

Madras Journal of Co-operation

EACH FOR ALL, AND ALL FOR EACH

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

SEPTEMBER 1944.

No. 3, Vol. XXXVI

PRICE 8 A.

The Editorial Committee do not hold themselves responsible for views expressed by contributors. Contributors are requested to write legibly and on one side of the paper. Manuscripts will not be returned unless stamps are sent to cover postage. Matter intended for the issue of any particular month should reach the Committee before the 15th of the previous month.

Editorial Notes.

Agricultural Implements:

For reasons which cannot stand the test of scrutiny, the distribution of agricultural implements has been entrusted to the Department of Agriculture which has been authorised to set up an establishment for the purpose involving fairly large expenditure from the Exchequer. Whether this expenditure could not have been avoided and equitable distribution could have been assured by entrusting the work to co-operatives is a point for consideration. It is said that some co-operatives entrusted with this work in the beginning misused the patronage and on that account non-members suffered much. We are surprised that such an allegation should have been made at all and we doubt if its veracity has been tested. The co-operatives have been serving both members and non-members in the emergency caused by war in regard to distribution of foodstuffs. There have been complaints of discrimination. But on examination it was found they mostly emanated from interested quarters. We venture to assert even in regard to distribution of agricultural implements such complaints must have come from similar interested quarters. There are co-operatives which are only meant to introduce agricultural improvements. Even they have been tarred with the same brush. We earnestly plead that the agency of co-operatives for distribution should not be completely ruled out and the Director of Agriculture may be empowered to entrust the work at least to such co-operatives whose exemplary conduct in its dealings is beyond doubt. The Registrar of Co-operative Societies can be trusted to pick and choose such co-operatives.

For apart from the deprivation of a service which normally belongs to the co-operatives, we are constrained to refer to this subject at some length as the decision of Government has indirectly cast an unmerited slur on all co-operatives, good and bad alike. As co-operators we cannot allow this to go unchallenged. It is true the Government are at liberty to choose their agency for distribution. But when in making the choice, they have gone out of their way and referred to misdoings of some co-operatives and quoted that as the reason for changing their choice of agency, co-operators cannot help putting in an emphatic demurrer to the alleged charge.

Consumer Goods:

We understand to eliminate black marketing in consumer goods the model shop idea is again in the air. It is the intention of Government to take over all imported goods at the ports and distribute them to recognised dealers. A general quota for each province has been fixed which will be distributed among certain recognised dealers, who in their turn deal out to retail dealers. It is also learnt that 31 articles have been brought under the scheme. We welcome this step as we believe this is the only effective way of putting down black markets. But we venture to submit that in provinces like Madras where the co-operatives have played a great and effective part in the distribution of foodstuffs and have also been responsible for putting down black markets, they have every right to be treated as approved wholesale and retail dealers. The Civil Supplies Department will find it much more easy to exercise effective control in regard to distribution if the co-operatives are utilised as the agency for distribution.

In opening the Second Stores Conference, Mr. Austin commended to the stores the idea of dealing in all consumer goods and thereby expand their business. Here is an opportunity for the stores in this province to fulfil that idea. We have no doubt they will rise equal to the occasion and come forward to render also this essential service to the community.

Co-operation and Post-War Reconstruction:

The Government of Madras have set up a fairly big committee to deal with post-war problems. Various sub-committees have been formed to deal with different aspects of our economic activity. We are sorry to note a sub-committee to consider the application of co-operative methods to all phases of economic activity has not been formed. We are not sure if the sub-committees on Agriculture and Industries will be required to deal with this aspect. We have time and again referred to this topic and have reproduced extracts from foreign journals to prove how the co-operative idea is spreading everywhere and its acceptance in preference

to any other method based on competition with its attendant evils. As co-operative method can be applied to every phase of economic activity, we would implore the Government to set up a separate sub-committee to deal with this all-important topic. Already the idea of co-operative workshops to absorb technicians has found acceptance and a Special Officer has been appointed for the purpose. It would be an advantage to Government to have the Special Officer's proposals examined by this sub-committee. Even in regard to employment of unskilled demobilised soldiers, it is worth while examining how far co-operative method can be employed and thereby ensure permanence and continuity in running organisations set up for the purpose. Nothing will be lost by such examination and acceptance of schemes thereafter calculated to achieve the purpose without impairing efficiency. They may also indirectly relieve the Government of financial responsibility at least to some extent. Above all they are sure to promote the ideals for which the war is being fought, for co-operation is a way of life, democratic in spirit and action. It stands for the high ideal, 'All for each, each for all'.

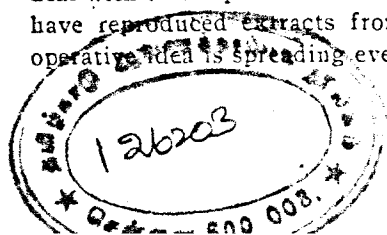
Co-operation and International Labour Conference:

Last month we referred to a resolution of the International Labour Conference in regard to co-operative organisations as instruments of economic and social progress in Dependent Territories. From papers since received it is seen that a great deal of attention was bestowed on the question of organic collaborations between the International Labour Organisation and the Co-operative Movement. Among the resolutions adopted by the Conference on this question was one inviting the Governing Body of the International Labour Office to set up a committee to examine the future constitutional development of the organisation and in that connection this committee was also asked to examine how best to secure closer collaboration between the International Labour Office and the Co-operative Movement. This part of the resolution runs as follows:

"In order to secure closer collaboration between the International Labour Office and the Co-operative Movement a committee of the International Labour Office should be established comprising representatives of the main kinds of co-operative organisations in the various countries with the object of bringing the experience of co-operative organisations to bear on questions of interest to International Labour Office and of enlisting their support for the International Labour Office."

