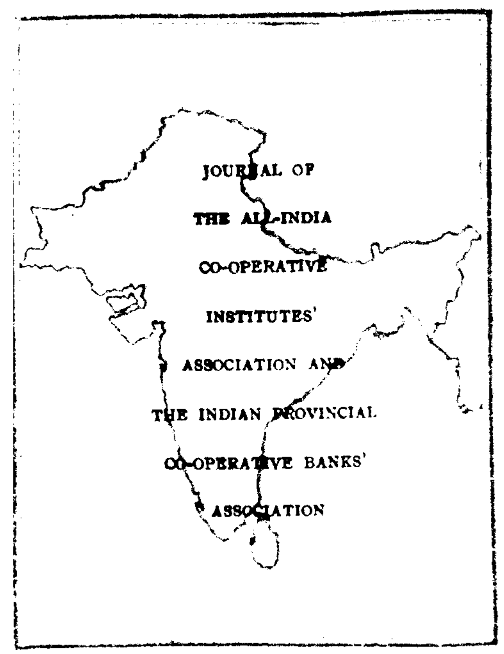
\124 **OCTOBER—DECEMBER, 194**

The INDIAN CO-OPERATIVE REVIEW



Published Quarterly

Subscription per Annum
Inland Rs. 6. Foreign Sh. 10.

Price per Single Copy
Inland Rs. 2. Foreign Sh.

INDIAN CO-OPERATIVE

VOL. X | OCTOBER—DECEMBER, 1944 | No. 4

CONTENTS

THE INDIAN CO-OPERATIVE REVIEW

VOL. X OCTOBER—DECEMBER, 1944 No. 4

EDITORIAL NOTES

ONWARD FROM ROCHDALE

On behalf of the Co-operators of India, we add our humble tribute to the growing volume of tributes and homage being paid all the world over to the Equitable Pioneers of Rochdale in appreciation of the firm foundations laid by them a hundred years ago on which the noble edifice of the modern co-operative movement has been built up in almost all countries of the world by a succession of followers. The co-operative idealogy which has caught the imagination of the civilised world and is a living force in the socio-economic activities of men to-day had its origin in the early nineteenth century in England as a reaction to the evils of the industrial revolution; A heartless and overbearing capitalism, a struggling, militant trade-unionism and a State steeped in notions of laissez-faire were the order of the day. The workers were exploited mercilessly by the growing number of competing manufacturers and traders at the earning and the spending ends. Women and children were made to work for long hours, on ill-paid wages in factories which were a veritable hell; and the law of the land did not afford any protection to the workers. The conditions under which labourers worked are described thus: "Herded in insanitary hovels in ill-planned towns, these labourers, their wives and children, worked long hours in ill-planned factories, to fill which even the pauper schools and lunatic asylums were emptied of their occupants. The poor food their paltry wages purchased was usually adulterated. For clothes they wore 'suits of tatters'. Drunkenness, illiteracy, vice and physical degeneration, every social evil of poverty, flourishes in the new towns, making the condition of the people repugnant to all outside and to many within the circle of the new rich."

It was with a view to ameliorate these intolerable conditions of life that the poor workers sought their salvation in the application of the concept of co-operation to their needs. Robert Owen was the first in the field to take upon himself the role of the reformer of the living conditions of the labour classes. After years of hard work in that direction he realised that only through self-help and mutual aid the workers could better their lot—by organising themselves. It was on the wreckage of his efforts that the Equitable Pioneers built their organisation and gave their message of self-help and organised effort '*Each for all and all for each*', which has permeated to all parts of the globe where co-operation has worked out diverse forms to meet the varied needs of the small man in towns and villages. "It was credit co-operation that brightened the lot of the German peasant; it was the co-operative store that made life easier for the middle and the working classes in Britain; it was co-operative marketing that gave prosperity to Denmark and the Netherlands and to the great agricultural producers of the United States of America; it was the co-operative principle in labour contracts that led to the rise of the Brachhianti and other labour societies in Italy; and it is co-operative credit which is tackling the huge problem of agricultural indebtedness in India." It is co-operation in all aspects that plays an important part in the daily life of the Russian peasant and Russia to-day is one of the foremost nations of the world.

The Equitable Pioneers of Rochdale made a very unpromising beginning as the chronicles show. But the success that attended their tiny enterprise which developed into a world-wide movement is solely due to the vision, faith and action which the Pioneers put into their effort. Stories about the Rochdale Pioneers are many and romantic. The little group of Pioneers were 28 in number and the capital for their enterprise, £28, was raised in weekly subscriptions of a few coppers. Their first stock housed in a humble shop in Toad Lane consisted of flour, oatmeal, sugar, butter and candles. Their place of business and their stock in trade were so humble and gloomy at the start, that the people around had nothing but jeers for the Pioneers and many doubted the success of their enterprise. It is said the Pioneers themselves suffered so much from stage fright at the informal opening ceremony on 21st December 1844, that it was left to a woman to pull down the shutters and reveal to the waiting crowd how poor were the resources with which the Pioneers hoped to emancipate the consumers from the evils inherent in the industrial revolution! It is their breadth of vision their courage of conviction and determined action which helped them to achieve the success they had. They showed great commonsense in drafting their rules of business, the statement of their objects and the methods of trading. It is that foresight and commonsense that helped them to succeed.

"More important, and rather less flexible, were the rules laid down by the Pioneers to guide their trade practices. Capital was to be raised by the Society's own members, to whom the benefactions of charitable individuals and State assistance in any form were abhorrent; and the capital so raised was to receive a fixed rate of interest, thus preventing service to capital transcending the basic idea of service to the consumer. The Society accepted the moral obligation to ensure full weight and measure, and market prices were to be charged. Credit was neither to be asked nor given. Membership was open to all, whatever their political or religious views, and to men and women on equal terms. To sex equality was added an assurance of demecratic government. Every member, however large or small his capital holding might be, was to have one vote in the election of the officers and committee who would manage the Society and render an account of their stewardship to a periodical meeting of members. A definite proportion of profits—2½ per cent—was to be allocated to educational purposes.

"Besides these rules which clearly made the general interest of consumer paramount, the Pioneers determined to apply a new principle in co-operative trading, which was to bring self-help within the capacity of the most down-trodden of the poor—principle of dividend on purchases. When the surplus arising from trade had been charged with all the normal expenses of business, it was not to pass into the pockets of the members in their capacity as shareholders (they already had received a fixed rate of interest), but into the purses of housewives in proportion to the volume of their purchases from their own store. Co-operators in Rochdale had discovered the secret of taking profit out of price. No longer were they to labour and wait for the benefits of a distant millennium. The rewards of purchasing loyalty were to be immediate and tangible; pure food, full weight, and a dividend every six months, of a few shillings or a few pounds, which they could convert into clothing or furniture, or allow to accumulate in the funds of the Society."

The Rochdale Pioneers had the uncommon ability to blend idealism with utility. They "balanced independence with interdependence, self-interest with good-will and action with foresight". They had, as has been aptly said, their eyes on the heavens, while their feet were firm on the ground unlike those of their co-operative predecessors. They had full faith, if not in the perfectability of mankind, in the escape of their fellowmen from misery and poverty. To them the store was not an end in itself, but merely a means towards securing the pecuniary benefit and improvement of the social and domestic condition of the members. In the words of Mr. R. A. Palmer, "the Pioneers were men of stout heart, men of conviction and courage; men who knew their own minds and were clear as to the aims they sought to achieve. For them, co-operation was a message of hope." Mr. K. C. Ramakrishnan, in his illuminating article "A Tribute to Rochdale Pioneers" published elsewhere, makes a detailed survey of the genesis and growth of the enterprise of the Pioneers which we have no doubt our readers will find interesting.

Let us see how far the message of the Rochdale Pioneers has taken root in our country. Consumers' co-operation is only of recent origin in India and has not developed on anything like the scale of its development in western countries. The number of co-operative consumers' store societies in India prior to the outbreak of the present war was only 547. But since then there has been a spectacular expansion in the number and transactions of the stores throughout the country. By the end of the year 1942-43 according to the Statistical Statements relating to the Co-operative Movement in India, there were 2,225 non-agricultural purchase and sale societies. The collection of articles published in the last issue and this issue give a detailed account of the further expansion of the store movement in certain provinces and States in India. The main factors that have brought into the lime-light the ability of co-operative consumers' societies as the agency best fitted for the equitable distribution of scarce commodities were the daily soaring prices of necessaries of life on account of the conditions created by the war, the inherent and uneradicable tendency to hoard and profiteer on the part of merchants and the difficulty in obtaining adequate supplies of essential commodities such as foodstuffs and other household requirements, especially by the middle and poor classes of the community. State recognition, in many places, of co-operative stores as bona fide dealers for the purpose of distributing scarce commodities like sugar, kerosene, etc., whose sale is now subject to control and the drive and encouragement given by the Departments of Co-operation and Provincial and State Governments for the organisation of new societies are the other factors that account for this hastily improvised expansion without adequate investigation into the prospect of the successful working of the new stores without State aid. Doubts have been raised in many a thinking mind whether these stores sponsored and pressed into service as a temporary war-time measure will survive after the war, signs of the successful termination of which are nearer in sight—when naturally State aid and support are likely to be withdrawn. The survival of the store societies after the war depends largely on the financial resources they build up now, the business acumen of their management and on the loyalty of the members after the war. Instances are not rare where members have deserted their institutions by withdrawing from them after their purpose is served and it is not unlikely that members may not after all prove faithful to the stores which served them in times of acute necessity. A living faith in the principles of co-operation on the part of the members is a pre-requisite to the successful working of the stores after the war is over and to inculcate that faith in the workers the co-operative organisations as well as the Departments should spare no pains. The observance of the spirit as well as the rules of trading laid down by the Pioneers is also necessary for the success of the consumers' movement. With a view to meet the exigencies of the times certain deviations have been made from the orthodox principles of the Pioneers in the conduct of their business; for instance sale on payment of cash etc., are not strictly followed. " Experienceb as shown that in any country where a co-operative was to be established the best that man could do was to copy the Rochdale example, whole and simple, so that the co-operators of all countries, after some groping around, found themselves finally at the feet of the Rochdâle Pioneers, just as children come to their teacher;" observes John Downie. Our country is no exception to this experience.

It is an anomolous position for co-operative stores to depend for their supplies on the very class of middlemen who stock and sell for profit and debase the quality to further increase their margin of profit, whom the movement aims to displace. Unless these distributive stores derive their supplies for retail trade from co-operative organisations, the aim of the store movement, namely elimination of profiteering middlemen, remains an unattained ideal. Hence the importance of the organisation and the linking of producers' organisations with consumers' stores. If the store movement in India has to succeed strict observance of the moral and business principles laid down by the Pioneers in all their aspects is necessary.

POST-WAR PROGRAMMES AND PLACE OF CO-OPERATION

The problem that is at present engaging the attention of the Governments as well as leading politicians and thinking economists in our country is post-war reconstruction of our socio-economic structure. Plans—official and unofficial—are being drawn up with feverish energy. The problem is not one that is facing our country alone; it is one that is facing all the warring nations. Everyone is, however, agreed on the point that it is impossible to revive and maintain the old national economic structures and that planning for post-war reconstruction should be on a national and at the same time on an international basis. That is to say a new world order is envisaged under which every nation can work out its own political, social and economic emancipation in the light of the circumstances and environment peculiar to itself while assuring lasting peace, universal security and a prosperous humanity. The planning in the main is intended to afford better and more equal opportunities in life to all sections of the community, a more equitable and rational distribution of wealth, raw materials and goods produced; it is aimed at eradicating the evils inherent in the existing system of production and distribution. The achievement of the ideal ' freedom from want ' declared in the Atlantic Charter depends largely, if not wholly, upon the ability to substitute for profit consumption as the motive of production. Elimination of profiteering middlemen to ensure equitable distribution of goods produced is as important as the organisation of production without profit motive.

Among the systems of economic organisation capitalism, socialism and co-operation are the three that are destined to have a contest for implementing the ideals proclaimed in the Atlantic Charter in post-war reconstruction. It is agreed on all hands that " the road to be chosen to reach the goal of social security and prosperity does not lie along pure socialistic or capitalistic system " but " lies between the two and in the harmonious blending of these two rival idealogies ". The one other system is co-operation.

Co-operators who stand for equity, equality and fraternity and who abhor any interference by the State with their socio-economic structure are opposed to both these systems of economic organisation, namely capitalism and sociolism. In the words of an eminent writer, "Co-operation " as an economic organisation " has proudly pitched its camp facing on the one side the Liberal school of classical economists and, on the other, the Marxian doctrines in the ascendant for the last fifty years." In fact, co-operation has been mainly a movement which involves strenuous struggle against the existing social systems built on the institution of merciless competition and individual profit making and State domination over the whole field of the structure of production and distribution. As such, economic opinion is crystallizing around the idea that the agency of co-operation alone is competent to undertake and successfully accomplish the task of production and distribution without profit motive, provided it is assigned its proper place in the new world order of things to come.

The potentialities of the Co-operative Movement as "a successful attempt to ensure in economic life freedom from obsession with profit, the abolition of exploitation of man by man, and the dignity of self-help combined with mutual aid", and the ability and qualifications of the net work of organisations— spread all the world over which collectively make up the co-operative movement on a national, and, less fully, on an international scale—to take up the huge task of post-war relief work, have been brought to the forefront in a recent publication of the International Labour Office.[1] Giving some of the principal reasons why the co-operative movement has been thought able to play a useful part in post-war relief operations it observes "while any new organisation is bound to spend time in getting itself established and in gaining experience, the Co-operative Movement stands forth as an *established, experienced* and *proved organisation,* ready for use." "One relevant consideration in selecting an organisation to play a part in the work of relief is whether it can be utilized in the later stages of reconstruction. Co-operative societies, originally set up for relief or emergency purposes, have developed into economic and social institutions of a permanent character and of recognised importance. Continuity between the various phases of reconstruction will be facilitated by the employment of organisations which themselves will be carried over into succeeding stages of the process. Utilisation of co-operative organisations would not lead to a dead-end (as would be the case with ad hoc relief agencies), but would prepare the way, through the development of capacities for self-help and mutual aid among their members and through the opportunities for gaining business and administrative experience to the co-operative solution of the more complex, social and economic problems of rehabilitation and reconstruction". "In the view of many, besides possessing great possibilities for the work of rehabilitation, co-operative institutions and, more broadly, co-operative principles and methods might well be introduced as an integral part of the rebuilding of those dismantled national economies which will have to be designed almost anew." So, co-operators in India and the two All-India Co-operative Apex Organisations, namely, the All-India Co-operative Institutes' Association and the Indian Provincial Co-operative Banks' Association will have to rise up to the occasion and make their voice felt so that the Indian Co-operative Movement will be accorded its proper place in the carrying out of the many post-war programmes for the reorientation of Indian National Economy and for helping the establishment of lasting peace, universal security and prosperity.

[1]Post-war Relief and Co-operative Organisations.

WAR-TIME FOOD SUPPLY

At no time was the country's food problem so acute as at present. The shortage of food has grown to anxious proportions with the prolongation of the war and its growing intensity in the East. Before the war the problem was not so much of shortage of food as of the miserably low level of income and the chronic poverty of the masses of our country, which did not enable them to procure even one full meal a day, and the consequent malnutrition which undermined the health of the nation. This deplorable position is now aggravated by the fact that there is not enough quantity of food in the country to feed the illfed millions. After the entry of Japan into the war in 1942, the large imports of rice and other food-grains from Burma have ceased and added to that there were exports to Ceylon and other places from the already insufficient stocks of food-grains in our country. It is perhaps not so well-known as it ought to be that none of the provinces in India produces enough food to provide a balanced diet for more than a fraction of the population. It was clearly shown by General Megaw as long ago as 1933 that only 39 per cent of the people were well-nourished, 41 per cent were poorly nourished and 20 per cent were badly nourished. Twelve years have elapsed since then and the position has in no way improved; it has in fact deteriorated by the stoppage of imports of rice. According to food experts, the level of nutrition in this country is very low and it has been estimated that to obtain an adequate and balanced diet, it will be necessary to increase the production of foods such as milk, vegetables, fruits, fish, poultry and eggs, many times over. But even if these are produced in larger quantities they will remain as forbidden articles of food for the vast majority of people until their level of earning rises. The more urgent need, however, is a drive to increase the production of cereals, rice and millets which constitute the staple food of the nation.

