system, it will be possible to take up standardised production on a large scale. By resorting to mass production and standardisation, it is not the intention to give up diversity. Variety is one thing but a constant standard for a particular variety is another. The factories when started will endeavour to produce a variety of goods, though each variety will strictly be standardised in quality, dimension and texture. There is already an experimental factory at Madras but this has been doing work only on a very limited scale. The importance of these factories in the post-war period has been recognised by the Board of Management of the Provincial Society and they have resolved to start two more factories for the present. Steps are in progress for their establishment at an early date. I would advise a visit to these factories.

By organising ourselves in co-operation and presenting a united and determined front, I am sure we will succeed in the post-war period. Provided we are sensitive to public demand and the vagaries of human taste in clothing, always changing, often illogical, and frequently fickle and provided we are quick to adapt our designs to such tastes instead of being conservative and old-fashioned, I have no doubt that our handloom products will always find a ready market even against competition from the mills. I have the warmest affection and regard for the handloom weaver and his old-fashioned loom. I wish them continued prosperity, peace and contentment and now have very great pleasure in opening this Conference.

The International Co-operative Day.

Mrs. K. Sathianathan, M.A., M.B.E., who presided on the International Co-operative Day spoke as follows:—

It is a great pleasure and an honour to me to preside to-day, though I feel reluctant to do so, in the presence of so many of the elite of co-operation, and I extend my gratitude to your Secretary, for giving me this function.

One of the strongest impressions of my childhood is of being taken through a lesson called "The chain of destruction", one animal destroying another in succession, each of course relatively larger than the other in size and power. The same simile of a chain occurs to me in the case of co-operation, but in a better sense, a chain of construction, on an upward scale as it were, smaller activities leading into larger service. To-day is the International Co-operators' Day, when all the world is thinking of the grand system of co-operation, emphasising its faith in it, not only appreciating and praising the great ideas at the root of it, but also endeavouring to improve ways of working out those principles. It does not need me to tell you that co-operation will prove to be one of the most progressive movements of the modern world, in fact one of the best items in the constructive programme of salvation, the rule of the people, the easiest form of self-government, and hence one of the best forms of democracy, which is so rightly the order of the day.

The idea of co-operation indeed is the very central principle of existence in the world,—in the animal world, between men and animals, between parents and children from the very cradle, between women and men, between men and men, between groups of human beings—finally between God and men. Indeed, as some one once said, the Gita itself may be quoted as laying down the eternal principles of co-operation and mutual sacrifice. Is it not then up to the world to develop it to its widest and best growth, and with the most careful of precautions? I remember a story I read long ago about an enormous gyroscope being constructed by an eccentric genius, with the idea of proving it the best means of balance in machinery. He had a huge machine built in a huge tower, of the best materials, by the best engineers. Everything was reputed to be ready, the machine was started. It began to hum then to roar; it whirled faster and faster, till the whole universe seemed filled with the flash and whirr of smooth rotation. Suddenly, however, a slight clang was heard, which increased to a loud jangle; something was very wrong it was apparent; but it was impossible to stop the machine which had taken on an independent motion of its own; something broke, the gyroscope bent to one side, then to another, it broke out of bounds, it tore down the walls, it reeled into the road, it collided with one building after another, hurling them to destruction and killing human beings by hundreds. Finally, it fell into the sea, tore its way deep into it creating a huge sort of whirlpool, and was destroyed.

This is what we have to be careful about in this great matter of co-operation. This system has progressed all over the world, it is whirling merry and prosperously and most successfully. It goes without saying that it must not be allowed to be diverted from its central principle, and thus, as it well may, become an object of destruction.

The Madras Provincial Co-operative Union has in its brief life of thirty years done much for co-operation. Its history is undoubtedly bound up with the growth of the co-operative movement. Led by a succession of ardent and self-denying co-operators, it has dealt successfully with the objects it started with. It has had its part in diverting co-operative aims from a purely financial outlook. It has set the system on an unofficial basis, becoming the mouth-piece as it were of non-officials. It has brought home to the masses a modicum of its great ideals, training them in a measure in responsible Government and in democratic institutions. It has taken a great part in rural reconstruction. It has become a good training ground for co-operative work. Above all, it has showed its worth in its Journal of Co-operation, which, in the opinion of several people is one of the best in the world in its subject, with its independent views, its fearless criticism of defects and its enthusiastic suggestions for construction.

Yet, the Co-operative movement has not yet achieved its full purpose, for it has not caught public opinion, as it ought to have done.

I am not for a moment attempting to criticise the Co-operative Movement. I am far too insignificant for that. But, as a devoted admirer of this great principle, I can see the dangers that may lead it, and do sometimes lead it, astray, such as the greed for profits, dishonesty, fear of giving offence, partiality, carelessness, laziness, inertia, pride, all indeed rising from the foundation of care for self. In such a huge affair, it is difficult to eliminate such defects, but they can be well guarded against and eventually destroyed by the endeavours of pure, honest and efficient service for others. A strong purpose of selflessness and straightforwardness, level-headedness and efficiency can well, not only make ineffective weak links of danger, but also prevent matters from becoming too unwieldy. The principle of survival of the fittest will come into action, and our great gyroscope of co-operation will proceed on its grand way, not of destruction, but of construction, and of balance in business and life in general.