"Representatives of the International Co-operative Organisations should regularly be admitted to the Conference as observers."

In dealing with provisions of a social character in the various general or special treaties or agreements to which the United Nations



will become jointly or severally parties, the Conference decided to include among its subjects, "the development of the co-operative movement and the encouragement of the International collaborations in this field."

Finally a resolution concerning economic policies for the attainment of special objectives contains among other provisions which may interest co-operative organisations, the following paragraph:—

"In order to lay the foundations for raising levels of consumption throughout the world and at the same time to ensure more stable and adequate incomes to those primary producers whose services are needed for the production of essential raw materials and food-stuffs,"

"This conference considers that the United Nations should initiate concerted action designed to ensure the constant availability to all purchasers of adequate supplies of such commodities at prices which give a reasonable return to the efficient producer and are held sufficiently stable to afford protection against major short-term fluctuations in supply or demand; and that such international arrangements

(a) should provide for adequate representation of consumers as well as producers, representing both importing and exporting countries, in all authorities responsible for the determination and application of policy, and

(b) should aim to assure to all workers including the self-employed, engaged in the production of the commodities concerned fair remuneration, satisfactory working conditions and adequate social security protection, having regard to the general standards in the countries concerned."

Such news must bring hope and cheer to co-operators in our province as the inauguration of peace would also see not only the rehabilitation of the Movement but also measures for accelerating its progress.

A Ruler's Testimony:

In opening the new buildings of the Mysore Central Co-operative Land Mortgage Bank, His Highness the Maharajah of Mysore paid a tribute to the work of the Bank which must afford encouragement to all co-operators: His Highness said:

It is evident from your interesting address that the longstanding problem of agricultural indebtedness has been tackled by co-operative methods, and that a systematic effort has been made for many years towards debt redemption and the improvement of agricultural operations as well. It is hardly necessary at

the present time to enlarge on the need for Co-operative Land Mortgage Banks for these purposes, for example, the Mysore Central Co-operative Land Mortgage Bank, with its impressive record of work, has definitely proved that an institution of this nature is, by its functions, resources and methods, best suited for the redemption of rural indebtedness and the financing of agricultural improvements. I particularly appreciate your reference to the observations made by my father on this matter in a public speech sixteen years ago, which provided the stimulus to the organization of this Bank in the following year.

His Highness was also pleased to observe "that a development of fifty times the volume of its operations would still be short of the needs of the vast rural population." We have no doubt the Central Land Mortgage Bank will strive to reach at least the modest target fixed by His Highness within a reasonable period of time. His Highness expressed his desire that the activities of the Bank should be designed not only to relieve indebtedness but also to help the ryots in undertaking agricultural improvements for bettering their economic position. There is some pathetic interest in the closing remarks of His Highness when he quoted the words of his dear father uttered long ago in which he expressed his earnest hope for the great future of the Movement and wished that it may soon be fulfilled. Those words bear repetition: "Co-operative work will permeate every activity of the citizens of the State; that co-operation will become as much a recognised law of life as Government, and that the Co-operative spirit will be in all things the spirit of Mysore." We wish the noble sentiments expressed herein will soon be true of all Provinces and States.

Role of Rural Co-operatives:

In the course of his presidential address at the Kurnool District Co-operative Conference, Sri Rao Bahadur S. V. Narasimharao, a veteran co-operator, spoke on the various aspects of the Movement. The Paper Control (Economy) Order under which we still groan, prevents us from reproducing even the relevant extracts. However, we would like to give an extract in which Sri Narasimha Rao succinctly describes the role of the rural co-operative and commend his words for the consideration of co-operators.

A well conducted co-operative society should come to be considered a necessary institution in every decent village in the same way as a school has come to be regarded by the present-day villager. When village panchayats with well defined powers and functions are established in every village, as they

will be soon after the war, a thriving co-operative institution looking after the economic requirements of the community will be a valuable adjunct to a civic corporate body attending to the civic wants of the village population. Rural co-operative societies should thus in future, as far as possible, undertake the role of all-embracing suppliers of the domestic and occupational needs of the different sections of the village community and serve also as centres of cultural enlightenment if local conditions permit. Real co-operative spirit and enterprise would then play their part efficiently in the general uplift of the rural community which is one of the vital needs of our great country at the present time.

Therefore, there can be no rivalry or overlapping of functions of a co-operative and a panchayat. They can be complementary to each other. We may in this connection remind our readers the views of the late Hon'ble V. Ramadas Pantulu on this subject. Co-operators are as much anxious as others for the development of the panchayat system and in fact in many places they are also taking prominent part in organising and conducting panchayats with every success. The human element available in rural areas is limited and we should make best use of it without detriment to the development of both the institutions working for rural welfare.

Coming Provincial Conference :

We specially invite the attention of co-operators to the circulars relating to the coming Provincial Conference and request them to attend without fail and contribute their quota for its success. The organisers are fully aware that travelling is not too convenient these days, let alone being comfortable. As problems affecting the Movement in the post-war period must receive immediate attention, the Conference has an important role to play in focussing public opinion. Every aspect of the Movement requires attention. Therefore, this is the time for co-operators to rally round the co-operative flag and defend it from all possible onslaughts. The interests attacking it after the war will be many and varied, possessing greater strength, and unlimited resources. Co-operators should not be caught napping and they must be prepared for even violent opposition.

XXV Madras Provincial Co-operative Conference

It has been decided to hold the 25th Madras Provincial Co-operative Conference on the 28th and 29th October 1944 at Pachaipappa's College Buildings, Chetput.

Sir V. T. Krishnamachari will preside.