Mr. D.V. Rajalakshman, in his article on "Wartime Food Supply in the Madras Presidency" published elsewhere in this issue analyses the various factors that have contributed to the shortage of foodstuffs from the beginning of the present war and rightly stresses the need to increase the production on a larger scale so that our country can be self-sufficient in the matter of food-grains. He also rightly points out that in spite of 'Grow More Food Campaign' and the increase of acreage under cultivation of paddy in 1942-43 to 10,382,419 acres: the yield was only 6,886,320 tons, much lower than in 1941-42 when the area under paddy was 10,212,422 acres which yielded 7,396,000 tons of grain and that the 'Grow More Food Campaign' has not achieved the desired result. This decrease in yield inspite of the increase in acreage drives one to the conclusion that in the anxiety to get more rice somehow, all kinds of land were encouraged to be cultivated without proper scientific analysis of the soil and that the subsidies and other help that the Government gave might not have been utilised properly. While the 'Grow More Food Campaign' is still in propaganda stage the novelty of it is slowly wearing out. It may also be mentioned here that there is a gradual increase in the acreage under cultivation of sugarcane and a general tendency to grow more commercial crops to the detriment of food-grains. It cannot be overemphasised that primary attention should be paid to the cultivation of food-grains and in that behalf there should be proper crop planning to avoid the cultivation of the various crops in a disproportionate manner.

Further in regard to the distribution of the available foodstuffs it needs be mentioned that the present system of rationing does not provide in certain areas the minimum requirement of 1 lb. per head per diem, for example, in North Vizagapatam District (Madras Presidency) and in many cases rice of very inferior variety is distributed by the ration shops. The poorer classes find it very difficult to purchase their rations at the present level of high prices and the substitution of wheat for a certain portion of rice in these days of fuel scarcity makes the position still worse, so far as the poorer classes are concerned, and an effective remedy to alleviate the distress of the suffering millions is an imperative and urgent need.

The present world war has taught us many lessons unforgettable the most important among which is the need for self-sufficiency in food for any nation either in peace or in war. We are also made to realise that the nation's wars are not fought on the battle-fields alone, but in factories and on corn-fields as well, and the enormous strain put upon the nation's manpower for the production of the huge quantities of food and armaments required by the fighting forces, not to mention of the civilian consumers which strain a wellfed and healthy nation alone could bear. To get over the ravages of war and to reconstruct the badly damaged socio-economic structure and to make this land a healthier and happier place to live in, a contented and well-nourished population is a prime necessity and in that direction all the post-war development plans should be evolved and worked out. The India of to-morrow should be able to produce all her food requirements.

THE TWENTY-FIFTH MADRAS PROVINCIAL CO-OPERATIVE CONFERENCE

The twenty-fifth session of the Madras Provincial Co-operative Conference was held on 28th and 29th October 1944, under the presidency of Sir V. T. Krishnamachari, ex-Dewan of Baroda. Sir H. M. Hood, Adviser to the Government of Madras, opened the Conference. The addresses of both Sir H. M. Hood and Sir V. T. Krishnamachari make interesting reading; extracts of the addresses are published elsewhere in this issue. Sir. H.M. Hood rightly stressed the need for efficient and trained workers to man the co-operative institutions as co-operative societies also are essentially business organisations and if left in the hands of persons without business acumen or lack of character are bound to fail. Sir Hugh said " one of the dangers of the Co-operative Movement is the philanthropist, who is anxious to help everybody else with someone else's money." Further he said " The village credit society is a bank. Should the

unlimited liability of its members be involved by the amateur trading of an honorary secretary?" For the healthy growth and sound working of the institutions, it is necessary that only persons who have the capacity, time and energy to manage institutions should shoulder the responsibility, and especially when the co-operative movement is expected to play a very important part in the shaping of the future socio-economic life of our country the fact should not be forgotten that the success of all plans that are evolved will mainly depend upon the type of personnel which is entrusted with the working of the institutions.

Sir V. T. Krishnamachari, in his presidential address, pleaded that the outstanding problem in India is the deplorably low level of national income and that the raising of the standard of living is the most urgent problem of the present time and that the post-war plans are not intended to be ideals to be realised in a more or less distant future, but represent definite schemes to be taken up for execution in a specific period. For the success of all the post-war development plans he pointed out that the co-operative movement is the agency for execution of development plans. He suggested that an All-India Council of Co-operation should be inaugurated, if development of co-operative movement as a permanent feature is aimed at. The function of such a Council will be to study all problems connected with co-operation and serve as a clearing house for information relating to agricultural finance; train workers for services in provinces and States; advise Governments on the difficulties that arise in the movement and in short give a new direction to the principle of co-operation so that it might become a living force adjusting itself to the period of conditions under which development is to be carried out in India. We feel that another body of such a nature is a superfluity when with similar objects two all-India Co-operative Associations, namely the All-India Co-operative Institutes' Association and the Indian Provincial Co-operative Banks' Association are already functioning. If Sir V. T. Krishnamachari's idea is that there should be governmental backing for the decisions of the body, why not the Government take these two all-India Associations into confidence and utilise their services in a larger measure for the benefit of the co-operative movement in the country?

The Conference rightly protested against the proposed amendment to the Insurance Act, whereby the existing privilege enjoyed by the co-operative life insurance societies to issue policies without any restriction is sought to be taken away and to place them on the same footing as the joint stock insurance companies. When the Insurance Act was originally framed, it was felt that co-operative life insurance societies should be treated distinctly by allowing them to issue policies for smaller denominations also since they cater to the needs of the poorer and lower middle classes who cannot afford to insure for larger amounts. As the circumstances existing then have in no way changed now, we do not see any reason for the proposed amendment. We trust the Government will leave the existing privilege untouched.

THE UNITED PROVINCES PROVINCIAL CO-OPERATIVE BANK

At long last an Apex Co-operative Bank for the United Provinces was inaugurated on the 10th December, 1944 to satisfy a long felt need. So far the main financing agencies in the province have been the district and central co-operative banks within the areas of their jurisdiction. They have to work under several handicaps. At times they have found it difficult to find the extra capital required during the busy season resulting sometimes in impeding the co-operative activities. At other times they have been unable to find good investment for their surplus capital. Inter-lending among the banks has been rather haphazard and in some cases good banks have lost money to bad ones without any fault of their own. These and other numerous handicaps which the credit movement in the province has been experiencing will be got over now that the Provincial Co-operative Bank which will act as the balancing centre of the financial structure has been started. The success of all the co-operative societies whether trading, agricultural or industrial depends ultimately upon the soundness of the credit finance and we trust the newly started U. P. Provincial Co-operative Bank, into which all the funds required for the development of the movement will flow in with ease and in a larger measure, will help the movement to develop on right lines by exercising necessary control and guidance in the proper utilisation of funds.

The Registrar of Co-operative Societies in U.P. is the *ex-officio* President of the Bank as in the case of the U. P. Provincial Co-operative Union. The control of the co-operative movement in the province is largely in official hands till now, but now that a Provincial Co-operative Bank has come into being we trust the direction of the movement will, in course of time, be transferred to non-officials to a larger extent as in the case of other sister provinces like Madras and Bombay.

A TRIBUTE TO ROCHDALE PIONEERS

BY

K. C. RAMAKRISHNAN

The Consumers' Co-operatives of Great Britain and other countries would in the course of this year celebrate on a stupendous scale the centenary of the Rochdale Equitable Pioneers Society founded in 1844, were they not in the throes of the most terrific struggle which has been going on for five years now and which they in their humble way, but in vain, tried to avert. A hundred years back Rochdale was a small woollen weaving town near Manchester and had a population most of whom were employed on incredibly low wages, ranging from 6*d* to 1*s*. 10*d* per week and several were unemployed for a good part of the year, thanks to the inroads

of the new spinning and weaving machines. It is astonishing that in the midst of such a population, twenty-eight men, the majority of whom were flannel-weavers, could be found, who had the vision and the courage to found a consumers' store and the energy and the enthusiasm to run it so well that it became the pattern for store societies all over the world. The following study is an humble tribute to the memory of those Pioneers by a student of co-operation who has had the opportunity to take an active part in the working of the premier consumers' store in India, the Triplicane Urban Co-operative Society, and the privilege to visit Rochdale and study the working of the Equitable Pioneers' Society in November 1937.

It is very rarely that grandiloquent titles taken by founders of institutions are justified. It is a little surprising that the humble weavers of Rochdale, though they belonged to 'the dying aristocracy of craftsmen' should have taken up the proud name of " Equitable Pioneers." But seldom has any title been so well deserved. Historical research has shown that there was indeed nothing new in any of the items of the scheme of Rochdale Pioneers. But, as Hall and Watkins have said, great credit is due to them for judiciously combining like poets, composers and inventors, the best features of several experiments which had preceded this society but failed, mostly because they demanded too much of human nature.

The Rochdale Pioneers had the uncommon ability to blend idealism with utility. They had, as has been aptly said, their eyes on the heavens, while their feet were firm on the ground unlike those of their co-operative predecessors. They had full faith, if not in the perfectibility of mankind, in the escape of their fellowmen from misery and poverty. Only, their approach was different from that of Robert Owen and his followers. They were content to proceed step by step to their goal. Their immediate aim was to free themselves from the clutches of trader-cum-creditor and supply themselves with articles of good quality at reasonable prices. But their ultimate goal was the reorganisation of industry and agriculture in such a way as would emancipate men and women from wage-slavery and the creation out of capital slowly built up a "self-supporting home colony of united interests" employing members on land and in industry collectively owned by the society.

The objects of the Rochdale Society were, thus, far more comprehensive and radical than are associated with store societies in this country. The Pioneers were not content with organising a store for the purchase and sale of foodstuffs and clothing. They began on an humble scale, humbler than most of the stores started in India, selling only five articles—wheat flour, butter, sugar, oatmeal and candles. But they added one after another and in the course of six years, organised the Rochdale Co-operative Corn Mill which was later on taken over by the C. W. S. (the Co-operative Wholesale at Manchester). They established the Rochdale Co-operative Manufacturing Society for the production of cotton goods and admitted the workers as members and gave them a share in profits in addition to wages, and thus in some measure achieved the aim of providing employment for members who were unemployed or underpaid outside. But this co-operative enterprise, once flourishing, degenerated after some years into a joint stock concern and was wound up during the Depression ten years ago. The Pioneers do not seem to have attempted the renting or purchasing of land for cultivation by members who were out of work. The country was full of wrecks of such enterprises tried by Owenites and others. It is said that the Pioneers soon realised that production for use from the consumers' point of view was the only sound principle and not production for profit from the workers' or producers' point of view. This was claimed by Beatrice Webb to be "the outstanding discovery and practical achievement" of the Rochdale Pioneers. But as a matter of fact, production for use could not be taken up, or had had to be given up, in certain spheres, notably in the agricultural field, by the successors of the Pioneers. The latter, however, succeeded in organising building societies, sick and burial societies, the great Co-operative Insurance Society, etc.

The rules of business and administration enunciated and followed by the Pioneers have in fact commanded more allegiance than the aims they formulated but could not carry out in entirety. Among the more important rules of business were the purchase and sale of goods only for cash and not for credit, sale at current market price and not at cost price, payment of a fixed rate of interest on capital, distribution of net profits in proportion to purchases by members, the sale of only pure goods and the use of correct weights and measures. Among the rules of administration were the exercise of only one vote by every member whatever be his share capital or purchase, the eligibility of women members to vote at meetings of the society (far in advance of the franchise women got for parliamentary elections) and the holding of regular meetings every quarter for presentation of accounts. Space forbids any elaboration of the virtues of the above rules. Gladstone, for instance, praised most the rule of sale only for cash, which promoted thrift among the working class. The building up of individually owned but collectively used capital from out of the dividends paid on purchase was of great value in the expansion of business. The limitation of the rate of interest on share capital and the prescription of one vote for every member helped to make capital the servant and not the master of men working in a cause. The idea of dividend on purchase was a stroke of genius as it offered the best incentive for a member to be loyal to his society. Sale at market price was a sound business rule, saving the society from risk of loss on the one hand and avoiding the irritation of private traders on the other.

There is an impression in India that the founders of the famous Rochdale society were all poor flannel-weavers, uneducated or half-educated; and there is consequently a sense of bewilderment at the great achievements and the enduring character of their methods of business. A study of the pen pictures of the founders of the society given in the *History of Rochdale*

Pioneers by Holyoake will serve to dispel the impression. Rochdale was a town noted for the pluck of its men as well as for their poverty. Though their occupations were humble (not all the Pioneers were flannel-weavers; we find an engineer, a cabinet-maker, a block printer, a tailor, a shoe-maker, a clogger, a hatter and a hawker), their wages were low and living conditions were wretched, they were not wanting in public spirit, or broad culture. Most of the original members of the society were steeped in socialistic thought and some took an active part in the Chartist agitation for political reforms or the improvement of factory conditions by legislation. A few were religious reformers and could sway audiences in that sphere. One "talking man of the store" could lecture on "morals in their relation to everyday life." There was none among them who was not prepared to spare all the energy, the time and means at his disposal for furthering the cause of the society. There was one William Cooper who went further and encouraged by constant writing and speaking the spread of the movement outside Rochdale, serving almost as a Co-operative Union in those days.

Charles Gide, the great economist and co-operator of France, speaking on behalf of the foreign delegates that attended the International Co-operative Congress at Manchester in 1902 and visited the Rochdale Pioneers Society, burst out as follows in his peroration :—

"Oh, Pioneers, I thank you not only for having given us an admirable organization, which has procured a little more comfort and material help in the battle of life to millions of beings, but above all things for having shown us by your example that all our sciences, all the science of learned men and of writers, all the science which is extracted from books, and from laws, the science in the name of which we teach where (how ?) we govern is nothing worth in respect of clear foresight and creative power, by the side of the simple faith of some humble workers who were without book learning, but who lived, worked, toiled and resolutely hoped even against hope.

"Though they are dead and gone, they still lead in the movement, and we do not find it altogether easy to follow. Yes, truly even in the present day they are superiors in virtue of their practical sense, their high ideal, and the comprehensiveness of their programme, every article in which requires a generation to be fully carried out."

An equally great tribute has been more recently paid by a body of scientific economists in Britain to the fundamental character of the work of the Pioneers;

"The simple plan on which a modest grocery store was founded a hundred years ago has sufficed for the subsequent organization of the whole of the vast undertaking, and the principles which guided the Pioneers in the conduct of their business are, in essentials, the same as those which govern each unit of co-operative enterprise to-day."

The Pioneers of Rochdale Society were not great intellectual personalities as were the organisers of the Self-Governing Workshops, but they were very anxious to educate themselves and their fellow members. They organised classes for the teaching of the uneducated members; they opened a reading room and a library. They made provision, in spite of discouragement, for the compulsory allocation of 2½ per cent of the net profits for educational purposes. They were in fact the pioneers of University Extension Lectures. The stress on education relaxed after their time, partly because the State stepped in to provide it for all.

The Rochdale rules of business, which had become a sacred tradition, have been for sometime now deviated from in certain respects. Goods are sold on credit to members. This is but natural where the range of goods has become wider, some of the durable goods like furniture, bicycle, radio-set being too costly to be paid for at once by the working class members. The default arising from such credit sales is, we are told, very negligible. Sale of goods long confined to members, though there is no Rochdale rule prohibiting it, is now fully extended to non-members too. But such non-member buyers are only a small fraction (not exceeding 10 per cent) of the total number of customers. Though this violates the principle of the store catering to a known, well-ascertained and guaranteed market which members provide, it does not matter when the society grows in size and such buyers are only a few and they are in most cases prospective members. The rule of 'one member one vote' cannot be operative in the case of wholesale or federal societies, which have primary societies of varying sizes as members. Nor is it improper to insist on members making a minimum purchase at the store before claiming the right to vote.

