The
Journal of Co-operation

XXXVI

No - 12

June 1945

Regd. No. M. 1284.

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THE

Madras Journal of Co-operation

EACH FOR ALL, AND ALL FOR EACH

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

JUNE 1945. No. 12, VOL. XXXVI PRICE 8 As. NI

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Editorial Notes.

Short and Medium term loans :

Elsewhere we have published a valuable contribution from Mr. Nagarkatti, I.C.S., Registrar of Co-operative Societies, Nagpur, on the subject of reorganisation of the co-operative credit machinery for short and medium term loans. In commending his note, Mr. Nagarkatti indulges in a sweeping generalisation pronouncing failure on the part of the co-operative credit society to take root sufficiently in the village and to provide sound credit facilities to agriculturists. While we are inclined to agree with the distinguished writer that hopes entertained at the time of the inauguration of the Movement have not all been fulfilled and it is the part of wisdom to find out the causes and create circumstances favourable for its growth, we are not sure that wholesale condemnation is justified. With all its drawbacks we cannot fail to take account of its contribution to the agricultural economy of the country. Defects there have been, but achievements also have been equally many. However, we join issue with the writer that something must be done for making the existing machinery for short and medium term loans more effective and useful. From that point of view we welcome this memorandum and request our readers to give it the consideration it deserves. We are not sure if all the proposals will prove a panacea for the ills with which the Movement suffers. There may be other remedies as well, The writer's proposals raise many controversial questions which have been considered time and again but for some reason their application has not been pursued.

Mr. Nagarkatti quotes with approval the recommendations contained in the Second Report on Reconstruction Planning, specially in regard to credit side of the Movement. The recommendation on this topic deals besides with other functions of co-operatives. For the information of our readers we reproduce them below :

> The co-operative movement has hitherto been a predominently credit structure designed to relieve rural indebtedness and provide the agriculturist with cheap and timely finance. It has however only touched the fringe of the problem of agricultural credit and it is necessary to link it up more actively with production, marketing, distribution and consumption. The societies should also take steps to encourage thrift and savings amongst its members.
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> The co-operative society should in addition be a social organisation which will tend to promote better living and minor improvements in village conditions, and to eliminate feuds, litigation and friction. In this work, the ex-soldier should be trained so that he may be able to play a prominent part.
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> The credit given by co-operative societies should be controlled. Loans should be given primarily for productive purposes and in kind *e.g.*, in the form of improved seed, manure, implements etc. It should be a condition of the loan that the surplus produce is sold through the local marketing society.
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> The village society should teach its members to clean and grade their produce, so that it can be sold in bulk. This should then be sold to or through a marketing society. There should be such a society at each important trading centre, to which the village societies in the surrounding area should be affiliated. It should have the necessary godown accommodation and competent inspecting staff. The marketing societies should be grouped into regional federated societies on which in turn should be super-imposed wherever possible, a provincial marketing organisation and also an all-India organisation at the top. These might be on a commodity basis.

We are entirely in agreement with the economic activities allotted to credit societies and we also emphasise the need for controlled credit. In Madras we have reason to believe controlled credit wherever it has been tried has been an unqualified success and its

extension throughout the province is long over-due. But we have our own doubts regarding the task of social reconstruction envisaged for the co-operative societies. At best they can only assist such activities as are calculated to promote harmonious relations among the villagers and spread enlightenment. There are certain functions for village uplift which are outside their purview. Opinion has long been insistent in this province that in co-operation with statutory village panchayets, co-operatives can promote village uplift effectively.

There are other points in the recommendations as also in Mr. Nagarkatti's memorandum which require careful consideration. The short and medium term loans play an important part in the rehabilitation of the agriculturists and to the extent to which they are easily made available and the purposes for which they are utilised will decide also the future of the co-operative movement.

Handloom Weaving :