Sir H. M. Hood, Adviser to H. E. the Governor, will open the Conference.

Sir P. T. Rajan will hoist the Flag.

As per the constitution of the Conference, the following class of societies may each elect the number of delegates noted against them :

Provincial Societies 5 delegates ; Language Federations 10 ; District Central Banks 3 ; Training Institutes 2 ; Local Supervising Unions 1 ; Limited Primary Societies (Urban Banks, Land Mortgage Banks and non-credit Societies) 1 ; Unlimited Primary Societies with a working capital of Rs. 50,000, 1 ; Societies in which other Societies are members 1.

Scale of Delegation Fees.

Primary Societies (Urban & Rural) and Supervising Unions	...	Rs.	3
Training Institutes, Central Banks and Federations	...	"	5
Provincial Societies and Language Federations	...	"	10

The above delegation fee is irrespective of the number of delegates that the institution may send.

Co-operative Institutions in the Province are requested to elect delegates and communicate to the Secretary, the Madras Provincial Co-operative Union, Esplanade, Madras, their names with full addresses so as to reach on or before 15th October 1944.

In addition to deputing delegates to attend the Conference the institutions are requested to kindly make liberal donations as usual towards the expenses of the Conference and thus make it the success that it ought to be.

They are also requested to communicate to the Secretary of the Union *resolutions for consideration* at the Conference on or before the 20th October 1944.

Boarding will be arranged if sufficient notice is given. Owing to rationing, arrangements have to be made in advance. So delegates are requested to inform before 1st October 1944.

The meeting of the Board of Management and the General Body of the Madras Provincial Co-operative Union will be held on Sunday the 28th October 1944. Affiliated Co-operative institutions will please arrange to intimate the names of their representatives before 15th October 1944.

PLEASE NOTE.

The Conference and General Body Meetings will be held in the Pachaipappa's College Buildings, Chetput—at one end of the City. Delegates and members will please note the directions as to routes. To avoid unnecessary expense and waste of time, Delegates and Members are advised to stay in the College premises for both the days. Besides, owing to Rationing in Madras, you may not get accommodation in Hotels. So the Union is making arrangements for Boarding for all Delegates and Members. Better join the Mess by remitting Rs. 3-8-0 in advance. Unless advance information is given before 20-10-1944 no Boarding will be assured. Buses will be arranged at these stations, if sufficient intimation is given.

ROUTES.

From Central.

Alight Central—Take Bus bound for Amjikarai—The Bus stand is opposite to the Station—at the General Hospital. Ask ticket for Pachaipappa's.

From Egmore.

Alight Egmore—Change over to Electric train to Chetput. Alight Chetput. College is half a mile from the Station.

N. B.—Scouts and volunteers will guide you at both the Stations.

The Madras Provincial Co-operative Union.

COMBINED PROGRAMME FOR THE CONFERENCE AND THE GENERAL BODY MEETINGS : 28th and 29th October, 1944.

28th October, 1944.

9-45 a.m.—Board.

10-0 a.m.—General Body.

Consideration of Administration Report and
Audit Report for 1943-44.

Amendments to Constitution.

2-00 p.m.—Conference.

Co-operative Flag Hoisting—By Sir P. T. Rajan.

Opening of Exhibition.

Welcome Address.

Opening of Conference by Sir H. M. Hood, K.C.S.I.,
C.S.I., I.C.S.

Presidential Address by Sir V. T. Krishnamachari.

5 p.m. to

8-30 p.m.—Subjects Committee.

29th October, 1944.

9-30 a.m.—General Body.

(i) Election of 15 Honorary Members.

(ii) Election of Office-bearers as per By-law.

(iii) Election to the Board of Management by the
different types of Societies as per By-law.

New Board.

The newly constituted Board as per by-law will
meet to transact the following business:—

(1) Co-option of five members as per By-law.

(2) Election of Presidents to each of the Com-
mittees as per proposed amended by-law.

2-00 p.m.—Conference.

Second session of the Conference.

Closing speech of the President.

Vote of Thanks.

Meal Timings.	Other Meetings.
7-30 to 8-30 a.m.—Coffee.	28th October, 1944.
12 to 1 p.m.—Meals.	9-0 a.m.—Tamil Nad Feder a- tion—G. B.
4 to 5 p.m.—Tea.	Board—Andhradesa Co-operative Union.
8-30 to 9-30 p.m.—Meals.	29th October, 1944.
	8-30 a.m.—Railway Passen- gers' Association.
	1 p.m.—Executive Commit- tee of the Madras Provincial Co-ope- rative Bank.

Minimum price for Sugarcane.*

BY R. NAGAN GOWDA, M. Sc., Ph. D.

There are in Jamaica 27 Sugar factories and about one-third of the cane required by these factories is supplied by farmers of whom a high proportion consists of small cultivators, many operating little more than an acre of land. As a result of dissatisfaction expressed by cane farmers, or their representatives, at the inadequate price for cane supplied to factories and because they got no portion of the proceeds from by-products produced by the factories, the Governor of Jamaica in May 1941 ordered the Sugar Control Board to conduct an enquiry.

The Cane Farmers' Association submitted to the above Board proposals in which they stated that the cane farmers should receive the equivalent of 66 per cent of the value which the manufacturer receives for his sugar. The amount of 66 per cent of the value of sugar divided by the number of tons of cane required to make one ton of sugar gave the value of a ton of cane. They based this claim on the grounds that the cost of cultivation was high and certain factories of moderate efficiency and receiving juice of low quality paid for the 1941 crop at least 66 per cent of their receipts for sugar. In addition the Association represented that they should also receive 50 per cent of the proceeds of by-products. In Jamaica the factories produce rum out of molasses and the return from this is not inconsiderable. Hence the claim of the farmers for half of the proceeds from this. The Sugar Manufacturers' Association submitted that they would pay only 60 per cent of the value received from sugar.