Whatever be the experiments made by way of departure from the Rochdale rules of business, let us take heed of the warning given by Charles Gide: "Experience has taught us that the best thing anyone can do, whether it be in distant India or at the other end of the world in California, is to adopt what is called the Rochdale system and that there is danger in deviating from it."

Another thing that requires great emphasis in this country, where most of the store societies have been until very recently organised for and by the middle classes is that the Rochdale Pioneers never separated in their programme the interest of the workers (the store employees) who were also members from that of the members who were only consumers. It is therefore unco-operative for the management to nibble at the salaries or wages of any class of employees, with a view to declaring higher dividends on purchase.

The progress that consumers' co-operation has made in Great Britain in the last hundred years would delight the souls of the Rochdale Pioneers and it is summed up below. According to the figures supplied by the International

Co-operative Alliance, there are 1,060 societies in Great Britain, smaller in number than in 1900 because of the policy of amalgamation of smaller and ovarlapping societies. But membership of most societies has been increasing; the total for all societies would be now 9 millions and if each member represented a household of three, the number of people served by the co-operative societies would be 27 millions, *i. e.*, more than half of the total population of the country (48 millions). No other country in the world could boast of such a high proportion of population served by consumers' societies, except U.S.S.R. where co-operation is not voluntary. The total turnover in all the retail societies amounted to £320 millions in 1942-43, the latest year for which figures are available. Prices are no doubt higher during the war, but they are counterbalanced by diminution in the quantity of goods sold owing to rationing and limitation of supplies and fall in sales due to members joining the forces and families evacuating coastal towns.

The Pioneers of Rochdale started their shop with only five essential articles—flour, butter, sugar, oatmeal and candles, and for sometime kept open their shop only in the evenings. The range of goods now stocked and sold by societies in Britain has increased a hundredfold; grocery and provisions of every kind (including milk, meat, fish, fruits and vegetables), drapery, boots and shoes, furniture, hardware, pottery, coal, toilet articles, tobacco and other lines of goods; and even services like laundry and hair-dressing are made available. An increasing variety of goods are now manufactured in the productive works of the two wholesales; to mention at random, confectionery, milk products, margarine, bacon, preserves, clothing, boots and shoes, soaps, cigars and cigarettes, beddings, blankets, and furniture. In all £50 million worth of goods are now turned out by the 52,000 employees in the works of the two Wholesales. Most of the foodstuffs are only processed, not produced on land owned by the Wholesales. The ambition to acquire land and employ members on the farms has been tried and practically given up. The tea estates in Ceylon and Malabar are worked on the lines of colonial plantations, with native labourers, who are not, of course, members.

It would be wrong to conclude that the last word on consumers' co-operation has been said by the Rochdale Pioneers or that their main aims have been achieved. Though they and their successors achieved more than they intended in certain lines, failure dogged their attempts at farming. Staunch champions of the control of agriculture, as well as industries, by consumers' co-operatives—writers like the Webbs and Charles Gide—have had to admit the limitations of these societies in the field of agriculture, manufacture of machinery, etc. They have had to recognise that farming in many lines is best carried on on a small scale by self-directed farmers, and not by paid managers even of a consumers' society. What is now preached by such sympathetic writers is an understanding between consumers' societies and the ever-expanding agricultural societies, who have stolen a march over the former in respect of membership and transactions.

Fresh conditions require fresh pioneers. There cannot be a rigid code in the ever-changing sphere. Timely adjustment, without compromise of essential principles, is necessary if progress is to be achieved.

Some serious criticisms have been levelled at the British Consumers' Movement in the survey by scientific economists alluded to above. Though half the families of Great Britain are now associated with the movement, the poorer sections of the working classes are unable to benefit by it and most of the middle classes are still staying out, though the movement in Switzerland and Scandinavian countries has attracted a great number of them. Membership and volume of business of societies have grown, but not in proportion to the growth of population, the rise in prices and the improvement in the standard of living. Only 15 per cent of the total retail trade has been captured by the co-operative societies. With the growth in the size of societies there is a decline in co-operative spirit among the rank and file of members. Most of the members are apathetic and do not attend meetings. Democratic control has become difficult in the absence of a representative body in the place of the general body of all members, which means of such as care to attend. The line of least resistance is adopted by the management in matters of policy. There is yet too much dependence on private enterprise and there is a fear of launching on new enterprises. Paid managers and even honorary directors are engrossed in the technique of business which is growing in volume and complexity. There is still a distrust of university trained men, though there are quite a number of them available among the working classes now. No scheme has been worked out for the training of young men in research by the Co-operative Union. There is a lack of men of creative thought who could speak out and inspire as the Rochdale Pioneers did.

We trust that this year of the Centenary of the Rochdale Pioneers' Society will mark the beginning, though in the midst of war, of a vigorous co-operative drive, which will lead to the capture of at least 50 per cent of the retail trade of the country, will bring in more of the poorer and the middle classes into its fold, widen the range of co-operative manufacture and help a better understanding with agricultural producers' societies at home and abroad.

A close study of the life and work of the Rochdale Pioneers and the growth of the consumers' movement in Britain will widen the outlook of the organisers and administrators of the co-operative stores in India as regards the potentialities of the stores not only in ameliorating the lot of the poorer classes—the working class and the lower middle class—but in effecting a quiet transformation in the system of production and distribution of a great variety of consumers' goods in a way which avoids the chaos and injustice of Capitalism and the rigid and coercive planning of Communism

APPENDIX

1. THE CONSUMERS' CO-OPERATIVE SOCIETIES ABROAD

Figures compiled by the International Co-operative Alliance (1942-43)

(It should be noted that the trading figures are in £ sterling; the official rates of the Bank of England have been taken as a basis for the conversion of the amounts given in Swiss francs as well as those converted directly from American and Canadian dollars.)

Country		Societies	Membership	Population	Turnover
					(In £ Sterling)
Great Britain	...	1,058	8,924,868	47,735,000	319,448,476
U.S.A.	...	2,539	874,324	131,954,000	32,939,320[1]
Sweden	...	679	765,700	6,371,000	43,112,392
Hungary	...	2,590	902,100	13,644,000	27,792,507
Finland	...	538	718,300	3,684,000	38,524,496
Belgium	..	70	477,800	8,295,000	5,506,052
Switzerland	...	904	490,900	4,267,000	28,559,078
Denmark	...	1,872	414,700	3,863,000	20,409,222
Slovakia	...	903	207,000	2,654,000	5,355,043
Holland	...	291	261,600	8,923,000	10,141,365[2]
Norway	...	671	200,500	2,952,000	11,556,196
Mexico	...	1,040	205,000	41,080,000	...
Australia	...	140	139,362[3]	7,069,000	8,967,862[3]
Canada	...	185	45,300	11,422,000	2,825,727
U.S.S.R.[4]	...	27,486	37,000,000	170,467,000	1,878,434,290

[1]Figure relates to 1940.
[2] ,, 1941-42.
[3]Figures relate to 1943.
[4]Rural Societies only.

2. THE CONSUMERS' CO-OPERATIVE SOCIETIES IN INDIA

Figures compiled by the Office of the Indian Co-operative Review.

Province		Year to which figures relate	Number of Societies	Membership	Population 1941	Sales Rs. in lakhs
Madras	...	1943-44	1,191	3,43,000	49,342,000	832.86
Mysore	...	1943-44	625	50000[1]	7,329,000	222.17
Bengal	...	1941-42	50	6,075	60,314,000	6.93
Bihar	...	1942	6	4,521	36,340,000	2.95
United Provinces[2]	...	1939-40	25	3,345	55,021,000	1.64
Coorg	...	1942-43	12	3,228	169,000	1.35
Orissa	...	1943-44	91	...	8,729,000	22.00
The Punjab	...	1939-40	13[3]	2,345	28,419,000	1.26
Central Provinces	...	1941-42	30	2,239	16,822,000	2.17
Assam	...	1941-42	19	1,609	10,205,000	4.06
Bombay	...	1942-43	106	28,858	20,858,000	...
Baroda	...	1942-43	12	...	2,855,060	19.35[4]
Travancore	...	1939-40	52		6,070,000	3.53

[1]Approximate figure.
[2]Includes operations of weavers associations.
[3]Besides, there were 89 unregistered societies with 11,673 members and business worth Rs. 0.66 lakhs.
[4]Includes sales of 169 other societies.

CONSUMERS' CO-OPERATIVE MOVEMENT IN THE MADRAS PROVINCE

By

W. R. S. SATTHIANADHAN, I.C.S.,

Registrar of Co-operative Societies, Madras.

The consumers' co-operative movement has, throughout India, received an impetus on account of the conditions created by the war. This is particularly so in the case of the Province of Madras, where the movement has made rapid progress during the last 5 years. One need not go into the factors contributing to this unprecedented development. Partly as a reaction against the inequities of the system of private retail trade and partly as a result of people's faith in the system of co-operative distribution, a large number of consumers' co-operative societies have sprung up all over the Province, and leading non-official gentlemen from all walks of life have come forward to manage them in a spirit of social service.

The following table will show at a glance the comparative position of the stores movement soon after the outbreak of the war and as on 30-6-1944 :—

	Co-operative Retail Stores.		Co-operative Wholesale Stores.	
	30-6-1940.	30-6-1944.	30-6-1940.	30-6-1944.
Number of stores ...	198	1,191	2	21
Number of members ...	34,400	3,43,000	166	6,538
Paid up share capital (in lakhs of rupees) ...	Rs. 3.20	Rs. 43.67	Rs. 0.19	Rs. 16.49
Reserve fund (in lakhs of rupees) ...	2.37	6.93	*Nil.*	0.54
Borrowings outstanding on the last day of the year (in lakhs of rupees) ...	5.03	56.37	0.76	139.40
Annual sales in the year (in lakhs of rupees) ...	33.07	832.36	1.72	518.83

The table will speak for itself ; little comment is necessary on the progress so far made.

Progress during 1943-44.—Before proceeding to describe some of the salient features in the working of the consumers' movement, it may be of interest to outline the progress during the co-operative year ended 30-6-1944. The demand for stores continued to be as heavy as in the previous years. In fact, there were more than 800 applications for the registration of stores societies. That only about 250 stores were registered during the year 1943-44 is due to the policy of cautious expansion, requiring

the applicants to satisfy more rigorous conditions than before. The transactions of consumers' societies—both wholesales and primaries—have reached the record figure of Rs. 13½ crores during this year, which is a little over 3½ times their turnover during the previous year.

Primary Stores.—On the last day of the co-operative year 1943-44, there were 1,191 primary or retail co-operative stores. They have opened 692 branches or retail sales depots in addition to their head offices, to facilitate distribution to the public. There were 3.43 lakhs of members in the primary stores with a paid up share capital of Rs. 43.67 lakhs. The share capital of the primaries has doubled this year and it is hoped that many of them would soon reach the targets fixed for the different classes of primary stores, *viz.*, Rs. 2,500 for rural stores, Rs. 5,000 for semi-urban stores and Rs. 10,000 for urban stores. Co-operative financing banks have to a large extent liberalised their policy of financing primary stores and have advanced them large sums. During the year 1943-44, Rs. 158.69 lakhs out of total borrowings of Rs. 226.38 lakhs, represented the amounts advanced by District Co-operative Central Banks. On the last day of the year, primary stores owed Rs. 29.61 lakhs to co-operative banks and Rs. 26.77 lakhs to others. The total working capital of primary stores on 30-6-44 amounted to Rs. 106.98 lakhs of which their owned capital (share capital and reserve fund) formed 48 per cent. The value of annual purchases made by the primaries amounted to Rs. 806.96 lakhs, of which Rs. 254.78 lakhs (32 per cent) represented purchases made by them from the District Co-operative Wholesale Stores. Their sales during the year reached the peak figure of Rs. 832.36 lakhs. Primaries are selling to members and non-members without distinction for the duration of the war, and non-members are patronising the stores to a large extent. In fact, about 60 per cent of their sales were made to non-members. 1,095 of the primaries worked at gross profit and 815 of them at a net profit while 75 of them sustained trading losses and 362 net losses. The primary stores employed about 6,600 hands and their annual establishment bill exceeded Rs. 13 lakhs.

Industrial Labour and Co-operative Stores.—A special line of development of consumers' movement is the formation of stores societies for the benefit of the industrial labourers, especially the mill labourers. On 30-6-1944, there were 61 such co-operative stores with a membership of 59,000 and a paid up share capital of Rs. 5.77 lakhs. Their purchases and sales during the year amounted to Rs. 97.80 lakhs and Rs. 104.88 lakhs against Rs. 59.21 lakhs and Rs. 57.02 lakhs during 1942-43. Their borrowings are mainly from the mills or managing agents. They owed Rs. 6.28 lakhs to the employers and only Rs. 7,000 to co-operative banks on 30-6-1944. All with the exception of 1 store (recently started in the Ramnad District) worked at a trading profit. Much of their success is due to the harmonious relationship between them and the employers and the many concessions which the latter gave them as a measure of labour welfare.

Departmental Stores.—Next to mill stores, departmental stores for the benefit of Government and local boards' servants, teachers, employees of big firms and companies, etc., occupy an important place. There were 65 such stores. They had a membership of nearly 26,000 with a paid up capital of Rs. 1.81 lakhs. Their purchases during 1943-44 amounted to Rs. 34.72 lakhs and sales to Rs. 34.15 lakhs. Except one, all of them worked at a gross profit.

Wholesale Stores.—A characteristic feature of the structure of the consumers' co-operative organisations as built up in this Province is the federation of retail or primary stores into District Co-operative Wholesale Stores for the co-ordination of their purchases. There are to-day 21 such District Co-operative Wholesale Stores serving all the 24 districts except the City of Madras; those in East Godavari, Madura and Coimbatore cater also to the primaries in the adjoining districts of West Godavari, Ramnad and the Nilgiris respectively. All of them have been started after the outbreak of the present war. Though they have been mainly formed with the object of distributing commodities to the affiliated primary stores in bulk at competitive prices, the exigencies of the times have practically forced them to undertake other grave responsibilities. They are used, to an increasing extent, in the import or procurement of paddy, rice and millets, distribution of controlled articles, and stocking of food-grains under the statutory rationing schemes. This accounts for the remarkable expansion of their business in the year 1943-44. There were 6,538 members on the rolls (consisting of primary co-operative stores, individuals and institutions) with a paid up share capital of Rs. 16.49 lakhs. Nine of them have a share capital exceeding Rs. 1 lakh each and only one co-operative wholesale stores has a share capital of less than Rs. 50,000. Co-operative financing banks have been sympathetic towards the District Co-operative Wholesale Stores and have advanced them very large sums. They borrowed Rs. 623.50 lakhs and repaid Rs. 584.71 lakhs during the year 1943-44, of these, borrowings from and repayments to agencies other than co-operative financing banks amounted only to Rs. 23.91 lakhs and Rs. 22.83 lakhs respectively; the balance was advanced by co-operative banks. On the last day of the co-operative year, they owed Rs. 137.91 lakhs to co-operative banks and Rs. 1.48 lakhs to others. Their total working capital as on 30-6-1944 increased to Rs. 156.42 lakhs against Rs. 62.34 lakhs on the last day of the previous year. Their purchases amounted to Rs. 554.48 lakhs of which as much as Rs. 345.72 lakhs represented purchases made through official (civil supplies) agencies. Of the annual sales of Rs. 518.83 lakhs, their business with the primaries accounted for Rs. 254.78 lakhs. Some of them have opened retail depots, too, to supplement the work of primaries in retail distribution and sold goods worth Rs. 68.75 lakhs in retail to the public. As primary wholesale distributors of controlled articles, they distributed controlled articles to the value of Rs. 190.42 lakhs to private traders and merchants on the authorisation of the Collectors. All of them, with the exception of two co-operative wholesale stores, worked at a net profit for the year 1943-44. Though of recent origin, many of them are doing exceedingly well.