On the question of handloom weaving, the Second Report on Reconstruction Planning emphasises the co-operative aspect in its development and commends the example of Madras. The recommendation also suggests that co-operative societies should "concentrate on scientific and adequate marketing though every effort should be made to improve quality and ensure the production of the goods for which there is most demand". We heartily endorse this suggestion. With all the development that has taken place in Madras, we feel there is still scope for improving marketing organisation and improvement in the quality of goods produced. Moreover, there is still a large number of weavers who are outside the scope of co-operative endeavour. How best to bring them under a co-operative system must engage the attention of all interested in the promotion of handloom weaving. A scheme of post-war development in this regard has been formulated. We regret to say it is too modest as it contemplates only the increase of weavers' societies to 500 employing 50,000 looms *i.e.*, only 20 per cent of the active looms in the province. The fact that weavers' co-operatives have thrived well and have contributed to some extent to relieve the cloth famine should not escape our attention. In fact their existence has generally served as a check on the soaring prices of even handloom cloth. We believe in organisation of more societies than in the proposed price control of handloom cloth. Then again to ensure regional development more Deputy Registrars of Co-operative Societies should be appointed. One Deputy Registrar now has to roam all over the province. He cannot be expected to give that attention which the development of the industry deserves. The expenditure on more staff would have been well spent if more societies are started and more looms are brought under the co-operative system. As in the post-war period weavers' co-operatives have to withstand the competition of organised mill industry, other kinds of assistance to handloom industry must be thought of. They must be actively pressed. While we do not in any way minimise the great services rendered by the Madras Provincial Weavers' Co-operative Society, we feel it suffers from certain disabilities. Those connected actively with mill cloth industry should cease to be associated with it. The clash of interests, is inevitable. It is bound to be much more in the post-war period. Then again we are doubtful how far the active association of the official element in its management is desirable. Often it finds itself in a predicament as it cannot press forward any suggestion which is opposed to the declared policy of the Government. While organisation and administration may be useful in the official hands, the task of laying down the policy must be entirely left to those whose interests are at stake. In theory we concede it is so at present but we shall not be far wrong in saying that in practice it is the official policy which influences its deliberations.

In this connection we welcome the creation of an all-India Handloom Board. But its composition is very unwieldy. Moreover, problems facing the handloom industry differ from province to province. Therefore, we earnestly plead for the constitution of a provincial Handloom Board to advise the local Government. The Provincial Weavers' Society can at best present the point of view of weavers' co-operatives only. Till at least all the active looms are brought into the co-operative fold, a Board such as that suggested is necessary. We commend this suggestion for the consideration of the authorities.

Marketing of agricultural produce:

The Second Report on Reconstruction Planning stresses the importance of linking of production and consumption through marketing of agricultural produce and observes that this 'linking lends itself peculiarly to treatment by co-operative means.' In this province not only a number of consumers' stores have come into existence taking advantage of the circumstances created by the war but attempts have also been made to link them successfully with

producers' organisations. But we want this to become a normal feature. The district wholesales should obtain all their requirements from the regional producing and marketing societies and should buy their requirements outside only then the required goods are not forthcoming from the marketing societies. We have often stressed this point and have more than once pointed out that the interests of the producers and the consumers are identical and there can be room for rivalry or antipathy. Therefore, it is with sincere gratification we have heard of a scheme for the development of marketing of agricultural produce as a post-war measure. But we are constrained to say that from such information as we possess that the scheme is a very modest one as only 25 more sale societies are proposed bringing the total of sale societies to 206. There is room for many more sale societies as they should all be located near the areas of production, providing easy access to the agriculturists. We have also passed the stage of experiment in regard to sale societies. 'Doing away with the superfluity of middlemen' is possible only if the sale societies can accommodate themselves to the needs of the agriculturists. Inducements offered must be sufficiently attractive to wean the agriculturists away from the village moneylender.

Distribution of seeds, manure etc:

We understand that one of the schemes of post-war reconstruction is the expansion of the trading schemes of the Agricultural Department. This is to be achieved by opening more depôts for stocking of manure, seeds, oilcake, iron implements etc. for distribution to the farmers. We have time and gain urged that co-operative agencies should be utilised for the purpose of distribution. We repeat that suggestion again even at the risk of being considered as obsessed. The large amount of expenditure proposed to be spent in setting up the marketing organisation without corresponding benefit is to say the least unnecessary especially when the co-operatives themselves can discharge that function efficiently. Have not the co-operatives acquitted themselves creditably in the distribution of foodstuffs and such consumer goods as they have been handling? They have been serving both the members and the non-members without any distinction. In fact the functions performed by these depots are some of the normal duties imposed on the co-operatives. It is not known why the Agricultural Department which is least competent to undertake trading schemes should persist in undertaking this task when the co-operatives engaged in trading schemes can discharge that *function efficiently.* To avoid possible abuse of the patronage involved in the distribution, necessary safeguards may be imposed. No system is fool-proof and all that can be done is to minimise the scope for abuse which exists whatever may be the agency employed for distribution.