The Sugar Control Board did not consider either of the two proposals as satisfactory since in their opinion both were based on arbitrary factors. The proposal to share proceeds from by-products on 50 per cent basis was also considered by the Board as 'again an offer on an arbitrary basis'.

The Sugar Control Board held the view that the factory should be regarded as a processor for the production of sugar from the farmer's cane, and that the manufacturer should be permitted to make a reasonable profit on his business. On this basis they recommended that the minimum price to be paid for cane should be calculated as follows:—

The value of the cane required to make a ton of sugar shall be the nett value of the sugar plus the proceeds from any related by-products less the cost of the manufacture of sugar, less an allowance for depreciation and an allowance for reasonable profit. This divided by the number of tons of cane required to make a ton of sugar gives the price per ton of cane.

The method of calculation was set as follows:—

¹ Nett Value of Sugar.	Plus.	Value per ton- sugar of by pro- ducts.	Minus.	Manufacturing cost £2-17-6 plus Depreciation £1 plus Maximum gross profit £2.
--------------------------------------	-------	--	--------	---

Tons of cane per ton sugar.

¹(Nett value does not include cost of bags).

While the above did not give all that the cane farmers asked for yet it gave them more than what they were getting before and it provided a basis for determining the price to be paid to the farmers' cane. The interests of the cane farmers were further safeguarded by the Government in the provision that if the difference between the net value of sugar plus the value of the by-product in the above formula and the manufacturing costs, depreciation and maximum gross profits fall below £6, then the maximum gross profit be reduced so that the difference be maintained at £6. The cane farmer thus would receive an absolute minimum price of 12 per ton of cane of such quality that it requires 10 tons of cane to make a ton of sugar. Better quality cane of course would receive an higher absolute minimum and for lower quality can the absolute minimum would be lower.

General Remarks.

The report is a study of the price structure of the sugar industry in Jamaica by a responsible body which had access to the accounts of both the manufacturers and

*Review of Report by the Sugar Control Board of Jamaica on an Enquiry into prices paid for sugarcane by the sugar factories in that Country in 1941-1942.

THE MADRAS JOURNAL OF CO-OPERATION

the cane farmers. It has worked out a formula which limits the profit the manufacturer can make from farmers' cane, while giving the farmer the benefit of every increase in the price of sugar.

On the whole a rational basis has been adopted for arriving at the price to be paid for cane. The manufacturer could have no complaint since he gets his manufacturing costs, depreciation and a profit. The farmer too could have no complaint against the procedure though he might like to give the manufacturer only 6 per cent gross profit instead of the 10 per cent allowed and calculated the depreciation at 4 per cent on the book value instead of at 5 per cent on capital arrived at by the Board by considering all factories as new factories in 1939. The formula gave the farmer a moderate increase over what he was getting hitherto.

Minimum rates Fixed in Madras.

In this Presidency the Government found it necessary, for similar reasons as in Jamaica, to fix a minimum rate for cane in Hospet area as early as 1938. By this they gave the farmer 50 per cent of the value of sugar after deducting the excise duty. The value per ton of cane was obtained by dividing the above 50 per cent of the value of a ton of sugar by the number of tons of cane required to make it.

In November 1943 when the price of sugar was Rs. 413-12-0, taking 10 tons of cane per ton of sugar the cost of a ton of cane came to Rs. 17-11-0. Then the Government fixed Rs. 18 as the basic minimum price per ton of Coimbatore Varieties. Now when the price of sugar is Rs. 400-0-10 and the number of tons of cane required per ton of sugar is about 9.5 the rate is fixed at Rs. 20 per ton of cane.

Jamaican Formula applied to Madras.

It will be interesting to apply the formula worked out by the Jamaican Government and find out according to that the cost per ton of cane. Since the formula is worked out on general principles for which no exception could be taken it can hold good here also. However, there is one shortcoming and that is the difficulty in obtaining the manufacturing costs per ton of sugar in this Presidency. But if we assume the costs taken by the Jamaican Government and the other figures adopted by them for depreciation and gross profit we have for example when the price of sugar is Rs. 440 per ton and the number of tons of cane required is 9.5 and the excise duty is Rs. 60;

$$\text{Rs. } 440 - \text{Rs. } 60 \text{ £5-17-6 or Rs. } 78.34,$$

9.5

or Rs. 31.75. as the price per ton of cane. If we apply the Manufacturers Associations' offer of 60 per cent of the value of sugar we have per ton of cane

$$\text{Rs. } 380 \times \frac{60}{100} \times \frac{1}{9.5} \text{ or Rs. } 24.$$

The sugarcane farmers formula would give 66 per cent of Rs. $380 \times \frac{1}{9.5}$ or

Rs. 26.4 per ton of cane. If there should be any receipts from by-products the price per ton of cane would be further increased.

Conclusion.

It may be said that the cost of manufacture here and in Jamaica is different and that it is higher in India. That is quite possible and if these higher costs are used in the formula above the rates arrived at might not be so high as in the above example. But the fact remains that in Jamaica they have given a higher percentage of the value of sugar to the farmer than here. The manufacturer there is willing to give 60 per cent of the value of sugar to the cane grower while here he is given only 50 per cent. It is necessary to examine and find out if this is not much too low.

If fixing the minimum price on the basis of a certain percentage of the value of sugar is considered as dependent on an arbitrary factor then it is better to work out a rational basis like the one that has been worked out in the Report under review after studying in detail the entire price structure of the sugar industry in the Presidency and fix the rate for cane. It is the duty of the Government to make a fair adjudication between the farmer who says he wants more and the factories who say they are net in a position to pay more.