Range of Services.—Food-grains constitute about 60—70 per cent of the requirements of an average family, and it is but natural that the bulk of the sales of co-operative stores should relate to food-grains and other domestic necessaries. Stores have hitherto been pre-occupied in distributing them; 90 per cent of the sales of primaries and 96.7 per cent of the sales of District Co-operative Wholesale Stores were accounted for by food-grains and provisions. But they have gradually been widening the range of consumer services and are dealing in cloth, fuel, medical, toilet and stationery requirements, etc. They are dealing in standard cloth (mill-made as well as handloom) and normal varieties. Cloth to the value of Rs. 30.97 lakhs was sold during the year. Some of them have, at the instance of Collectors, opened fuel depots to relieve distress in regard to the distribution of fire-wood and distributed fuel to the value of Rs. 4.55 lakhs. Though many of them are new to consumer goods such as toilet requisites, stationery articles, drugs, invalids' and infant foods, etc., they have already made a beginning and the volume of business handled by them during 1943-44, *viz.*, Rs. 11.54 lakhs is not inconsiderable. Vegetables, too, have been supplied by some primary stores to the extent of Rs. 84,000. In the widening of the range of consumer services and in their capacity to supply all commodities that are locally in demand lies their future in the post-war years.

Controlled Articles.—As food-grains have been controlled in deficit districts, it is but natural that controlled articles should form the bulk of the purchases of both the primaries and the wholesales. Of the total purchases of Rs. 806.96 lakhs made by primaries, Rs. 591.99 lakhs representing 73 per cent related to controlled goods. Similarly, of the total purchases of Rs. 554.48 lakhs made by the District Co-operative Wholesale Stores, 89 per cent (*i.e.*, Rs. 490.76 lakhs) represented controlled articles. The services of co-operative stores are being utilised in an increasing measure for the equitable distribution of controlled articles to the public.

Wholesale import and distribution of food-grains in deficit districts.—The District Co-operative Wholesale Stores are playing an important role in the schemes of food organisation in deficit districts in the Province. They have been utilised more or less as agencies of Government by the public authorities charged with food administration and they have in most cases responded with commendable energy and earnestness and carried out their onerous responsibilities to the best of their abilities. The wholesale stores in the districts of Anantapur, Bellary, Cuddapah, Kurnool and Chingleput have been given the monopoly of import of food-grains from surplus districts. Others are given a fair or substantial share in the imports. They imported during the year food-grains to the extent of

Rs. 282.41 lakhs and sold stocks worth Rs. 241.63 lakhs. On the last day of the year the stock on hand with them was valued at Rs. 53.67 lakhs.

Participation in schemes of procurement of food-grains.—The District Co-operative Wholesale Stores in Chingleput, Chittoor, Cuddapah, South Kanara, Madura, Vellore, Salem and Trichinopoly districts, have been entrusted with procurement operations in their respective districts. A remarkable experiment in procurement of food-grains has been made in South Kanara—an experiment which has not been made anywhere else in this Province or, I presume, in any of the other British Indian Provinces—where the South Kanara Co-operative Central Wholesale Stores has been appointed as the *sole* procuring agent for the entire district. The value of stocks procured by this and other wholesale stores through their reception depots and a host of employees amounted to Rs. 80.81 lakhs and stocks worth Rs. 68.28 lakhs were released by them on the authorisation of the Collectors concerned, leaving stocks of about 8,600 tons valued at Rs. 15.85 lakhs on 30-6-1944. The experiment has proved to be a very successful one and is an outstanding example of happy official and non-official collaboration in procurement operations in the Province. The services of primary co-operative stores are being utilised along with approved traders for the retail distribution of both the imported and procured food-grains to the public.

Role of co-operative stores in schemes of statutory rationing.—In rationing of food-grains, too, co-operative stores play a noteworthy part. Rationing on a statutory basis has been introduced in 81 municipal towns in the Province as on 30-6-44. The District Co-operative Wholesale Stores at Anantapur, Bellary, Chingleput (Madras), Cuddapah, Chittoor, Kurnool and Mangalore were recognised as *sole* stockists of food-grains under the rationing schemes in the respective districts and the co-operative wholesale stores at Tuticorin, Cuddalore and Guntur as the *sole* distributors in the above 3 respective towns. Other co-operative wholesale stores have been given a share in wholesale distribution. Till 30-6-44, they stocked under the rationing schemes food-grains valued at Rs. 183.64 lakhs and released stocks worth Rs. 156.19 lakhs. On 30-6-44, they had stocks valued at Rs. 37.27 lakhs.

Of the 2,903 retail ration depots in all the 81 towns, 653 shops (22.5 per cent) are being run by co-operative societies. 2,71,868 ration cards out of a total of 12,90,194 (which forms about 21 per cent of the total) have been registered with co-operative ration shops.

Emergency food-supply schemes run by stores.—The services of co-operative stores have been utilised by Government in running emergency schemes of food-supply. The mofussil towns food-supply scheme terminated from 1-4-44 after its having been in existence for a year. It was worked in 36 towns through the agency of 18 co-operative wholesale stores and 68 primary stores. Though there was no emergency due to

enemy action, the stores coming under the scheme demonstrated their ability to cope with any extraordinary situation by co-operating with the authorities in organising food relief whenever there was a temporary crisis brought about by unprecedented floods, breakdown of the system of transport or civil commotion. They also checked the rise in the prices of essential commodities and put down profiteering and black-marketing to the extent of the availability of stocks with them. The Triplicane Urban Co-operative Society has been running the emergency scheme of food-supply for the city and maintaining reserve stocks. A separate scheme for the Vizagapatam town has been ordered to be wound up after the close of the year.

Police co-operative stores have been organised in all districts except Kistna to help the members of the police force in getting their requirements easily and also to assist the District Superintendents of Police in any scheme of feeding the police force in an acute emergency.

Government assistance.—The foregoing paragraphs give one an idea of the expansion of the consumers' movement and the important and the varied role played by it in the food economy of the Province and the great services rendered by it to the community. The results so far achieved would not have been possible but for the popular enthusiasm for co-operative stores on the one hand and the encouragement the movement has received from Government on the other. Since the outbreak of the war it has been the policy of the Co-operative Department to encourage consumers to form themselves into co-operative organisations for buying the necessaries of life. With the introduction of the scheme of emergency food-supply in select towns through the agency of co-operative stores the consumers' movement has received added impetus. For the first time, Government sanctioned staff for the direction and general supervision of stores societies. Though the scheme as such was wound up from April 1944, the staff for direction and general supervision has been retained. A liberal policy is being followed in the matter of deputing departmental officers to the District Co-operative Wholesale Stores to work as their Secretaries or Managers, till they build up a staff of their own. In deserving cases, where the institutions are not in a position to meet the full cost of the staff, concessional rates are being charged. In the matter of civil supplies, too, the policy of Government has been to encourage the working of co-operative stores. Collectors have been instructed to show them preference in the grant of licences and allotment of quotas of controlled articles and to make a wide use of them in any scheme of rationing. The stores are exempt from the provisions in the several Control Orders, requiring previous business experience in the line as a condition for grant of licences. It is needless to state that the progress of co-operative stores societies in individual districts depends to a great extent on the degree of encouragement and sympathy they receive at the hands of the officers of the Revenue and Commercial Tax Departments. In some districts Collectors have taken a personal interest in the working of co-operative stores and have utilised their services to the fullest extent possible in schemes of food distribution in the districts. In such districts the movement has undoubtedly made greater progress and the response from leading non-officials has been more satisfactory than elsewhere.

Rural Co-operative Stores.*—In the past, the consumers' co-operative movement was confined mainly to the upper middle or middle classes in urban areas. To-day it has not only extended to the lower middle and working classes in towns but has also made headway in villages. Rural stores are mostly the result of war-time conditions. A classification of co-operative stores into urban, semi-urban and rural, and a study of the different types of stores disclose some interesting facts. In adopting this classification, stores working in the City of Madras and other municipal towns are classified as urban, those working in major panchayat unions as semi-urban and the rest as rural. On 30th June, 1944, of the 1,191 stores working in the Province, 185 are classified as urban, 293 as semi-urban and 713 as rural. In the following paragraphs some of the salient features in the working of rural stores are described.

Progress of Rural Co-operative Stores.—Just before the outbreak of the war (*i.e.* on the last day of the co-operative year 1938-39), there were only 85 consumers' stores societies. Of these, only 21 were rural stores with a membership of less than 3,000 and a share capital of about Rs. 17,500. The stores were confined to the districts of Chingleput, East Godavari, Malabar, Nellore, Nilgiris, Tanjore and Tinnevelly. There were no rural stores in the other districts. Except in the Nilgiris district, rural stores were not at all financed by co-operative banks. Their working capital on 30-6-39 was a little over Rs. 50,000. Their annual purchases and sales were Rs. 3.28 lakhs and Rs. 3.51 lakhs respectively. The following statement will show at a glance the comparative position of rural stores on the eve of the outbreak of the war and as on 30-6-44 :—

		30-6-39	30-6-44
Number of stores	...	21	713
Number of members	...	2,888	1,10,164
Share capital	...	Rs. 0.18 lakhs	Rs. 16.90 lakhs
Borrowings during the year :			
(*a*) Co-operative Banks	...	0.23 „	31.98 „
(*b*) Others	...	0.18 „	17.62 „
(*c*) Total	...	0.41 „	49.60 „
Borrowings outstanding at the end of the year :			
(*a*) Co-operative Banks	...	0.002 „	14.75 „
(*b*) Others	...	0.07 „	7.94 „
(*c*) Total	...	0.07 „	22.69 „
Working capital on the last day of the co-operative year	...	Rs. 0.57 lakhs	Rs. 40.62 lakhs
Annual purchases	...	3.28 „	191.22 „
Annual sales	...	3.51 „	196.48 „
Stores that worked at Gross profit:			
Number	...	20	648
Amount	...	Rs. 22,230	Rs. 10,18,844
Stores that worked at net profit:			
Number	...	15	452
Amount	...	Rs. 9,849	Rs. 68,189

* I have been requested to make a special reference in this article to co-operative stores in villages. Hence a detailed treatment of rural stores is made here.

The progress can only be called phenomenal.

A number of factors have contributed to this remarkable growth. The war is primarily responsible for this. With the outbreak of the war there was a universal rise in the prices of foodstuffs and the people in rural parts were as hit hard as the townsmen and city folk. Everywhere people looked upon co-operative stores as ideal agencies for distribution and so there was a demand for co-operative stores both from towns and villages; a number of stores have sprung up in response to this demand. Secondly, one of the handicaps in organising rural stores in pre-war years was that adequate share capital was not forthcoming. This difficulty no longer exists. Owing to the rise in agricultural prices, adequate share capital is forthcoming. In many cases, applicants deposit with the central bank sums varying from Rs. 2 to 5 thousands even before they send up proposals for registration. Lastly, stores enjoy a measure of official patronage and they are shown consideration in the allotment of quotas of controlled articles such as sugar, kerosene, imported food-grains, etc. This makes the villagers keen on having a co-operative store and consequently, some supply of sugar, kerosene, etc.

Main Features in the working of Rural Stores:—It may be interesting to note that more than two-thirds of the total number of stores in the Province are rural co-operative stores. It is unnecessary to repeat that all of them with the exception of 21 are of recent origin. Their membership and share capital have increased from 69,000 and Rs. 9 lakhs as on 30-6-43 to 1,10,000 and Rs. 16.90 lakhs respectively on 30-6-44 and constitute about a third of the total. An analysis of their borrowings shows that they are able to attract local deposits as well and that the proportion of borrowings from co-operative central banks to deposits is roughly 2 to 1. Their annual sales turnover during 1943-44 was approximately Rs. 2 crores against three-quarters of a crore of rupees during 1942-43 and constitutes about a fourth of the total annual sales turnover of all the primaries. That many of the rural stores have yet to establish themselves is disclosed by the fact that out of the 75 primary stores that sustained trading losses during the year 1943-44, as many as 59 were rural stores. They also constitute the bulk (viz. 250 out of 362) of the stores that worked at a net loss. The position of rural stores in districts which are surplus in respect of food-grains is extremely unsatisfactory. They do not deal in food-grains as people in the villages in surplus areas have their own stock of paddy or rice. They confine their business to a few controlled articles such as sugar or kerosene and with the meagre turnover are not in a position to maintain the necessary establishment for keeping accounts, etc. They are in fact functioning as *ad hoc* bodies for the distribution of scarce commodities. Their working is naturally causing the Department anxiety and giving it food for thinking and planning. Unless they establish themselves firmly and offer a wide range of consumer goods to the public, it is possible that many of them may be pushed out of existence in the post-war competitive retail trade.

It has long been held that consumers' co-operation has no place in the villages. The reasons are not far to seek. The wants of the rural population as a class are limited; their standard of living is generally low; many of the villages are economically self-sufficient in regard to food-grains in normal times; villagers prefer to make purchases seasonally—once or twice a year; they are not as a rule accustomed to cash purchases. Said the Townsend Committee, "Expert management for them (co-operative stores) is a necessity and to provide this a large turnover is required. It follows that there is little likelihood of their being established successfully in villages or even small towns. The ordinary villager finds no need to join an organisation of this kind." The view expressed by the Committee remained largely applicable to the conditions in this Province till the outbreak of the present war.

War-time changes in Rural Economy in relation to Co-operative Stores:—Conditions have changed overnight and to-day we have 700 and odd consumers' co-operative societies functioning in rural areas. Some of the limiting factors that stood in the way of the spreading of the consumers' movement in the countryside have in some measure disappeared as a result of the conditions created by the war. To-day, scarcity of food-grains is prevalent in villages, especially in those in deficit districts, almost to the same extent as in towns. Other essential commodities such as kerosene, sugar, cloth, etc., are scarcer still in the villages than in towns. In a state of conditions where the demand for consumer goods universally outruns their supply, it is easy to run a co-operative store. There is now no need for a special potential clientele in the shape of middle class families, Government servants, etc. Many villages, particularly in deficit districts, afford at present a potential clientele for a consumers' store. Further, in normal times the success of a consumers' store is largely dependant on expert management, judicious purchasing and so on. But to-day trade is no longer 'free', and unrestricted competition does not hold the field. Food-grains and other essential commodities have been controlled by the State; dealers are licensed and wholesale and retail selling prices are fixed by the authorities. The present state of controlled trade does not, therefore, require very great business skill. Moreover, stores in ordinary times depended on the loyalty of their members for their business. But now, sales have been thrown open to non-members also and nearly 60 per cent of the sales are made to them. So the loyalty of members, so difficult to secure in rural areas, is no longer a vital factor telling on the success of a co-operative store. Lastly, scarcity of money and the difficulty felt by the villagers in making cash purchases do not appear to be a very serious problem. The prices of agricultural produce have gone high and money now freely circulates even in villages with the result the villager does not often find it difficult, though he still feels reluctant to pay cash on the spot for his requirements. Old habits no doubt die slow!

A successful Rural Co-operative Store in the Province:—Before closing this article, I should like to refer briefly to the working of the Ottapidaram Co-operative Store, a rural store in the Tinnevelly District. It would be a pleasure and a surprise alike to learn that it was registered in 1923. It has been in existence for over 21 years. Perhaps it ranks as the oldest rural store. Its area of operations consists of Ottapidaram and its hamlets 13 in number, with a population of about 4,000. It has nearly 500 members on its rolls with a share capital of Rs. 5,300. It has built up a Reserve Fund of Rs. 2,200 of which Rs. 350 is invested in the District Co-operative Central Bank and Rs. 260 in Defence Loans, and the balance is utilised in its business. Its credit limit according to its by-laws amounts to Rs. 60,000 while the actual borrowings are less than Rs. 10,000. It has obtained no financial accommodation from the District Co-operative Central Bank though it is affiliated to it. It has attracted local deposits to the extent of Rs. 8,800. Its purchases during 1943-44 amounted to Rs. 1.24 lakhs and sales to Rs. 1.22 lakhs. There has been considerable increase in its trade during the current co-operative year; the average monthly sales have risen from Rs. 10,100 to Rs. 17,400. All sales are either on the ready money system or against trade deposits, and no credit is allowed. It is noteworthy that the store has introduced a system of voluntary rationing in respect of rice and kerosene and has issued coupons to the villagers. It gets from the Revenue authorities a monthly qnota of 20 tons of rice, 4 bags of sugar and 64 gallons of kerosene. For a village store it has a surprisingly wide range of articles such as cloth, coir ropes, glassware etc., in addition to food-grains, groceries, and oils. It works from 8-30 a. m. to 9 p. m. and is not closed at mid-day. The employees take their lunch interval by turns. It has adopted the double compartmental system of stocking goods, and stock verification is done once a month. It is housed in a spacious building at a monthly rent of Rs. 15. It employs an accountant, four clerks, six salesmen and a boy and the monthly establishment charges amount to Rs. 277. It earned a profit of Rs. 1,834 for the year 1942-43 and declared dividend at 6¼ per cent on share capital and two pies per rupee as bonus on purchases. The profits for 1943-44 are estimated at Rs. 1,900. This is one of the oldest stores in the Tinnevelly District and its history has been a record of steady progress, accelerated in the recent years by the conditions created by the war. Needless to say that the directors take very keen interest in the working of the store. The store is practically the major retailer in the village; there are one or two petty shop-keepers but they do not count for much. The market rate for the village is controlled by the store. This is an unique position for any rural co-operative store to occupy.