Ramadas Memorial :

We have more than once referred to the loss sustained by the Movement in the death of the Hon'ble V. Ramadas Pantulu. We are also aware this sense of loss is shared by many co-operators all over the country. But what has been done to perpetuate his memory to serve at least as a mark of gratitude for his eminent services ? We are not aware of anything tangible accomplished so far. The Conference of the Standing Committees of the Institutes' and Provincial Banks' Associations appointed a Committee in July last. We are not aware of any active steps taken so far to collect contributions. The list of members of the Committee is imposing. We wish some among them will at least evince interest and see something is done before his memory fades away and such enthusiasm as co-operators may feel for this tangible expression of their appreciation vanishes. We wish in this province itself some form of memorial is given concrete shape without waiting for the all-India memorial. Let it not be a case of a prophet not honoured in his own land.

Development of Live-stock :

We would invite the attention of our readers and the authorities to an article on the development of live-stock published in this issue. It is hardly necessary to emphasise the importance of live-stock in any scheme of rural development. Such development is possible if there is sufficiently trained personnel. It is possible to obtain trained personnel only if more Veterinary Colleges are started. Among the post-war development schemes we find only proposals for increasing the number of admissions into the existing Veterinary College. It will be seen from the article referred to already, that this increased provision is hardly sufficient to meet the needs of the situation. More Colleges are necessary to secure adequate personnel. Even to give effect to the proposals such as a touring billet for each taluk, a Veterinary institution for each taluk, opening of a live-stock farm in each district and the appointment of a District Veterinary Officer for each district, a large number of well-trained Veterinary doctors is necessary. Therefore, we earnestly plead that one or more Veterinary Colleges, providing accommodation for the training of at least 50 to 60 doctors in each institution is urgently necessary. If more agricultural graduates are necessary we feel more Veterinary Doctors are equally necessary. We trust this aspect of the matter will receive the attention of the authorities. The writer of the article has with the aid of facts and figures made out a strong case for increasing the trained personnel and that too immediately. Neither the facts nor the figures can be questioned.

News and Notes.

Obituary.

We regret very much to report the death of Mr. C. P. Muthuswami Pillai, Secretary of the Coimbatore Co-operative Printing Works, Ltd., on 23rd May, 1945 on account of heart failure. The success of the works was largely due to his sustained efforts.

Panchayatdar Training Classes.

A training class for the Panchayatdars of Co-operative Societies in Ramnad District was inaugurated on 16-5-1945 at the Devangar Middle School, Aruppukottai by Rao Bahadur Sri V. V. Ramaswami, President of the Virudhnagar Co-operative Stores and Chairman of the Virudhnagar Municipality. Sri B. S. Baindoor, B. Com., Deputy Registrar of Co-operative Societies, Ramnad, presided. The Superintendent of the Hood Co-operative Institute, Ltd., Tanjore who was in charge of the classes explained the objects of the scheme and Rao Bahadur Sri V.V. Ramaswami stressed the value of the co-operative movement in the present post-war period. The Deputy Registrar advised the candidates to attend in large numbers. Sri V. Alagappan, B.A., B.L., Secretary of the M.R.C.C. Bank, Ltd., Madura also attended. With a vote of thanks by Sri V. D. Ramaswami, Secretary of the Local Co-operative Union and a musical concert by Sri Natarajan and party, the function came to successful close.

The Tinnevelly District Co-operative Central Bank, Ltd.

The above Bank celebrated its Silver Jubilee on the 6th December, 1944, presided over by Mr. W. R. S. Satthianadhan, I.C.S., Registrar of Co-operative Societies, Madras. The President was on arrival received by Dr. A. G. Michael Pillai, Vice-President of the Bank and led in procession to the jubilee pandal with the Borstal School Band in attendance. Many representatives of various co-operatives, officials and non-officials were present. Mr. M. D. Kumaraswami Mudaliar, M.L.C., President of the Bank welcomed the gathering and read the report of the Bank. Messages received from high officials and non-officials were read Dewan Bahadur Sri V. N. Viswanatha Iyer, Collector, distributed the prizes to Unions, Societies and Supervisors in appreciation of their good work done in 1942-43 and 1943-44 and for showing a nil balance both under principal and interest during the last year. The Registrar referred to the fact that the Co-operatives in South India have proved themselves worthy of the trust placed in them mainly because they are now largely in the hands of people with business acumen. Commending on the sound financial position of the Bank, the registrar said that in 1943-44, it had made history by collecting the entire demand both under principal and interest. Lectures on "Modern Weapons of War" by Mr. K. M. Rajagopalan, I.C.S., Sub-Collector, Tuticorin, and on "Introduction of Rationing in Rural Parts" by Vidwan P. K. Arunachela Gounder were delivered under the presidency of the Collector. The Tinnevelly Sales Emporium of the Madras Handloom Weavers' Co-operative Society, Ltd. had artistically exhibited the handloom products which was very attractive. With a vote of thanks by Dr. A. G. Michael Pillai, the function closed.