Recent Utterances

THE KURNOOL DISTRICT CO-OPERATIVE CENTRAL BANK Ltd. SILVER JUBILEE CELEBRATIONS,

Extracts from Addresses.

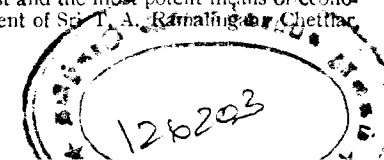
By R. SURYANARAYANA RAO.

From an account of the history of the Bank kindly supplied to me, its record of progress since its inception in 1919 has been such, except for a brief period in 1941-42, as to inspire confidence not only among the member societies but also in the investing public. I have tried in vain to find out why there was a set-back in 1941-42 to necessitate the appointment of a Special Committee which is functioning even now. Whatever may be the causes it is seen that since the appointment of the Special Committee there has been a distinct improvement in the transactions of the Bank as also a decided fall in the overdues. I trust this is due to the rehabilitation programme followed with a view to strengthen the deposits and the fluid resources of the Bank, inauguration of an intensive drive for the collection of overdues and the expansion of the loan transactions of the Bank. The fact that in 1942-43 it was possible for the Committee to declare a dividend of 6½ per cent and 4 per cent for individuals and societies respectively and this year from the figures available these rates are likely to be increased to their usual level, is a healthy sign and the constitution of the Special Committee has proved a blessing rather than a curse. Commenting on similar rehabilitation measures adopted in respect of the South Arcot Co-operative Central Bank the *Madras Journal of Co-operation* had occasion to remark that the resentment which the Departmental interference may engender will in many cases prove baseless and what is resented to, may soon be welcome. I hope that is the case in regard to your Bank. There is no denying the fact that the Directors and the shareholders of the Bank showed commendable courage in facing facts and agreeing to a transitory bye-law for the creation of a Special Committee to manage the affairs of the Bank. In doing so may I venture to submit that they have saved the institution from a serious set back and have by their timely action ensured the continuance of its usefulness. The efforts of the Department, ably assisted by the Special Committee, are bearing fruit and I hope the shareholders of the Bank will not be in a hurry to restore the normal constitution till favourable conditions for the successful working of the Bank are fairly established and the grim prospect of reversion to the state of affairs which prevailed in 1940-41, is no longer present. Let me congratulate the Special Committee as well as the officers of the Department for the task so well performed and express the wish that they would continue to do so till the time for restoration of the normal constitution comes.

I may with your permission draw your kind attention to some figures of progress during the period of the Special Committee. The membership of Societies rose from 273 in 1940-41 to 321 in 1943-44, the share capital from Rs. 96,958 in 1940-41 to Rs. 1,22,123 in 1943-44, the deposits from Rs. 5,69,778 in 1941-42 to Rs. 9,03,257 in 1943-44, the loan transactions from Rs. 6,63,677 in 1941-42 to Rs. 9,73,063 in 1943-44 and the net profit rose from Rs. 1,180 in 1941-42 to Rs. 14,409 in 1943-44. There was a distinct fall in overdues also from Rs. 4,26,291 to Rs. 2,13,923 in spite of increased loan transactions. When I quote these recent figures, let me not be understood as minimising in the slightest degree the progress made by the Bank since its inception till it had to face bad times. All honour and credit to those who encountered many a storm in early years, overcame all obstacles and brought the Bank to a position from which it received only a temporary set-back for a year or two. Its rapid recuperation would not have been possible but for its inherent strength for which the early pioneers are mainly responsible. It is gratifying to find on this platform some of those who laboured hard for the Bank's success. I am sure nothing would give them greater pleasure than the recovery of the institution from temporary illness which some of them assisted in bringing into existence while others nourished it in its infant stage facing all trials incidental to the growth of infant institutions.

The question may be asked why it should not be possible under normal conditions to conduct the affairs of the Bank in the manner in which the Special Committee has been doing and achieve similar results. Only those who had occasion to be associated with the management of the Bank under the normal constitution and now as members of the Special Committee will be able to answer it satisfactorily. However, the continuance of the Special Committee beyond the period absolutely necessary is not a healthy sign. The surgeon's knife has done its work and the wound is healing. Sooner or later, sooner the better, the Bank must begin to function under normal conditions and the lessons learnt during the period of resurgence should not be lost sight of.

Those like me who are interested in the economic development of the Ceded Districts and who also firmly believe that co-operation is the best and the most potent means of economic uplift, were rather concerned to read the statement of Sri T. A. Ramalingam Chettiar