The working of this store should produce a heartening effect. When the directors were asked whether they did not find it irksome to pay cash, they replied that having been accustomed to cash purchases for over 21 years, they found no difficulty in paying for their purchases on the spot; if necessary, they added, they took small loans from the village credit society and placed trade deposits with the store. Here is evidence indeed that inability to pay cash for purchases is not an insurmountable handicap with the villager and that it is rather a matter of habit. If the practice of cash purchases gets inculcated in the villager for a period of say, 5 years he gets used to it and deems it no longer irksome. In unavoidable circumstances there is in many cases a rural credit society which can give loans for the purchase of the necessaries of life; these loans may be deposited with the co-operative store and purchases made against it. This would largely solve the problem. Many rural stores may well emulate the example of this eminently satisfactory rural co-operative store and run their business on its model. Then they can establish for themselves a permanent place in the system of retail trade and face the post-war years with confidence.

THE WAR AND THE CO-OPERATIVE STORES MOVEMENT IN MYSORE

BY

Y. SREENIVASAYYA,

President, Mysore Co-operative Wholesale Society.

The present World War like the Great War of 1914-18 has stimulated the sale of the staple daily requirements in the Co-operative Stores Societies of the Mysore State to a very great extent. Not only has there been an increased volume of sales in the Stores that had been started prior to this war, but even in some of the Credit Societies, both urban and rural, which started a Stores branch after the war as an emergency measure to sell the controlled goods, a substantial volume of business has been transacted. This phenomenal increase of sales in co-operative stores began only recently in the year 1942 when the Government adopted measures to control the movement and marketing of food-grains and cloth in the State to prevent the exploitation of the situation by the traders who were out for

profiteering to the utmost of their capacity. But the control of goods by the Government, however, resulted in driving such traders out of the open into the Black Market, where profiteering was even more unconscionable. People who were unable to get rice, ragi, piece-goods and other articles, either in the open market or in Government Depots were forced to buy them at exhorbitant rates in the black market. The situation of the poor and the middle classes was indescribably hard. Most of these were alarmed that a famine might set in, as a result of the cornering of food-grains by the merchant classes. They were at their wits end to know what to do to cope with the situation. Fortunately for them, however, in the month of August 1943, the Government stepped in to give the people the relief they badly required and commandeered the whole stock of surplus grain wherever found within the State. This policy of commandeering still continues and has been fairly successful. The sale of the controlled articles in the black market has been substantially reduced though not completely eradicated. But the distribution of controlled goods in the Government Depots is not felt by the public to be as satisfactory as they would wish it to be. The treatment given in a number of cases to the customers in some of the Depots, the uncertainty of people getting their full quota when they go to the depots sometimes from a distance of four to five miles and some other short-comings in the working of the Depots have all made the people take recourse to co-operation to obtain better and more satisfactory service. The Government also believes in the superiority of a Co-operative agency to others and has offered encouragement to Co-operative societies to store grains for distribution both to their members as well as to the general public. In fact when there was a fear of air raids in the year 1943, the Government recommended to the Deputy Commissioners of the Districts to advance loans free of interest to such of the Co-operative societies as would undertake to build reserves of food-grains to meet an emergent situation arising in their respective localities. A sum of Rs. 50,000 was kept at the disposal of each one of the nine Deputy Commissioners of the State for this purpose. Additional sums were promised on similar terms, in case the amount sanctioned was felt to be insufficient. The Co-operative societies in Bangalore, Mysore and some other places took advantage of this offer, and several of them got a grant of Rs. 50,000 individually such as the Malleswaram and Basavangudi Co-operative Societies in the city of Bangalore. The then Registrar of Co-operative Societies in Mysore, who had a keen desire to develop non-credit co-operation, stimulated the formation of not only new Stores Societies but encouraged the Credit Societies to open sales branches as an emergency step, to distribute food-grains and controlled articles not merely to their own members but even to others who dwelt in the neighbourhood. Prior to 1942, the number of Stores Societies in the State did not number even 100. But in the year 1942-43 their number rose to 300, with a sale of Rs. 64.3 lakhs, which meant an increase of more than 400 per cent on the pre-war average of Rs. 15 lakhs per annum. In the year 1943-44 the rise was even greater. The number of Stores Societies rose to 625 and their sales amounted to Rs. 2,22,17,352.

The peak was reached in 1943-44 and there is no further rise. In fact there is already a tendency towards fall in sales. In the year 1944-45 the sales may not reach the very high figure of 1943-44—a reflection which is somewhat discouraging.

The Government is fully in sympathy with the Co-operative Agency for distribution of staple goods. The Minister for Supplies Mr. M. A. Srinivasan, who presided over the Silver Jubilee of the Chamarajapuram Co-operative Stores, Ltd., Mysore City, in 1943 said, in the course of his Presidential address:

"You know I have always held the view that the present conditions are such as to give the Co-operative Movement a new impetus and a new life and provide a golden opportunity to the movement to rise to its full stature, and to take on the burdens and render the service that it is admirably suited to do. Here is a great opportunity for the realisation of the Co-operators' dream of a number of producers' societies linked up with consumers' societies in the State. You are aware that the Government have sanctioned liberal advances recently for stocking food-grains and distribute them, and they are prepared to sanction further, and if necessary, larger advances, and I learn from the Registrar of Co-operative Societies that there are now about three hundred societies assisting in the distribution of foodstuffs, but I for one would like to see this number quadrupled as early as possible."

The expectation of the Minister was substantially, though not fully, realised. Though the number of societies did not quadruple, it more than doubled, and their sales more than trebled during the succeeding years. Co-operative Societies that came forward with their applications to the Government for supply of controlled articles for sale to their members and others were sure of sanction when supported by the Assistant Registrar of Co-operative Societies.

In the mofussil most of the stores societies exclusively sell controlled goods such as rice, ragi or jola, wheat and its flour, sugar, kerosene oil and standard cloth. The bulk of two crores odd rupees sale of 1943-44 represents distribution of these controlled articles. The officers of the Department of food supply generally afford facilities to the societies to get their quotas, and though complaints are not lacking that the treatment meted out to the rural co-operators is not quite to their satisfaction nevertheless it must be admitted that the attitude of the officers is on the whole fair to the co-operative societies. In Urban areas also where the card system of rationing is introduced, the co-operative societies are entrusted with the function of distributing the controlled articles to their members and, if the Societies choose, to non-members also.

There has been a complaint that the measurement of goods delivered to the societies is not quite satisfactory in numerous cases. This shortage has led certain societies to incur disproportionately heavy losses. An appeal made by the societies which were affected adversely by this shortage has not proved fruitful. Government refused to meet the cost of deficit. This firm attitude of the Government has made the societies reluctant to undertake the distribution of these controlled articles as the loss when it occurs will have to be met out of the capital since there is no fund built up to set off against it.

The Government is also unwilling to allow the Consumers' Societies get their quota of grains directly from the few marketing societies that deal in them. These marketing societies have therefore been obliged to surrender their goods to Government being unable to sell directly to the consumers' societies that are their members, even at the Government rate and to the extent allotted to those societies.

The officers of the co-operative department also have been helping the societies to a very large extent to obtain their quotas. Fresh societies are quickly registered and the credit societies that desire to take up the function of distribution of foodstuffs are granted the required permission as readily as possible. The difficulties experienced by the societies are noted and communicated in a consolidated form to the Government to grant the relief sought by them.

Many of the societies which have undertaken the distributive works, especially in the rural areas, give a great deal of trouble to the inspecting officer since in many of them which are located in the villages, there are not qualified persons to write bills and maintain accounts properly. The inability to maintain accounts properly has made some of them think of suspending, if not of abandoning altogether, this new branch of their enterprise.

These difficulties are due to lack of qualified persons to be employed in these societies. Honorary workers also are in many cases as uninformed as the ones to whom the work of preparation of accounts is entrusted. This is one of the chief handicaps in the way of the development of the Stores Societies in the countryside. This is also one of the bugbears of the officers of the department as they, being responsible for the audit of these societies under the Statute, find themselves in a fix when the original accounts themselves in some cases are not obtainable.

But these defects and short-comings are inevitable in a mass movement like co-operation and do not justify one to become either a pessimist or an alarmist. Defects and short-comings have to be faced both by the non-official workers and the officers of the Government and solved rather a wet blanket thrown on the enthusiasm of those few idealists who run these societies by drawing before them gloomy pictures of the future catastrophe impending to overtake their societies. Such fears have often been proved by future happenings as not quite well-founded.

It seems to be the turn now of consumers' co-operative movement to get support just as the co-operative credit movement got its chance in the beginning of the co-operative movement in the State forty years ago. But unfortunately, the co-operators in the State seem to have no definite plan of their own to take advantage of this great sympathy of the Government and wide response of the public, for establishing the consumers' co-operative movement on a firm and wide basis. Most of the co-operators in the State shirk to admit that the consumer co-operation is something bigger and wider than mere local affair of a handful of neighbours living in a compact area of a town or city. They seem to be almost afraid to realise that it is a movement which should embrace large areas of a country if not the whole of it to be able to do justice to the whole body of consumer co-operators living therein. Therefore they do not apply their minds to formulate policies and enunciate principles of a wide application. We therefore find only isolated institutions working independently here and there without any common ties or ideas. Often societies take a pride in declaring their aloofness as a merit. These isolated societies are not in many cases financially as strong as they should be. Their volume of sales is comparatively poor and they lack the stimulus of the vision of a higher purpose than solving their own local and immediate problems, but this narrow attitude must change. There is no point in taking pride in the present huge increase in the number of stores societies or of the volume of their sales during the past two years, as they seem to be due almost entirely to the abnormal situation that suddenly developed during the period rather than to any appreciation by people of the need to establish a consumers' co-operative movement in the State. Nevertheless there is a great opportunity thrown before them if they care to take advantage of it to consolidate the present sympathetic attitude of the public and the Government towards co-operative stores movement and organise it on a provincial basis at the earliest opportunity. A great opportunity was available to co-operative consumers previously also after the cessation of the Great War of 1914-18. Then also there was a great impetus given by the prevailing conditions for the development of the Stores Societies in the Province. But soon after the improvement of the general condition of the country the decline of the stores societies began and their progress fell as rapidly as their rise had been spectacular and within the course of about three years the stores societies assumed once again the tiny dimensions which they had before the advent of the Great War. But it may be said in extenuation of the failure of the co-operators of that time that the conception of co-operative idealism had not taken deep root by that time. But shall we allow such a charge to be levelled against us also by our posterity ? It looks as though the co-operators are now more serious than their predecessors of the previous generation. This idea to consolidate and develop the consumer movement has caught the imagination of some of them. In 1918 the experience of the people in the

field of co-operative stores movement was not as much as it has been now. The co-operative movement was scarcely twelve years old then. But now the situation is different. The earlier idea of both the official and non-official co-operators of pinning their faith exclusively in the co-operative credit movement especially of the Raiffeisen type, has been gradually yielding place to other ideas and it is being realised that for the achievement of the goal of improving the economic well-being of the agriculturists as well as others, non-credit co-operation is no less important than the credit branch of it. For example, marketing the agricultural products through co-operative societies is considered as even more important than mere production of the articles. The chief marketing officer in the Mysore State is an Ex-Officio Registrar of Co-operative Societies and now the offices of both of them have been combind in a single officer who is the present Registrar of Co-operative Societies.

A provincial marketing society has been recently started, with its head-quarters in Bangalore City. Its membership is thrown open to all co-operative societies in the State. Both the marketing and consumers' societies have been joining it, and there is a healthy sign of the consumers' societies utilising it as a central wholesale society to get not only the goods produced by the members of the marketing co-operative societies but also other goods which societies (stores societies) require in common for all or many of them. This central society promises to develop into a wholesale society both of producers and consumers and form the link between the co-operative consumers and co-operative producers.

There was no wholesale society in the Mysore State till recently. A wholesale society was recently started in Shimoga with a sanctioned share capital of 6 lakhs of rupees. The society is mostly of the merchants of the place and it remains to be seen whether it works in the interest exclusively of the merchant classes or of the co-operators of the District.

Another District Wholesale Store was registered a few months back with its head-quarters in the City of Mysore. There are more than 150 Co-operative Stores within its area of operation and therefore it has got a fair chance of developing into an institution with a large volume of business and wide extent of service to the co-operative consumers. Its achievements are keenly watched to judge whether similar societies in other places could also be started.

But mere opportunities and favourable circumstances do not suffice to achieve success in these large scale enterprises. Whatever success amateurs may have achieved so far in small primary societies, without any study of the basic principles of the Movement, or without any business experience, these central societies cannot follow their footsteps. But the very suggestion that the directors should get properly trained is resented. Many of the co-operators treat this idea almost with contempt. Untrained directors who are not sufficiently experienced in business matters, are however believed by some others as not competent to check or guide the paid staff of the societies who, very often, they say excel their employers in their ignorance of the general principles and idealism of co-operation on the one hand and of business methods on the other. They further argue that this combination of one set of untrained people working on the staff and of the other equally uninformed set on the directorate has been the ruin of some of the primary store societies in the State, which have failed to develop and often degenerate or collapse on this account. The idea however that the directors must keep themselves well informed and qualified to run big institutions efficiently is slowly gaining ground. There is a cry for trained men to be engaged both on the permanent staff as well as honorary workers. If only the great volume of intelligence, experience in worldly affairs, and learning possessed by the group of co-operators especially in urban areas could be put into the mould of co-operative idealism and properly shaped to harmonise with the co-operative standards, the progress of the movement would be rapid and extensive. But the task of making the honorary workers realise that there is a need for special training for co-operative service is extremely difficult and therefore we are still far away from realising the ambition of building up a well organised and harmonious working co-operative consumers' movement.

There is a controversy whether it is the State that has to undertake the training and education of workers in the field or the co-operators themselves. But since neither of them has done anything in this field so far worth mentioning, the co-operators have now to determine whether it is not their duty to undertake this task at least at the present juncture. The volume of wastage in goods and inefficient work on account of the lack of grasp of the nature of the work in which they are engaged is so great, that it justifies the incurring of a large sum of money, on proper training as a preventive measure to insure, so to speak, against such risks in future. The Central Organisations have to set apart substantial sums at any rate in the earlier stages to train men in stores accounts, salesmanship, window dressing in the shops, treatment of customers, caution against pilferages, incorrect weighments and measurements, etc., in sufficiently large numbers, to serve not only on their own staff but to be sent to serve their constituent societies. The controlling authorities in Central Societies should also have a co-operative library attached to their institution and make it almost a duty to read current co-operative journals and other literature to keep themselves in touch with the progress of the movement in countries where it is successful. Commonsense however robust, and sharpness of the reasoning faculty however keen, not by themselves suffice to enable directors to decide correctly and speedily on the spur of the moment on points that may arise in committees unless there is a common accepted platform of principles and ideas on which the whole group of directors of the society take their stand. A special journal has also to be started by them to communicate their ideas and plans to the several constituent societies and every attempt should be made to develop a common aim and purpose between the central societies

and their primaries. Unless an educational programme is followed simultaneously with the running of the business of the central societies and unless the members of the primary societies are properly kept informed with the goal and achievements of the central societies the prospects of development of the consumer co-operative movement in the State is not bright.