Details of improvement can be worked out. Co-operative activities must be intensified in agriculture, in industry and in trade. The bringing in of more lands for utilisation, the organisation of co-operative land colonisation societies for compact blocks of land, with the object of intensive cultivation on the most up-to-date methods; the provision, not only of enough food, but of the right kind of food; the improvement of textile production and especially of hand-loom weaving; the encouragement of large industries, as well as of small scale and cottage industries, especially on the Chinese model; the improvement of co-operative marketing to the best advantage both of producers and consumers; all such are important items in schemes of economic development. Then there is the writing and standardising of literature on co-operation. Again, the activities of the Union can be decentralised, teaching the several units comprising it to develop freely among themselves and pursue their own independent activities. Rural reconstruction can be intensified; in addition, adult education can be encouraged by travelling libraries, cinemas and radios. The training in co-operative business can be extended into health, sanitary and scientific matters, and a few selected pupils may be sent on research to other countries. Co-operative clubs can be opened more freely; and in them the aesthetic and artistic sides of life can be encouraged. A larger idea, as suggested by the late Mr. Ramadas Pantulu some years ago, would be to transform the Union into an alliance of co-operative movements in our four linguistic areas, rechristening the Union as the South India co-operative alliance. Finally, an Imperial Council of Co-operation can be set up, as Sir V. T. Krishnamachari lately suggested.

If all this and more is done, a better economic India will be the result, and will be a strong factor in the building up of the Hindu nation. A higher standard of life will be inculcated. As Mr. S. V. Ramamurthy put it once, the four categories of the co-operative movement, which may be said to reflect the chaturangas of Indian life, *viz.*, Vision, Faith, Capital and Labour—can be re-vitalised and made to infuse fresh experience and healthy vigour into Indian society, as the exponents of the great co-operative ideal of one for all, and all for one.

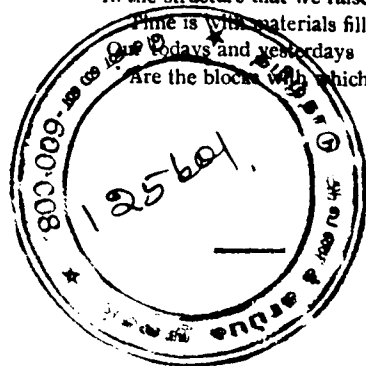
But there is one agency that can and may destroy co-operation, in spite of itself and this is want of money and support. I have been reading the criticism which the *Madras Mail* wrote on the resolutions of the late Provincial Co-operative Conference: and I am afraid I agree with it that the co-operative movement should try to stand on its own legs, and be independent of financial assistance from official sources. Then indeed, what great work it could do! As Sir V. T. Krishnamachari suggested, there is such a scope for it—study of principles, collection of information, conduct of research, training of workers, organisation of service, and advising of government; and there is such a need for all this, because of the vast prevalence of illiteracy of our land, and the constant exploitation of the masses by the unscrupulous. But, I do not agree with the *Madras Mail*, in saying that, "if fostered by

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Government and developed in an administrative hot-house, the co-operative movement will have no inherent strength of its own and may even wither and die, if the support is withdrawn. Neither do I agree that the co-operative movement is still exotic, relying upon the Government for effective growth. There is no doubt that Government has done much for co-operation; and that they have recognised the importance of it is obvious from the fact that several co-operators have been appointed to the different sub-committees formed to consider schemes for post-war development. Yet, the co-operative method has shown a special strength of its own. If it had been an exotic affair, it could never have stood firm as it did during the war-scare, with its firm credit for agriculture, its 'grow-more food' campaigns and its excellent distributive system, by which it was able, more or less, at that time to eliminate hoarding and black markets and to maintain prices at a fair level. We can, I think therefore, safely affirm that the co-operative movement is a robust one, for it is really grafted on the people and on non-official support. The only trouble is that it does need official support for some time. A child may be born of robust parents, and itself be healthy and strong, but it has to develop before it comes into full growth. Till that time, it has to be helped and supported. This the Government has to do for the present for co-operation, and the help can be continued, at least till the societies have been able to build up a strong enough financial structure to manage for themselves. Such help is not a sign of weakness, but rather essential to the building up of a sound and firm foundation, upon which to progress. This is necessary, especially in these days when, in the future planning of the world, after the termination of this dreadful war, it is so important for co-operative effort to spread everywhere, not only preserving its great ideals of service, but also attacking difficult problems from new angles of vision, in order to place them in their proper settings.

But, to make this possible, the help from non-officials has to increase most soundly and effectively. There are in India, and in the Madras Presidency, so many rich people. Many of them are true philanthropists, some give away money to charities for self-gratification and self-honour, others keep a tight hold on their purses. If more true philanthropists could come forward with true love for India and its millions of people and help forward the co-operative movement, great would be its growth; and then indeed will Mr. Percy Redfern's prognosis come true; a co-operative movement, running close to domestic life and its needs, strengthening the common home-life, launching forward into bolder and wider enterprises, which should not over-reach themselves,—will become a co-operative concern, that is the people in their unity, with their complete well-being in future view. And then, indeed, not only will India advance by leaps and bounds, but it will also closely link itself with international growth and become one of the strongest factors in the general progress of the world. To quote from Longfellow, as was quoted five years ago in connection with this very movement:—

"In the structure that we raise,
Time is with materials filled;
Our todays and yesterdays
Are the blocks with which we build."



Orders.

Copy of G.O. Ma. No. 5059 Development, dated 27th November 1944.

Abstract:—Co-operative Societies—Audit—Audit fees—Increase—Orders—Issued.

In partial modification of G. O. No. 2884, Development, Dated the 18th November 1938, the Government direct that the rate of audit fees be increased from Rs. 3-12-0 to Rs. 5-8-0 per diem in respect of co-operative societies (other than Central and Urban Banks), whose working capital or the value of whose purchases, sales or articles of goods produced, as the case may be, in the co-operative year is rupees one lakh or over. This order will take effect from the co-operative year 1944-45.

2. The Registrar of Co-operative Societies is requested to review the position next year as soon as the figures regarding the revenues under audit fees for the co-operative year 1943-44 become available, and to submit a report to the Government thereon.

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