President of the Provincial Co-operative Bank, on the condition of the co-operative movement in the Ceded Districts. The observation of Sri Chettiar, whose knowledge of and experience in co-operative matters are unique, cannot be easily brushed aside. Moreover, he is a good friend and well-wisher of the Ceded Districts and not a carping critic. The disquieting features to which he referred in the interview to the Press are based on facts and figures and no purpose is served by overlooking them. I hope the proposal before the Government to appoint a Special Committee to examine and suggest means for the economic rehabilitation of the Ceded Districts through the co-operative methods will receive favourable consideration of Government. As a Member of the Ceded Districts Economic Development Board I enjoy the special privilege of reading and reviewing the Administration Reports of the Departments of Government specially concerned with the Ceded Districts. Therefore, I can boldly say the existing state of affairs is not due to the neglect on the part of the Department. In spite of their herculean efforts the progress has been slow and in fact according to Sri Chettiar the condition is such as to require immediate attention of the authorities concerned. Recently the Government have been generous enough to sanction a number of irrigation schemes. Some of them are intended to ensure adequate supplies of water for the existing *Avacut* while others are also designed to bring under irrigation more extents of land. Besides these small irrigation schemes, very soon the Tungabhadra project is to be undertaken. Kurnool is one of the districts affected by this project. To bring large extents of land under dry or wet irrigation considerable amount of capital outlay, besides increased recurring expenditure, will be necessary. If the co-operative movement is to justify its existence at all it should go to the assistance of the ryots in this task of conversion. It is necessary the District Banks in the Ceded Districts should from now devise ways and means of meeting this new prospective demand and be prepared to shoulder the responsibility when the time to discharge it comes. To what extent co-operative institutions can and should provide long-term and short-term finance for agricultural rehabilitation of this tract to be benefited by this big project and the small projects as well should engage our attention. Already some irrigation schemes in this district have been completed while others are nearing completion. The *avacutdars* affected by these projects need finance to increase the extent of land under cultivation and improve methods of cultivation. I do not know if your Bank has given its attention to this important aspect of rural development. If co-operative institutions do not go to the assistance of these *Pattadars*, they will be forced to secure help from unhealthy quarters paying uneconomic rates of interest. The ultimate result will be the accumulation of large holdings in the hands of a few and increase in the number of landless labourers. Of what benefit are these schemes on which Government are spending large amounts if they result in enriching a few and impoverishing many?

There are also a few cottage industries in the district which can be improved with co-operative methods. It is true a certain amount of risk is involved in financing these industries. But if proper care is taken and necessary safeguards are imposed I see no reason why societies for development of cottage industries should not be successful. A careful choice of such industries, for which facilities are available, should be made. Their rehabilitation is possible only if the Bank evinces real interest and does not merely look upon their development as a business proposition. A study of the working of the 'Weavers' Societies in recent years will show, if necessary assistance in men and money is forthcoming, the societies for cottage industries too can be worked successfully on those lines. As cottage industries form an integral part of our rural economy, improvement in rural life is possible only when these industries are developed.

I am very pleased indeed that your Bank is rendering every assistance for the progress of the Consumers' Movement. What is euphemistically known as 'war-time babies' are bound to become infants and grown-up children if all concerned including the financing Banks take real interest in their working. They are rendering very useful service to the community at present. Their growth and strength will depend on their present conduct and the financing Bank, by putting direct or indirect pressure, can so influence their working as to create confidence of the public in them. I need hardly say such confidence is an asset of great value.

Let me not take up more of your time. You have been fortunate enough to secure Rao Bahadur J. C. Ryan to deliver the Jubilee Address. His deep study of co-operation and practical knowledge gained in actual working of various types of co-operative organisations entitle him to speak on the subject with authority which few of us can claim. Though an official, I know him more as a social worker. If you only know the good social work he did in Salem as the Special Development Officer, you will recognise him and honour him more as a social servant than as a Government servant. I am sure his address will be full of valuable suggestions for the future of the Movement. Permit me once more to thank all those entrusted with the Silver Jubilee Celebrations of the Bank for the honour they have done me in asking me to preside over today's function and enabling me to be present on the joyous occasion. The period which the Bank has just completed marks a definite epoch in its progress. May the

RECENT UTTERANCES

Bank grow from strength to strength and continue to serve the people of the district to a greater degree in promoting the prosperity and contentment of the countryside. The number of societies affiliated to it should grow, deposits both from the public and the societies should increase, transactions should be doubled or even trebled, and overdues should also automatically decline, its usefulness should be extended to all irrespective of their position in life; it should endeavour to promote and sustain other co-operative activities besides mere provision of credit. Have I set an ideal difficult of realisation? I do not think so, for similar institutions elsewhere suffering from worse plight have accomplished greater things. It is the will to do and the desire to achieve which will make the weary toil worthwhile. It is also the spirit in which we devote ourselves to the cause without expecting immediate results that also matters. Let us all remember miracles are not wrought in a day. Silent and persistent work is sure to yield results though it may be that generations to come may reap them.

COMMEMORATION ADDRESS

BY RAO BAHADUR J. C. RYAN, M.A.,

Joint Registrar of Co-operative Societies, Madras.

I am grateful to the Silver Jubilee Committee for having given me an opportunity of associating myself with the Silver Jubilee Celebration of the Kurnool District Co-operative Central Bank. The first thing that comes to mind to-day is the long line of ardent and selfless co-operators who gave of their best to the building up of this institution during the last twenty-five years. Some of them unfortunately are not with us to-day, but, thank God, there are many others participating in these celebrations, proud of the institution which they nursed into strength and full of enthusiasm for its expansion and development in the future. They are proud of the Kurnool Central Bank not only because it has stood the test of a generation in the midst of comparatively poor economic conditions of the district but also because during that period it has grown from strength to strength. The management now in charge of the Bank are particularly proud of the achievements of the Bank because it commands to-day the largest owned capital that it ever did (Rs. 1,22,123 of share capital and Rs. 1,47,624 of reserves); because it commands to-day the highest amount of deposits it ever did (Rs. 9,08,257) and because it has collected in the Silver Jubilee Year all the interest due to it without a single pie of arrears. They have special cause for exultation because they are in a position to conduct the Silver Jubilee celebration in a building of their own erected at a cost of Rs. 23,000.