A great responsibility rests also on the shoulders of the officers of the Department of Co-operation. Their aim has mostly been to see if the rules regarding maintenance of accounts, records, proceedings and similar other functions are correctly observed by the societies. There are few of them who feel that they can guide the societies in their particular field of business. It seems to be very advantageous if fresh men who enter co-operative service under the Government are given a course of training by making them work in some of the bigger stores to learn from personal experience the nature of the business of the societies whose progress and pitfalls they are expected to watch to help them to strengthen the former and avoid the latter.

The service in the Co-operative Department is felt to be not so well paid as in other departments of the Government and many of them probably would be very glad if not eager to exchange their places with those working in better-paid departments. In the case of some of them service in the Co-operative Department serves more or less as a sort of jumping ground for a more congenial and better job. A change of policy in this respect on the part of the Government is expected to result in the betterment of the movement, for unless the departmental officers are also contented the progress of the societies will not be satisfactory to the desired extent.

The pace and degree of the progress depend not a little upon the lead and guidance of the Registrar. Fortunately for us our present Registrar has had, before his employment in the department, a long course of training in Co-operation in Manchester. He has personal knowledge of the working of some of the most successful primary and central co-operative stores societies in Great Britain, which is the parent of the co-operative consumer movement of the world, and which justly occupies even today, the first and foremost place among nations where co-operative cousumer movement is established. The whole of his past service in the Mysore Government has been in the Co-operative Department and the Co-operators of Mysore hopefully expect that during his regime the Co-operative Stores Societies in the State will be strengthened and firmly established and the present progress in this field though unexpected and casual will nevertheless not be allowed to slip without being consolidated.

CO-OPERATIVE CONSUMERS' SOCIETIES IN SIND

By

Y. A. Memon,

Registrar, Co-operative Societies in Sind.

The war has brought about changes in the food position of the Province, and has made even distribution of available food supplies in the country complicated. Hoarding, high prices, profiteering and black-marketing have often characterised the prices of distribution and necessitated a number of government measures to deal with them. In spite of the vigilance of government, private traders have not been slow to exploit the difficulties of the consuming public. This has naturally resulted in a growing feeling for organizing co-operative consumers' stores to meet the above difficulties. During the last two years 8 consumers' stores were registered in Karachi City alone and 3 at Hyderabad, exclusive of the Hyderabad District Co-operative Purchase and Sale Society. These stores are mainly intended to cater to the needs of their community or a particular class of members, but their bylaws are wide enough to provide purchase facilities to other outsiders as well. There are by now 11 co-operative consumers' stores at Karachi and 4 at Hyderabad exclusive of the Purchase and Sale Society at Hyderabad. The turnover of business of 6 of the consumers' stores in Karachi with a share capital of Rs. 16,613 out of 11 during the year ending 30-6-1944 aggregated Rs. 3,23,031 with gross profit of Rs. 11,039. The figures of other stores have not yet been supplied.

It is proposed to form a Central Co-operative Consumers' Store for the city of Karachi which is intended to purchase and stock the necessary articles on a wholesale basis and supply to the retail consumers' stores.

In March 1943, the Collector of Hyderabad called an informal meeting of the leading zamindars of the Hyderabad District where the Registrar and the General Manager of the Sind Provincial Co-operative Bank were also invited to discuss the question of formation of Hyderabad District Co-operative Purchase and Sale Society, with the sole object to purchase and sell wholesale agricultural products, foodstuffs and other articles of necessaries of life at prices fixed from time to time by the Controller of Prices, and to distribute the same amongst members and other consumers in order to suppress or bring down black market trading in such produce, foodstuffs and articles. After discussing certain technicalities and help from the Sind Provincial Co-operative Bank in the shape of cash credit, the Society was floated and registered in April 1944.

After the introduction of rationing in Hyderabad City, this Society has played a great role in rationing scheme and has enlarged its activities. The Society is now acting as an agent for distributing rationed articles by

entering into an agreement with the Government of Sind. In order to finance such huge undertakings, the Society had to raise its authorised share capital from Rs. 2,00,000 to Rs. 5,00,000 out of which a total sum of Rs. 4,20,650 stands subscribed upto 30-6-44.

During the co-operative year ending 30-6-44, the Society had made a net profit of Rs. 45,289. The total turnover of the Society during the year was Rs. 1,37,78,278 with the following figures of purchases and sales:

Commodity	Purchase amount.	Sale amount.	Gross profit.
	Rs.	Rs.	Rs.
Sugar .	17,59,857	12,34,068	46,595
Wheat ...	15,37,692	5,90,098	2,209
Other foodstuffs ...	6,05,153	4,30,141	24,800
Gunnies ...	25,503	1,26,142	...
Standard Cloth ...	4,76,580	6,28,235	39,167
Total ...	44,04,285	30,03,684	1,12,735

The Society is of a special type and serves both the producer and the consumer. The marked success of the Society is largely attributable to the help and guidance of K. D. Mohd. Bux, the Collector of Hyderabad. It is proposed to start such societies at head-quarters of other districts provided the requisite help is forthcoming from the Revenue authorities for which Government have been approached. Such societies can well replace the Syndicates appointed by Government in each district, provided they prove efficient. The proposal is to come up before the next meeting of the Rehabilitation Board and action will be taken as recommended by the Board and decided by the Government.

THE TWENTY-SECOND INTERNATIONAL CO-OPERATIVE DAY.

Reports have been received, from all over the country, of the celebration of the Twenty-second International Co-operative Day on Saturday the 4th November 1944. This year's celebrations are marked with great enthusiasm and stress was laid on exerting all influence to secure the recognition and the embodiment of the fundamental principles of co-operation in the coming peace settlement.

—*Editor.*

WAR-TIME FOOD SUPPLY IN THE MADRAS PRESIDENCY

By

D. V. RAJALAKSHMAN,

University of Madras.

"There never has been enough food for the health of all people"[1] in the world. Yet the problem of providing adequate food for the population received the attention of different countries in varying degrees of intensity only after the outbreak of this war. "The war has done one good thing in that it had aroused the blind Governments to the necessity of feeding the people"[2] With the uncertainty in foreign trade brought about by the war, every country had to fall back on the internal production for her food requirements. India, though never had enough even in normal times to feed her hungry millions "according to any reasonable standards"[3] imported only a small quantity of food grains to supplement her home production. The outbreak of hostilities in the Far East resulted in the rapid cessation of even this imported supply, which complicated the food situation. The need for providing adequate food for the population of this country, though lately realised, was well stressed by the Food Grains Policy Committee, which asserted that the food problem is the most serious issue whose "settlement is as urgent as any that confronts the country in military terms."[4] The scarcity in food grains necessitated all the provinces to adopt measures to provide enough grain to feed their population. Madras Presidency, which had normally to supplement her internal production with imports from Burma and other countries, felt a serious shortage in food grains with the "increased demands from other neighbouring provinces and States,"[5] after the cessation of these imports. A study[6] of the production and availability of food grains and pulses for the Madras Presidency relative to her requirements is made in this article for a period of five years commencing with the year prior to the outbreak of war (1938-39 to 1942-43).

The war-time food supply can be considered[7] under three main headings : (1) Trade, (2) Internal Production and Availability, and (3) Requirement and Distribution. Besides attempting to ensure a steady

[1] '*The International Food Movement*'—John D. Black—*American Economic Review*, December 1943, p. 800.

[2] Speech by the Director of Agriculture, Madras, at the third annual meeting of the Madras Provincial Agricultural Association (Nov. 44).

[3] Prof. A. V. Hill—'*The Times*' June 1944.

[4] *Report of the Food Grains Policy Committee*, (1943) p. 128.

[5] '*Grow More Food*'—Pamphlet published by the Government of Madras, (Aug. 44) p. 1.

[6] The figures necessary for this study are taken from the *Season and Crop Report* published by the Government of Madras.

[7] *Britain's Food Supply in Peace and War* by Charles Smith (1940), p. 257.

import of foodstuffs, every country tries to conserve the internal production by curtailing exports to the maximum possible extent. Another aspect of the war-time food supply is the effective mobilisation of the internal resources to increase the home production. An equitable distribution of the available food based on a minimum standard for all classes of the population, forms the third aspect. These three main features of the food problem are considered here with reference to the Madras Presidency.

Trade :—Among cereals, rice is the only grain having considerable trade in this province. Though large quantities of millets are produced, they are mostly consumed in local areas of production. Trade in rice can be classified under the three main headings ; foreign, coastwise,[1] and rail-borne. Columns (2) and (3) of Table I show the figures of net trade[2] in paddy and rice for the period under consideration,[3] taking the foreign and coastwise imports and exports. The volume of trade in rice, as seen from the table, is more than that of paddy for all years. After the outbreak of war a steady decline is visible in the import of both paddy and rice.

TABLE I.

Year.	Foreign and coastwise.		Trade by rail.		Balance of trade in terms of rice (import taken positive.) Tons.	Foreign export of grain other than paddy and rice. Tons.	Net coastwise imports in pulses. Tons.
	Net trade in Paddy. Tons.	Net trade in Rice. Tons.	In Paddy. Tons.	In Rice. Tons.			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1938-'39	78,386	591,004	35,533	—24,572	642,757.7	3,186	61,913
1939-'40	304,708	741,108	49,356	—90,595	887,735.9	2,268	56,351
1940-'41	35,478	398,853	...	...	422,623.3	2,047	46,996
1941-'42	—25,799	202,323	...	...	185,037.7	3.989	27,772
1942-'43	(Not available.)		...	...	—120,000.0	...	20,000

Columns (4) and (5) ot the table give the figures of net trade in paddy and rice by rail. The figures are available only for the first two years, showing an export of rice and import of paddy. Considering the restrictions imposed on rail transport to meet the internal demand, the trade in rice can be taken to be negligible for the other years of this study. The balance of trade in terms of rice[4] given in column (6) of Table I shows a steady decrease in the net import of rice for all the years.

Burma and Ceylon are the two important countries that altered the trend of trade of this Province in war years. The gradual cessation of

[1] Coastwise imports and exports do not include the trade between the ports of the province.

[2] Net import in trade is taken as positive and net export as negative.

[3] The publication of trade figures are suspended for the year 1942-43.

[4] Loss in weight due to husking paddy is 33 per cent.

foreign imports, with the increasing demand for rice from Ceylon changed the position of this province from a net importing area to one having an export. Columns (2) and (3) of Table II give the imports of paddy and rice from Burma. The quantity of paddy imports is smaller than that of rice for all the years. The figures of total trade in terms of rice given in column (4) of Table II indicate a steady fall resulting in the complete cessation of imports for the year 1942-43, after the Japanese occupation of Burma.

TABLE II.

Year. (1)	Import from Burma. Paddy. Tons. (2)	Import from Burma. Rice. Tons. (3)	Import from Burma. Total in terms of rice. Tons. (4)	Export to Ceylon rice. Tons. (5)
1938—'39	51,080	683,157	717,398.6	86,469
1939—'40	29,589	759,502	779,326.6	85,273
1940—'41	4,754	491,469	358,699.2	103,239
1941—'42	354	355,514	355,751.2	133,993
1942—'43	Nil.	Nil.	Nil.	Not available.

A steady increase to more than a lakh of tons can be noted from the figures of the exports of rice to Ceylon[1] given in column (5) of Table II. For the year 1942-43 the import in rice is quite negligible and the demand from Ceylon cannot be taken to be reduced in any way. The resulting trade for that year can thus be assumed to be a net export of 120,000 tons of rice, a quantity slightly less than the export to Ceylon in the previous year. (This figure is shown in column (6) of Table I).

The trade in other food grains for this province is negligible except for small quantities of foreign export given in column (7) of Table I. The export is seen not to exceed four thousand tons in any year. There is only coastwise trade for pulses in this province. A steady fall can be seen in the net import of pulses from the figures given in column (8) of Table I. Since the publication of the figures of trade is suspended the net import for the year 1942-43 can be estimated at 20,000 tons.

The position of trade for the period under consideration may be summed up by stating that there is a steady decrease in the imports of rice with a negligible trade in millets and a fall in the net import of pulses.

Production and Availability:—The changes in the home production of rice whose import trade is affected by the war, are studied first for the period under consideration. Column (2) of Table III gives the figures of

[1]There is no export of paddy to Ceylon.

estimated production of rice, after husking, for all the years under consideration. A steady increase followed by a fall is noted with a maximum production of over 5 million tons in the year 1940-41, the year prior to the outbreak of hostilities in the Far East.

Assuming that there is no hoarding, the grain available for consumption in different years can be obtained by allowing for seed requirement. A quantity of 62½ lbs. of paddy per acre is taken as the average seed requirement[1]. Column (3) of table III shows the quantity of grain to be excluded in terms of rice for different years[2]. The seed requirement for the year 1939-40 was maximum showing that the acreage under paddy was the highest for the year 1940-41, for the period under consideration. Column (4) of the same table gives the quantity of rice available for consumption after accounting for the net trade in rice (given in column (6) of Table I) and the seed requirement. The figures indicate a steady fall after attaining the maximum of 5.4 million tons in the year 1940-41. The quantity available for consumption in the year 1942-43 is only 4.3 million tons, showing a fall of 1.1 million tons in a period of two years after the entry of Japan into war.

The internal production which is the main source of war-time food supply instead of showing an increase indicates a steady fall. "Until the outbreak of hostilities in the Far East, there was no shortage of food in India"[3] and even after the entry of Japan into the war "there is nothing in the internal situation in India to suggest that, apart from the cessation of imports from Burma and the vicissitudes of Nature .....the absolute physical volume of supply has been impaired[4]." The scarcity in food grains brought about by the cessation of rice imports into this province can be considered to have been completely eliminated if the available quantity of rice for consumption is made to reach that level which existed in 1940-41 by increasing the home production. The main object of any short-term policy should be to aim at an increase in production to overcome the shortage created by the altered conditions in trade. The 'Grow More Food' campaign launched by the Government of Madras "to meet the threatening shortage during war-time" and to close the "gap between home supplies and consumption,"[5] has in no way helped to increase the production of rice. On the contrary there is a fall in production after the

[1]62½ lbs. is adopted as the average seed requirement for paddy by the Govt. of Madras.

[2]In any year, the area will be sown with the grain preserved from the previous year's produce. So the seed requirement to be excluded depends on the area sown (irrigated and unirrigated) in the succeeding year. The figures for seed requirement are calculated for every year taking into consideration the total area sown in the succeeding year. As the area under paddy for the year 1943-44 is not available, the seed requirement for the year 1942-43 is taken to be the same as for the previous year 1941-42.

[3]*Report of the Food Grains Policy Committee* (1943), p. 20.

[4]*Ibid*, p. 19.

[5]'*Grow More Food*'—a pamphlet by the Government of Madras, August 1944.

campaign was launched and also the acreage under paddy was the maximum only for the year 1940-41. In a short period of about three years it may not be possible to achieve spectacular results in increasing the production of a grain like paddy which needs ample irrigation facilities and the existing fall in production may be attributed to unfavourable seasons. Still a fall of 1.1 million tons in the available quantity of this staple food grain within a period of three years from a level of 5.4 million tons (a fall of about 20 per cent.) where even in normal times the population is underfed, deserves more serious attention than the 'Grow More Food' campaign which has so far failed to stimulate the production of rice.

TABLE III.

Year.	Production of rice. (husked). Tons.	Seed require-ment in terms of rice. Tons.	Available rice for consump-tion. Tons.	Cholam, ragi and cumbu, total husked for consump-tion. Tons	Other grains husked available for eating. Tons.	Total unhusked pulses deducting seed-require-ment. Tons.	Husked pulses available for con-sumption. Tons.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1938-'39	4,100,225.8	184,779.8	4,558,203.7	2,177,333.5	469,251.9	133,208.7	156,097.4
1939-'40	4,466,916.8	200,857.8	5,153,794.9	2,386,698.8	490,775.9	139,054.0	156,324.0
1940-'41	5,150,370.4	190,913.0	5,382,080.7	2,425,513.5	515,483.6	145,563.4	154,047.5
1941-'42	4,955,320.0	194,091.0	4,946,266.7	2,243,786.5	496,956.9	129,171.8	125,555.0
1942-'43	4,613,834.0	194,091.0	4,299,743.4	2,057,548.5	406.691.9	135,811.8	124,649.4

The scarcity in rice can be met by increasing the production of other food grains which may be used as substitutes for rice. According to Dr. Aykroyd "if the production of millets and other so-called inferior grains can be more rapidly extended than that of wheat or rice, then it should be the policy to encourage its extension[1]." Cholam, ragi and cumbu are the three main millets which are produced on a large scale in this province and are used as substitutes for rice in some areas that are deficit in the production of rice. Column (5) of Table III gives the total quantity available for consumption[2] of these three grains after allowing for husking[3] and seed requirement[4]. These figures also indicate a fall after a rise, attaining the maximum of about 2.4 million tons in the year 1940-41,

[1] *Report of the Food Grains Policy Committee*, p. 75.

[2] The trade in millets is omitted, since it is quite negligible.

[3] The loss of weight in husking is 15 per cent for cholam, 20 per cent for cumbu, and 10 per cent for ragi.

[4] The seed requirement varies from 10 to 15 lbs. Here a deduction at a uniform rate of 10 lbs. of clean grain per acre is made taking the seed requirement in any year to depend on the area sown in the succeeding year. For this calculation the area irrigated and unirrigated is taken into consideration.

the year prior to the entry of Japan into the war. Other millets—korra, varagu, samai and maize—are produced on a small scale and are consumed mostly in the areas of production. Column (6) of Table III gives the quantities available for consumption after allowing for husking[1] and seed requirement[2]. These figures also show the same trend of a fall after reaching the maximum of over 5 lakhs of tons in 1940-41. The 'Grow More Food' campaign, which had no effect on increasing the production of rice, also failed to stimulate the production of millets.

Pulses are next in importance after cereals. Madras Presidency produces mainly greengram, blackgram, redgram, bengalgram and horsegram besides some minor pulses. For estimating the quantity of pulses available for human consumption in different years, horsegram, which is mainly utilised for feeding livestock, is omitted. Column (7) of Table III gives the total quantity[3] of all the pulses after deducting for seed requirement[4] and allowing for the loss in husking[5] and column (8) shows the total pulses available for consumption after taking the trade into consideration. These figures also indicate a maximum for the year 1940-41.

Together with a decline in the import trade, there is a fall in the home production of cereals and pulses after the entry of Japan into the war. Though the Government[6] feels satisfied and claims that the 'Grow More Food' campaign has brought about an increase in the acreage under food crops, till the fact must be admitted that there is a considerable fall in the production of all the food grains after 1940-41. Even admitting an increase in the acreage, it is not more acres but it is more grain that is needed to relieve the much felt shortage. Fall in imports, increased exports, and fall in internal production are mainly responsible for the recent scarcity of food grains in this province.

[1] The loss of weight in husking is 20 per cent for korra, 45 per cent for samai and 40 per cent for varagu and maize.

[2] Same procedure as adopted for other grains is taken, allowing a seed requirement of 10 lbs. of clean grain per acre.

[3] The estimated figures of production are given by the Commissioner of Civil Supplies.

[4] Taking the area in any year to be sown by the seeds preserved from the previous year's produce, the following requirement per acre is deducted:—greengram 10 lbs., red gram 5 lbs., blackgram 10 lbs., bengalgram 60 lbs., and other pulses 5 lbs.

[5] The loss in weight for husking is 20 per cent for all pulses.

[6] Government Communique dated 30th August states that: "As a result of the 'Grow More Food' campaign it is estimated that the area under food crops has increased by one million acres at the end of March last, compared with the figure for 1938-39. The total acreage now is stated to be 28 million acres and the extra yield of food grains 11 lakhs tons." It may be noted that the 'Grow More Food' campaign was launched only after the entry of Japan into the war. The success of the campaign should therefore be judged by comparing the acreage and production of any year with that of 1940-41, the year prior to the launching of this campaign and not with any of the earlier years when the effects of war were not felt.

Requirement :—A minimum daily adult ration of a pound of cereals recomended by the Food Grains Policy Committee[1] is taken as the standard for estimating the grain requirement of the population for the years under consideration. The number of adult rations in any year is calculated by adopting the procedure of neglecting children below 2 years and taking children between 2 to 12 years as requiring half the adult ration, which is utilised by the Government of Madras for rationing rice in different urban areas of the province. Column (2) of Table IV gives the estimated population for all the years taking the growth of the population to continue as in the last decade. Since the population by age groups is not given in the recent census report the same age composition shown in 1931 census is taken to exist for all the years under consideration. Column (3) of Table IV gives the total number of adult rations for all years and column (4) shows the annual grain requirement at the daily adult ration of a pound. Taking the available rice for consumption given in column (4) of Table III into consideration, there is still a deficit of about 1½ million tons every year as indicated in column (5) of Table IV.

TABLE IV.

Year. (1)		Estimated Population. (2)	Total number of rations. (Child taken as half adult.) (3)	Annual grain requirement at a adult daily ration of a pound. Tons. (4)	Deficit in grain allowing for available rice. Tons. (5)
1938—'39	...	48,810,130	39,631,141	6,457,752.9	1,899,549.2
1939—'40	...	49,075,247	39,846,402	6,492,828.9	1,389,034.0
1940—'41	...	49,341,810	40,062,836	6,528,096.0	1,146,015.3
1941—'42	...	49,609,812	40,280,439	6,563,553.7	1,617,287.0
1942—'43	...	49,879,275	40,499,228	6,599,204.6	2,299,461.2

This deficit is seen to increase after 1940-41 indicating about 2.3 million tons for the year 1942-43. The growth in population, with a fall in home production and a cessation of foreign imports have acted together in increasing the deficit. The available quantity of rice and the important millets—cholam, ragi and cumbu—are just sufficient to meet the grain requirement except for the year 1942-43. Assuming that there is no hoarding and the population consumes all grains with equal liking, the total quantity of cereals, including all the 'minor' millets available for consumption, is sufficient to meet the minimum requirement.

Distribution :—" The problem of food rationing is one not so much of reducing consumption as of distributing short supplies in an equitable

[1] *Report of the Food Grains Policy Committee*, p. 78.

manner[1]." Assuming that all the grains are available for equitable distribution, Table V shows the quantities of different grains that can be allotted per adult per day in ounces, taking into consideration the estimated number of rations given in Table IV. The amount of rice is about 10 oz., whereas all cereals come up to slightly over 16 oz., and pulses 0.3 oz., for the year 1942-43.

TABLE V.

Quantity available per adult daily in ounces.

Year. (1)		Rice. (2)	Cholam, Ragi, and Cumbu. (3)	Other millets. (4)	Total millets other than rice. (5)	Total cereals including rice. (6)	Total pulses. (7)	Cereals and pulses total. (8)
1938—'39	...	11.294	5.395	1.163	6.558	17.852	0.387	18.239
1939—'40	...	12.700	5.881	1.209	7.090	19.790	0.385	20.175
1940—'41	...	13.191	5.945	1.263	7.208	20.399	0.378	20.777
1941—'42	...	12.058	5.470	1.211	6.681	18.739	0.306	19.045
1942—'43	...	10.433	4.989	0.986	5.975	16.408	0.302	16.710

The well-balanced diet based on the minimum energy requirement of 2,600 calories contains about 1 lb. of cereals and 3 oz. of pulses as the daily requirement besides other foodstuffs. " Provided the supplementary non-cereal foods needed for a well-balanced diet can be produced, the existing production of cereals will cover requirements[2]." But it is not possible to reach the required level of consumption in pulses unless a remarkable increase is brought about in production to provide a ten-fold increase in the quantity available for consumption. Since the availability of other foodstuffs is very limited the only alternative left for the people is to consume a greater quantity of cereals than the minimum requirement of a pound to make up the basic energy essential for normal functioning. Though the increased consumption of cereals may result in an unbalanced diet, still under the existing conditions of food supply, an intake of more than a pound of cereals is essential for the population of this province.

Rationing is the only method of providing equitable distribution of the available foodstuffs. The Government of Madras has rationed rice till now in 84 urban areas, and cholam, ragi and cumbu in some deficit areas allotting a quantity of about a pound per adult per day. Though a country-wide rationing of all foodstuffs on the standards of balanced diet is the ideal that should be aimed at, still an immediate rationing of the most of the important foodstuffs, like cereals and pulses, based at least on the minimum energy

[1] *War-time Rationing and Consumption* (1942)—League of Nations, p. 11.
[2] *Nutrition*—Dr. Aykroyd, Oxford University pamphlet, p. 30 (1944).

requirement, taking into consideration the availability of all foodstuffs, is necessary.

Since there is no allowance made for wastage and hoarding, the distribution of grain shown in Table V gives the maximum quantity that can be allotted for individual consumption. Under the restricted transport facilities in war-time it is not possible to avoid wastage in distribution. Further, in this province many consumers are producers. The decline in imports and the visible fall in the available quantity of foodstuffs are incentives sufficient for the producer to hoard a little more grain than his normal requirement. The open competitive market where an attractive price can be expected was the only inducement for the agriculturalist to sell the grain he produced in normal times and that incentive was checked by the monopoly procurement policy adopted by the Government. It is but natural in such circumstances for the agriculturalist to retain enough or even a little more to feed himself rather than part with the grain for a fixed price (even if it is a just price) when there is no guarantee of providing him with grain when he needs. The more rigorous are the methods adopted for procurement, the greater will be the incentive for the agriculturalist to hoard and his repeated failures to retain grain may even make him lose that desire to work hard and produce more than his personal requirements. This position can be improved only if the authorities realise that "one of the most vital aspects of monopoly procurement is to assure the cultivator that his interests as well as those of his dependants and of his village are protected[1]." The conditions of scarcity, marked by a fall in trade and production, are aggravated by the produced grain not being fully available for equitable distribution. All these circumstances necessitate a rapid increase in home production not only to reach the pre-war level but to compensate for the hoarding and wastage mentioned above.

It may be noted that since it is difficult to improve the position of trade in war-time, the problem of increasing rapidly the home production of at least the important food grains to meet the immediate scarcity should receive serious attention. "Since it is more feasible to increase the outturn of cereals than that of many other foods, agricultural policy should aim at an increased production of cereals[2]." Unless there is sufficient production any scheme of rationing for equitable distribution cannot be successful. Leaving aside the ultimate object of making the province self-sufficient, the only proper solution for overcoming the immediate "threatening shortage[3]," is to increase the production of foodstuffs, at least of cereals to reach that level which existed before the outbreak of hostilities in the Far East.

[1] Mr. Somerset Butler's *Report on Government Monopoly* in regard to procurement, (December, 1944).

[2] *'Nutrition'*—Dr. Aykroyd—p. 30.

[3] *'Grow More Food'* pamphlet, (August, 1944).

REVIEWS

Year Book of Agricultural Co-operation, 1943-44. (C.W.S., Ltd., Manchester. 1944.)

The Year-Book of Agricultural co-operation, published by the Horace Plunkett Foundation, is a double number, dealing with the salient features of the agricultural co-operative movement in 1942 and 1943, which were about the darkest years economically, politically and militarily for the countries in which the movement had been most flourishing before the war. But surprisingly enough, in spite of some disasters, the movement was stimulated by the war itself in certain lines, not only in the Allied but Axis countries. This is brought out clearly in a number of papers submitted to the Conference held in 1943 by the British Association for the Advancement of Science, in London, on "Co-operative Systems in European Agriculture" published in full in this Year-Book. There are, besides, authoritative accounts of the Co-operative developments in U.S.A., Canada, Australia and the ill-fated Malaya, East Indies and Palestine. The conspicuous omission is that of India—of which an account could have been easily had from the All-India Co-operative Institutes' Association.

Sir John Russell, in his introductory address to the Conference on Co-operative Systems in European Agriculture, pointed out that in the post-war period most of the countries would prefer high nutrition for their people to self-sufficiency in food supply, and peasant proprietorship to large-scale farming. He said that with the use of small internal combustion engines and electricity and the adoption of co-operative methods in buying, selling and processing, the peasant need be neither a drudge nor inefficient.

Professor C. R. Fay dealing with agricultural co-operation in Scandinavian countries clears some of the current misconceptions on the subject: *e.g.*, that the typical farm in Denmark is *not* a petty peasant farm, as the size of the farm ranges from 50 to 150 acres; that farming in Scandinavian countries is not subsistence farming as most of the produce is exported, while cereals, feeding-stuffs and fertilisers are imported. Discussing the future of family farming in an age of machinization and specialisation Dr. Fay says that agriculture in northern Europe has proved to the hilt that the highest degree of technical excellence is entirely compatible with family farming, but only on two conditions: (i) the land unit is the subject of special State-guardianship and (ii) individual family effort on the land is supplemented by group effort (co-operation) in purchase, processing and sale. He pooh-poohs the idea of nationalisation of land in England as fantastic nonsense! He pleads for the development of a stronger producer democracy in the Marketing Boards and for their contact with industrial consumers' movement.

The part that the Co-operative Wholesale Society has played in the supply of fertilisers and feeding-stuffs to the British agricultural requirements' societies and the methods by which the latter secure implements, machinery, seeds etc., are sketched by Mr. J. W. Hewitt. Pressure of war circumstances has forced the British farmers to co-operate also for the sale of eggs, poultry, fruits and vegetables—as is shown in a note by Mr. H. A. Izant. The difference in outlook between the farmer and industrial worker on co-operation is beautifully brought out in a note by Mr. James McFayden, who has had experience of both types of co-operation. He points out in another place the magnificent part played by the co-operative stores in Britain in serving people during the height of the "Blitz".

The evolution of agricultural co-operation in Ireland, particularly the part played by Plunkett, is ably traced by Miss Margaret Digby. More details of the movement in its earlier phases and its latest developments are given by Mr. H. P. Norman, a veteran co-operator and an early associate of Horace Plunkett.

Mr. R. O. Rowlands gives an account of the trials and tribulations of the societies in Wales, especially of those for marketing, in spite of the self sacrificing labours of some pioneers, and of their rehabilitation with the aid of the Department of Agricultural Economics of the University College of Wales.

Mr. R. A. Palmer, General Secretary of the Co-operative Union, Great Britain, surveys the part played by co-operative societies of different types in Europe, which are remarkable for the range of services they perform even under the strain of Nazi occupation *e.g.*, in Norway, Holland, Denmark and Hungary. Consumers' societies have suffered most, but their machinery has often been used by the Nazis. It is comforting to know that " Co-operators, while obliged to comply with the letter of the existing economic order, are showing no compromise but striving to manifest still more the moral and social values of co-operation and are developing cultural activities." They are expected to play a great part in post-war relief and reconstruction.

What these problems are and how difficult it will be to solve them are noted by Miss M. Digby—" first, to bring in food and bare necessities and to see to their distribution; and second, to restore production and the fabric of a civilised social life in Europe ". The distributive societies are, in her view, the best suited to organise immediate food supplies in spite of racial or sectional particularism. As regards restoration of agriculture, surviving stocks of local seed should be requisitioned and replaced by imported bread grains, as the raising of crops from imported seeds is a chancy business. Supply of fertilisers, implements and machinery will be easier. Livestock restoration will be more difficult. Land must be colonised and improved collectively at first, to be followed by individual ownership and a varying co-operative control of cropping, mechanical cultivation, marketing etc. Miss Digby assigns a new role to consumer societies—" to train taste, to inculcate good cooking and guarantee freshness of food. It would mean a campaign of mixed education and advertising, backed by the most carefully calculated plans for buying, processing transport and finance worked in conjunctioned with co-operative producers ".

In a section dealing with Malaya, Mr. A. Cavendish pays a handsome tribute to the work of Mr. C. F. Strickland, I.C.S., whose report on the possibilities of co-operation in Malaya would rank as a land-mark in the history of co-operation. He " literally wore himself out " by touring round the country, investigating economic conditions among all classes of people and addressing officials and non-officials.

The progress of co-operation in Palestine is striking. In 1942 and 1943, the village credit societies repaid 90 per cent of their debts due, in part, to larger cash receipts by Arab cultivation " But "—let the readers of the *Indian Co-operative Review* note—" the unwillingness of the farmers to continue membership in societies with unlimited liability is probably the major deterrent in the development of rural credit co-operation." The Jewish co-operative societies are more numerous and varied and would have been far more successful too, but for the crisis in the citrus trade. The export of citrus fruit, which before the war accounted for 77 per cent of the total value of exports, ceased completely after 1940.