The general public of the district of Kurnool too have cause for rejoicing. The richer among them who could accumulate their savings in this Bank rejoice because they have in it a sound institution in which they can keep their savings as safe investment at fair rates of interest. The less fortunate among them are grateful because they can obtain the loans they need from it at a rate of 7½ per cent through their own primary co-operative organizations. More than all, most people in the district rejoice because, thanks to this Bank, at a time when foodstuffs are scarce and black markets are developing, a Central Co-operative Stores and forty-eight primary stores in the district have been enabled to stock foodstuffs and distribute them at controlled rates. Over 6.5 lakhs of rupees have been made available by this Bank to the Consumers' Co-operative Movement to enable it to relieve the food problem, which has been the greatest problem for the last one year and more. Indeed, the help given by this Bank to feed the lakhs of people of this district represents more than half of its business. Let us hope that this great assistance which the Bank has rendered to the consuming public of the district will last long and continue to be its greatest achievement even when we meet again to celebrate its Golden Jubilee.

But such a hope ought not to deter us from the primary object for which the Bank was called into being, namely, the object of relieving rural indebtedness and improving the wealth of the district. Happily on account of the conditions created by the war and the increased prices which the agriculturists are able to command, the volume of rural indebtedness is becoming smaller and smaller. Evidence of this is found in the Bank's own figures according to which agriculturists have paid off loans which were once considered doubtful and overdues have diminished from Rs. 5,02,000 in 1934-35 to Rs. 2,13,000 in the Jubilee Year. But there is no guarantee that the agriculturists will not relapse into indebtedness after the war, particularly when depression sets in. The chief safeguard against such an eventuality is to increase the productivity of the land. Fortunately, there are indications of certain irrigation projects maturing for the benefit of the agriculturists of the Ceded Districts, which include Kurnool. These schemes will have to be supplemented by land improvement which could be assisted with funds provided by the Bank. There are yet over four hundred villages in the district which do not have co-operative credit societies. Nearly a hundred of the existing societies have not borrowed from the Bank for over five years. These require immediate attention. We, Co-operators, believe that a Co-operative Central Bank is not merely an

institution which will lend to those who ask for loans but that it is definitely an instrument of economic uplift on business lines. We believe that we should search out localities where there are opportunities for land improvement and provide the necessary capital. A successful effort has been made already at land reclamation and land colonisation at Ahobilam. We want more such endeavours. We want waste lands to be made into arable lands, dry lands into wet lands, and wet lands into garden lands. Enterprising agriculturists in Kodur and its neighbourhood have been able to introduce the cultivation of Citrus Fruits on a large scale and hundreds of orchards have grown up which are yielding thousands of rupees per annum. It ought not to be impossible to introduce orchards for different kinds of fruits in this district. What it needed is a handful of enlightened rural leaders with vision, courage and resourcefulness—leaders who will not look to small profits at once but will be prepared to wait for large profits after five or six years.

The long-term capital required for such enterprises can be provided by our Land Mortgage Banking system which is the soundest and most successful system in the whole of India. Funds for reclaiming lands for levelling them up, for bunding, for constructing waterways, for erecting oil-engines or electric motors and pumps can be had from these Land Mortgage Banks while the Central Bank will provide the working expenditure in shape of short-term credit. Some wise-acres have said: "Who goes borrowing goes sorrowing." This is perfectly true in respect of credit obtained by consumers; but it has no application whatsoever to credit obtained for productive purposes. When once the prospects of good returns have been worked out with reasonable care, credit might be taken freely and these returns can be enhanced by co-operative marketing. The Kodur Fruit Growers Co-operative Society has demonstrated the benefits of co-operative marketing in the Ceded Districts. By degrees, by dint of persevering efforts, and above all, by an abiding faith in the results of co-operative marketing, it is now in a position to dispose of about 10 lakhs of rupees worth of fruits per annum preserving for the agriculturists all the gains which hitherto went into the pockets of traders.

An attempt in the direction of co-operative marketing has been made in this district in respect of groundnuts and other crops in two Marketing Societies situated at Nandikotkur and Kurnool by the introduction of the controlled credit scheme. Government have been good enough to sanction special staff of one Senior Inspector to each of these societies, and much is expected of this endeavour. It all depends on the outlook of the Central Bank and the effort it puts forth to make it a success. It has to look upon the lands held by the ryots in the areas served by these two Marketing Societies as though they are its own. It has to finance the cultivation of crops on these lands through rural credit societies and treat the crops as though they are its own. It has to collect the crops soon after they are harvested in godowns owned or rented by the Marketing Societies, and dispose of them at auctions conducted periodically by the Marketing Societies when good prices are available. When the sale-proceeds are realised it should say to the agriculturist "Here you are! Much better prices than you ever had before! Take it, and give me back the loans I gave you for cultivation expenses together with the interest on them." If this is done, then indeed, will the Central Bank be able to say "I have lived up to my ideal. I have not lent like a money-lender or a Joint Stock Bank. I have not lent for the sake of my profits, I have lent for the well-being of the agriculturist, I have made him grow two blades of corn where only one grew; I have made him release more money on the corn grown."

Similar opportunities lie in other directions. You have a flourishing Milk Supply Society at Kurnool, a promising Cumbly Weavers' Society at Salkapuram and ten Handloom Weavers' Societies. These are societies which are engaged in productive activities. They are being financed liberally by the Central Bank. If, in addition to this assistance, the Central Bank could plan out their further development, will not cattle-breeding become an adjunct to the Milk Union? Will not the Cumbly Weavers provide woollen goods for the gentry of the land? And will not the handloom weavers produce goods of superior texture and variety to suit the changing tastes of fashion?

This is the ideal I wish to place before you. The Central Bank should provide an inspiring and rousing leadership for the people of the district. It should lead them into productive enterprises which pay. It should increase the economic wealth of the district, and make people happier and happier.

Statements of Receipts and Disbursements of the Madras Provincial Co-operative Union Ltd., 1943-44.

STATEMENT NO. I.

Receipts and Disbursements for the year ending 30th June 1944.

INCOME.		EXPENDITURE.	
	Rs. A.		Rs. A.
Provident Fund for Staff	125 4	Provident fund for staff	179 11
Security deposit from staff	6 0	Security deposit from staff	300 0
Loans repaid:		Long term:	
Long-term P. F.	97 0	P. F. loan	30 0
Publications	805 0	Establishment & Contingencies	
Income:		(For details see Statement	
(For details—See Statement		No. III)	10,857 8
No. III)		Paper spent	2,708 7
Adjusted heads:		Adjusted heads:	
Due to Society	3,741 15	Due to Society	1,258 7
Due by Society	1,074 10	Due by Society	767 0
Bank current account	13,127 8	Library Books	350 6
		Bank current account	15,972 1
		P. D. invested in Bank	125 4
		Security deposit	256 0
Total	32,781 13	Total	32,804 12
Opening Balance	44 12	Closing Balance	21 13
Grand Total	32,826 9	Grand Total	32,826 9

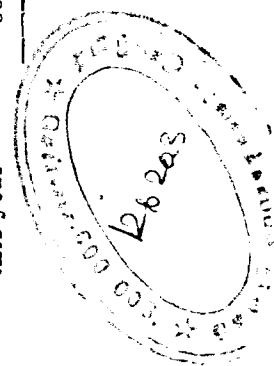
STATEMENT NO II.—Assets and Liabilities for the year ending 30th June 1944.

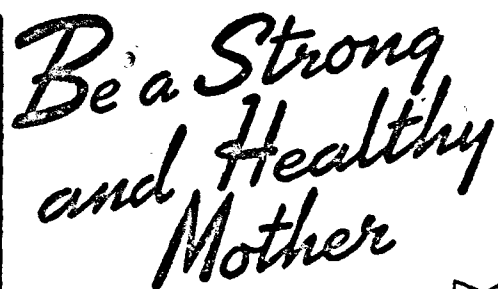
Funds available.	At the end of year		At the beginning of the year.		Obligations to be fulfilled.		At the end of the year.		At the beginning of the year.	
	Rs.	A.	Rs.	A.			Rs.	A.	Rs.	A.
Cash on hand	...	...	...	...	Provident fund for staff	...	778	8	832	15
M. P. C. Bank Current account	13,623	8	10,778	15	Security deposits from staff	...	256	0	550	0
In the Co-op. Central Bank—Xian Bank	241	10	241	10	Share Capital	...	105	10	105	10
Share taken in:	...	...	...	...	Adjusting heads	...	4,019	11	...	...
C. C. P. Works	1,000	0	1,000	0	Other suspenses	...	...	...	1,453	11
T. U. C. S. Ltd.	24	1	24	1	Miscellaneous sus-pense	...	...	...	1,964	15
Security Deposit	556	0	300	0	Journal suspense	...	...	...	272	7
Pro. Fund of Staff	999	9	874	5	Magic Lantern & Slides	...	...	...	21	0
P. F.	30	0	97	0						
Value of furniture & equipments less de-preciation	1,449	0	1,610	0						
Annual contribution due	...	...	1,447	0						
Library	1,964	6	1,832	0						
Propaganda & Materials	90	0	100	0						
Magic Lantern & Slides	1,128	0	1,253	0	Total, Liabilities	...	5,159	13	5,200	10
Publication	600	0	1,405	0						
Adj. heads suspense	1,743	7	2,708	1	Net difference between Assets & Liabilities.	...	18,311	9	18,587	0
Non-refundable	...	...	2	14						
Magic Lantern	...	...	45	0						
Journals	...	...	24	0						
Total, Assets	23,471	6	23,787	10	Surplus	...	18,587	0		
					Net Loss	...	275	7		

STATEMENT NO. III

Statements of Income and Expenditure Account.

INCOME.		EXPENDITURE.	
	Rs. A.		Rs. A.
Library Grant	173	12	1,880
Postage Recovered	...	...	...
Other Publications	142	2	91
Magic Lantern and Slides	30	5	360
Contingencies Recovered	21	8	360
Interest on current account	51	13	...
P. F. Loan	1	4	1,157
Annual contribution	3,011	0	53
Advertisement charges	164	7	12
Sale of Act copies	332	8	0
Sale of Syllabus	50	12	8
Sale of Amendment slips	0	3	7
T.A. recovered	266	15	141
Bank grants	5,600	0	85
Examination fees	1,886	12	0
By sale of Market Intelligence	13	10	49
By sale of Journals—	...	...	9
This year	1,395	6	8
Last year—collected	660	0	0
this year	2,055	6	0
Establishment charges	...	...	100
Stationery	...	...	51
Rent	...	...	4
Honorarium to Editor	...	...	81
Madras Journal of Co-operation	...	...	72
printing charges	...	...	3
Blocks	...	...	1,079
Bank charges paid	...	...	10
T.A. to E. C. members	...	...	6
T.A. to Directors	...	...	6
T.A. to other members	...	...	1,530
Cost of Marketing Intelligence	...	...	2,500
Magic Lantern and slides	...	...	295
Excess amount refunded M. J. C.	...	...	0
Mis. cost for Act copies	...	...	...
Reading room expenses	...	...	...
Printing charges	...	...	...
Furniture repairs	...	...	...
Dress	...	...	...
A.I.C.I. Association contribution	...	...	...
P.D. amount to staff	...	...	...
Other contingencies	...	...	...
Telephone	...	...	...
Petty cash expenses	...	...	...
Election expenses	...	...	...
Training Institutes	...	...	...
Subsidy to Institutes & Journals.	...	...	...
Other grants	...	...	...
			10,857





CALICUT.



**SAVE AS YOU WASH WITH
KERALA
WASHWELL**

KERALA SOAP INSTITUTE, CALICUT.

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

[illegible]