In West Australia, the exigencies of war have turned the attention of the country co-operatives from marketing produce to store-keeping—the supply of farm and house-hold requirements. Townsmen in the neighbourhood patronise these societies. The Westralian Farmers Ltd.—the central organisation of the Co-operative Federation of West Australia—had a thriving shipping business, which has been taken over by the Australian Wheat Board with advantage and economy. The Westralian Farmers Ltd., have since launched two new ventures—a factory for the manufacture of animal foodstuffs and a dehydration plant for the treatment of fruit.

Mr. J. T. Hull gives an impressive account of co-operation in the Priarie Provinces of Canada, which had a bumper crop of wheat and other grains in 1941-42. It was not easy to find shipping for all that was reaped. Wheat had to be fed to livestock to keep down the unprecedented stock. "Canada, U.S.A. and Argentine, together will this year use more wheat to feed livestock, fuel and the production of alcohol, than was entering into the channels of international trade before the war and will still have on hand enough wheat to feed Europe for three years," What a commentory on the effects of war!

The transactions of the three big co-operative Wheat Pools—Alberta, Saskatchewan and Manitoba—with hundreds of country elevators and more than one terminal elevator each, make impressive reading. They have helped the Government and the Wheat Board and voluntarily cut down their handling charges. They welcomed the International Wheat Agreement (which partially came into effect in 1942) as it provides for the control of production and export, the regulation of accumulated stock, price-fixing and export of wheat for international relief after the war.

Mr. J. G. Knapp, Principal, Agricultural Economist of the U.S.A. Farm Credit Administration, furnishes a very interesting and inspiring account of co-operative developments in the United States. As the cash income of the American farmers has almost doubled itself—from 9 billion dollars in 1940 to 16 billion dollars in 1942—most of them have got out of debts. The large scale co-operative Cotton Marketing Associations, selling one million bales of cotton have built cotton warehouses, constructed gins and some crush cotton and other seeds for oil. This recent tendency to integration of functions has been noticed in the case of co-operative dairies too. They supply feeding-stuffs and 50 per cent of the spray-dried milk powder is produced by them. The Fruits and Vegetables Co-operatives have set up canning sections. Dehydration is a recent development in which co-operatives have taken the leading part, especially in the dehydration of potatoes, beets, carrots, tomatoes, apples, prunes, oranges, cranberries, etc. How far this industry will survive the war demand is a subject for speculation.

Local and regional co-operative purchasing associations are being knit together by various types of operating and organisational relationship. The National Farm Co-operative is one such organisation now engaged in executing war orders, but ready to manufacture tractors and farm machinery after the war for its regional association members.

Another striking development in recent years is that of rural electric co-operatives. In 1935 when the Rural Electrification Administration (R.E.A.) began to function only 11 per cent of farms had the benefit of the electricity. In June 1942 the percentage of electrified farms rose to 38—thanks to the encouragement offered by the R.E.A. in lending to rural co-operatives 100 per cent of the cost of line construction and in furnishing technical and other advisory services.

The Farm Credit Administration has 13 Banks for Co-operatives which have helped in the installation of plants for various forms of processing. All these co-operatives have, according to Mr. Knapp, the leadership and operating flexibility—needed to adjust themselves to the post-war requirements.

The pages of this year book reveal not only the unexpected reserves of strength of co-operative societies and their undoubted superiority to private trade in the midst of national crisis, but the immense possibilities of their development in different directions, some of them not dreamt of by the founders of the movement.

—K.C.R.

An Introduction to Banking Principles, Practice and Law:—By Bimal C. Ghose, B.Sc. (Econ.) (London), B. Com. (London), (Humphry Milford for the Oxford University Press. PP. 361 : Price Rs. 5-8-0.)

The author is to be congratulated for having presented this book to the student and the general reader. In spite of the fact that the author, in a modest way, says in the introduction that 'I have thus covered a very wide range of subjects in a short compass and this has of necessity involved a considerable amount of compression,' it is certainly creditable that he has been able to give nearly four hundred pages during these days of war. And from the Indian point of view this is by no means a small achievement.

The book is divided into four parts and the subject-matter distributed into twenty-nine chapters. Although the author outdeals generally about the usual aspects there is one good feature in the manner and the exposition of his subject. Like all other books on the subject, this book is not heavily packed with quotations and excerpts but presents a lucid and handy introduction to the various branches of Banking business. Of all the material that this small book contains, the chapters 'The Bank Statement' and 'War and the Indian Money Market' will certainly prove to be of unusual interest to the reader. But at the same time it would not be unnatural for the reader to expect some suggestions on the Bank Act which is at present on the anvil of the Indian Legislature. With an equally deep feeling of disappointment one also finds out that the so-called Exchange Banks are not at all touched by the author in the same chapter. During this critical time of a great transformation one has to compare the value and position of an international organisation in the light of the conditions of the particular area and region where it is to be made applicable. Looking from this point of view one has to decide the place and function of foreign capital in India; and the reader naturally expects expert opinion on a subject like this in such books.

But even the most complex subjects, like the Monetary Theory and the Law of Banking relating to cheques and their endorsement, have been made easy with the help and in the background of concise and convincing expert opinion. Barring the fact that the motive behind such a tight compression of so much material on so many subjects into so small a compass cannot be discerned, the book has its own attraction in being very simple, easy and clear and the author has to be congratulated for this speciality.

—H.S.P.

THE XXV MADRAS PROVINCIAL CO-OPERATIVE CONFERENCE

Held on 28th and 29th October, 1944.

Extracts from the Opening Address by Sir H. M. Hood.

I was surprised to see a statement made at a meeting in London a year or two ago to the effect that co-operation in Madras was not genuine and was a poor show because it was purely materialistic and paid no need to the spiritual side of co-operation. It had no societies for moral uplift. Personally I believe in materialism and do not see that much progress is likely to be made by preaching high morality to hungry men. I would rely more on the history of co-operation. The Rochdale pioneers combined to cater for their material needs. Raiffeissen invented co-operative credit for the same purpose. Loyalty to the society brought its material reward but it brought more than that—it taught poor men to be self-reliant, loyal and straightforward. I am a greater believer in the benefits, both moral and material, which will result from a well ordered co-operative organisation, but the moral effect is elusive and cannot be caught by direct attack while if we pursue the material side the other part will be achieved.

Co-operative banking is the rock foundation of most co-operative societies in Madras and it is essential that in whatever direction co-operation develops, the co-operative banks with their satillite village credit societies must not in any degree be neglected by more spectacular adventures. They are the backbone of the movement.

We have heard a lot of argument above the multi-purpose societies in villages. They should cater to all the needs of the villager. They should supply all that he needs for his business. They should supply the farmer with his manure and seed and plough. They should supply the carpenter with his wood and the farmer's wife with a new cloth. It is a grand idea. Yet all my experience prompts me to rebel against it. It sounds fine but who is the business paragon in a village who is to run it? It requires a young Selfridge and if there be a young man in a village with all the business acumen and all the energy and all the time at his disposal to run such a business how long will it be before he goes off to make his own fortune.

There is another point. It is an accepted principle of banking that a bank should not create additional side liabilities on its assets by indulging in trade. The village Credit Society is a bank. Should the unlimited liability of its members be involved by the amateur trading of an Honorary Secretary? Personally I believe in single minded effort and of following the Danish model of restricting the purposes of a single society within definite close limits.

There have been great developments in the last few years. War conditions have created facilities for forming co-operative stores and full advantage has been taken of the chance. I trust that those societies also will build up experience and a financial position which will enable them to survive when profits are less easy to make.

Then there are the weavers. I have always believed that with proper organisation they can compete in their local markets with the Mills and still make a living wage though not a fat one: but again it requires loyalty and the most careful business management. And so it is in many other directions: there is almost unlimited scope for co-operative development in the material world and whatever success you make the moral advantages of participating in such joint efforts will automatically follow.

Extracts from the Presidential Address by Sir V. T. Krishnamachari, K.C.I.E.

The outstanding problem in India is the deplorably low level of the national income. I have been recently reading a suggestive lecture by Dr. Rosenstein-Roden on "the international development of backward areas." In this, after pointing out that "to-day the United States, Britain, France and Germany representing 18 per cent of the world's population own almost 50 per cent of the world's goods and that more than two-thirds of the world's income are reserved for less than one-third of the world's population", he goes on to say:—"Broadly speaking, there are five vast international depressed areas which between them contain 80 to 90 per cent of the world's population." He mentions these areas "in order of the difficulty presented in the solution of problem" *i.e.* beginning with the most difficult. The Far East—India and China—come first; the other areas being secondly the colonial areas especially Africa; thirdly, the Caribbean area "another poor and over-crowded area": fourthly, the Middle East: and fifthly, Eastern and South-Eastern Europe where "the solution of the problem can be envisaged within the life time of one generation." Most of you are familiar with estimates made from time to time of *per capita* income in India as compared with other countries and I need not give them here. The present state of things is a grave menace to the country. The raising of the standard of living is the most urgent problem of the present time.

In India, as in other countries, the war has directed attention to plans of social security. The Bombay plan of economic development aims at raising the net output of agriculture to a little over twice the present figure and that of industry including both large and small industries, to approximately three times the present output. The Government of India and Local Governments have set up separate departments for planning and reconstruction and detailed schemes are under active preparation. Among these of the utmost interest to co-operators are the recommendations made by the Policy Committee of Agriculture in June this year on agricultural development in India. These are comprehensive in scope covering all aspects of agriculture, animal husbandry, fisheries and other allied activities. Their aim is to increase agricultural production by 100 per cent over the pre-war level in 15 years and the total expenditure involved is estimated at Rs. 1,000 crores. The Committee's scheme must obviously be, in the nature of things, a skeleton designed as a frame-work for detailed planning by provincial and State Governments. It is hoped that these detailed schemes will be completed soon, as plans relating to agriculture can be taken up atonce in many cases and need not wait till the war is over. One of the important recommendations of the Committee is that 'surveys should be taken up in all areas of subsidiary occupations for agriculturists. Owing to seasonal conditions, work on land is possible only during a small portion of the year. Millions of people are thus unemployed over periods ranging from 3 to 4 months a year in the highly irrigated tracts to as many as 8 to 9 months in the dry areas. This long interval of enforced idleness and dreary waiting between crop and crop leads to evils, economic and moral, which it is unnecessary to describe to those who know village life. Occupations which can engage agriculturists during their spare time are thus of the utmost importance and Provincial and other Governments should foster them by granting subsidies where needed and making suitable marketing and other arrangements. Agricultural development is of course only part of a general plan of rural development; and schemes dealing with other aspects of rural life—education, public health etc.—are also under examination. Lastly, for a healthy national life a fair balance should be achieved between agriculture and industries. Plans for the expansion of existing industries and establishment of new ones therefore occupy a prominent place in the programme of the new departments of planning and development

It should be emphasised here that these post-war plans are not intended to be ideals to be realised in a more or less distant future but represent definite schemes to be taken up for execution within a specified period. What is aimed at is an appreciable increase in the standard of living to be reached in the shortest possible time.

Speaking first of schemes for improving of rural life, my main proposition is that the co-operative movement should be recognised as the sole agency for propaganda and for execution of such schemes. In the first place, all aspects of rural life are inter-connected: improvement is possible only if all of them are taken up in a comprehensive manner. Secondly, the departments of government which are immediately concerned with individual aspects of village life—agriculture, industries, co-operation, education, public health etc.—should not regard themselves as isolated workers: they should have a conception of a common aim viz. the development of a desire for a higher standard of living all round. Thirdly, with this realisation of a common aim, the departments should carry on their activities through the agency of co-operative organisations—in other words enlist the aid of the villager for his own betterment—if results of permanent value are to be achieved. Separate and dispersed propaganda by each department regarding itself as an independent unit should be completely abandoned.

This means in effect that there should be a re-orientation of the nature and aims of the co-operative movement. The movement should become the sole recognised agency for raising the level of village life, for securing a higher standard of life all round and not merely as a means for specific objects—cheap credit, better seeds etc.

Development on the scale contemplated—the doubling of the agricultural production in half the life time of a single generation—can come within the range of realisation only if a desire for a higher standard of living is created among the population. The outlook of the agriculturist should be changed and he should be filled with an ambition for a better life. This 'will to live better' should furnish the driving power. As has been well said, 'the central problem is psychological, not technical'. Such a change in traditional modes of thought and ways of life—a change almost revolutionary—can only be brought about by a clear understanding and practice of the ideals of the co-operative movement. No other agency can produce it.

The failure to utilise the co-operative movement has operated to the disadvantage of agricultural development as well as of the movement itself. Agricultural development has suffered by research not reaching the population for which it was intended. As Sir John Russell has said: "There remains a great gap to be bridged between what can on present knowledge be accomplished and what is actually being done by the cultivators. An enquiry should be made into methods of propaganda." And again "the new selections and varieties which represent the highest achievement of the Indian Agricultural Science are used only to a very limited extent. The ryot continues largely unaffected by the enormous efforts made on his behalf." Similarly the co-operative movement has suffered as it has come to be regarded mainly as a means of obtaining cheap loans and only in a limited number of cases as an agency for agricultural improvement. Sir John Russell has given reasons for the failure to use the co-operative movement for improving village life. But I think it will be agreed that these difficulties should be removed and that, when post-war development schemes are executed the co-operative movement should become the agency by which "many millions of peasant proprietors may be led to a better life: if this be secured much else is brought within the means of attainment." We cannot afford to fail. Every thing necessary to ensure success must be done. For "if co-operation fails; there will fail the best hope of rural India."

A detailed examination of the conprehensive recommendations of the Advisory Board of the Imperial Council of Agricultural Research will show that all of them are such as can be carried out by the sound application of the co-operative principle. Schemes of reclamation and land development lend themselves to co-operative treatment and so do schemes for use of improved seed; use of manures; crop planning over a large area: control of pest, disease and weed control: improvement and expansion of pasture land: sale marketing of produce: cattle breeding, etc. Subsidiary industries again are best promoted through co-operative societies and it is hoped that Governments will give subsidies for building them up in the early stages through such societies. The co-operative principle is capable of adaptation to an infinite variety of conditions. There is hardly a rural problem for the solution of which it cannot be employed.

The Madras Provincial Co-operative Bank, Ltd.

Head Office :—379, China Bazaar Road, Madras.

Balance Sheet as on 30th June, 1944.

	Rs.		Rs.
Capital ...	6,70,400	Cash ...	12,34,581
Reserves ...	36,80,330	Investment in Govt. Securities ...	1,69,35,742
Deposits ...	2,61,46,570	Other investments ...	2,77,000
Loans ...	10,80,849	Loans and Overdrafts	1,28,07,924
Sundries ...	1,95,461	Premises (acquired entirely out of profits Rs. 3,58,401).	
Profit & Loss A/c. ...	2,60,219	Sundries ...	7,78,582
Total ...	3,20,33,829	Total ...	3,20,33,829

Analysis of Working.

	Year ending 30th June			
	1941	1942	1943	1944
	Rs.	Rs.	Rs.	Rs.
Paid up Capital ...	6,66,500	6,70,300	6,70,800	6,70,400
Reserves ...	27,88,803	33,25,730	33,91,109	36,80,330
Fixed, Current and other deposits ...	2,41,46,411	2,51,49,678	2,92,27,881	2,61,46,570
Net Profit ...	2,53,398	1,66,886	77,567	2,14,709
Amount transferred to Reserve Fund ...	75,000	50,000	25,000	1,00,000
Other Accounts ...	94,004	12,500	5,740	61,100
Dividend at 9 per cent.	59,941	60,107	60,365	60,368
Carried Forward ...	52,127	91,086	70,510	32,825

BANKING BUSINESS OF EVERY DESCRIPTION UNDERTAKEN.

For Rules, etc., apply to:—

S. RAJARATNAM,

Secretary.

Printed by Sri R. Krishnamachari, B.A., at The Central Co-operative Printing Works, Ltd., 1/17, Mount Road, Madras,
and published by Sri Ch. D. Prasada Rao, Farhat Bagh, Mylapore, Madras.

(1)	(2)	(1)	(2)