The Pudukottai Co-operative Central Bank, Ltd.

The 8th Pudukkottai Co-operative Conference was held in a spacious pandal erected within the premises of the Bank buildings presided over by Diwan Bahadur Sri T. M. Narayanaswami Pillai, M.A., B.L., Member of the Madras Pnblic Services Commission. More than 125 delegates and many distinguished visitors attended the conference, which commenced with singing of a prayer in Tamil by Mr. T. O. Nataraja Pillai. Rao Saheb Sri R. Arunachela Ambalagarar, Chairman of the Reception Committee welcomed the delegates and requested Khan Bahadur Janab P. Kalifullah Saheb Bahadur to open the conference and the latter declared the conference open after a short speech. Mr. V. K. Rajagopala Iyer, Secretary, read messages received from distinguished officials and non-officials and H. H. the Rajah and the Rajkumar. Dewan Bahadur Sri T. M. Narayanaswami Pillai then delivered his presidential address in Tamil, an English version of which is published elsewhere in this issue.

In the afternoon many resolutions were discussed and passed. After a tea, a co-operative drama was staged in the evening. Further proceedings were held under the presidency of Rao Saheb Sri R. Arunachela Ambalagarar in the absence of the President and the function closed with a vote of thanks proposed by Mr. S. Krishnaswami Iyer, Vice-President of the Central Bank.

Stores Conference in Bezwada.

The first conference of the representatives of Stores Societies in Kistna District was held on 29-4-45 in the premises of Government Municipal High School, Bezwada, presided over by Mr. C. Rajagopalachariar, B.A., B L., Advocate, ex-president of the Viziavada Co-operative Central Bank and Director of the Kistna District Co-operative Central Stores. In the course of his Presidential address, he stressed the need for strengthening of the Stores' movement as a post-war co-operative development, that this movement should have the preferential treatment in the assignment of quotas, railway priorities, etc. as against private traders to prevent hoarding and black-marketing and that in any scheme of post-war planning of industries and commerce, the co-operative movement must occupy a predominant position.

The Cuddapah District Co-operative Wholesale Stores, Ltd.

The above Store was registered on 1-2-43 and started work on 11-2-43. A perusal of its administration report for 1943-44 reveals that its membership which was 118 with a paid up share capital of Rs. 17,450 at the beginning of the year rose up to 201 and Rs. 53,400 respectively at the end. This 201 includes 39 stores societies, 34 other institutions and remaining 128 individuals. The net profits for the year was Rs. 3,015-9-0.

The Store has been dealing in essential commodities, chiefly rice, millets, wheat and their products, sugar, dhall, soaps, coffee seeds, tea, etc. From January, 1944 the Stores has been importing the entire rice quota for the District as per orders of the Government. When there was acute scarcity of firewood in the district, the Store opened a fuel depot and the sales amounted to Rs. 8,456-10-0. The total sales was Rs. 19,40,065-15-0 for the year while the total purchase was for Rs. 19,85,141-9-0. The Stores is receiving all support from the local authorities and it is gratifying to note that its successful working had considerably helped in bringing down the prices of foodstuffs in the District.

Hospet Co-operative Central Bank, Ltd.

The Bank has completed the 24th year of its useful service by 30-6-1944. Taking advantage of the present rise in the prices of lands and houses, the Bank disposed of about 50 per cent of the immovable properties situate in the mofussil for a decent profit. The net divisible profit for the year 1943-44 was Rs. 10,036-11-0. There was a slight decrease in the individual membership (by 2 members due to death) and paid-up share capital from Rs. 23,300 to 23,100. But the number of society members rose from 292 to 296 and paid up share capital from Rs. 1,41,446 to 1,60,861. There had been an appreciable fall in the percentage of overdues and bad debts from living societies were considerably reduced.

A New Scheme for Short and Medium Term Loans.

By K. N. NAGARKATTI, I.C.S.,

Registrar of Co-operative Societies, Central Provinces and Berar.

Under the present scheme of co-operative credit for short and medium term loans, the agriculturist gets his loans from the primary credit society. The primary societies are financed by central banks which in turn are financed by the Provincial Co-operative Bank. Such a credit machinery might have proved successful during the long trial of forty years given to it. But in fact it never showed any healthy signs of life. From the very start it failed to develop any spontaneity. As the Provincial Banking Enquiry Committee says in paragraph 1380 of its Report (1930), the co-operative credit movement passed through the following stages up to 1930:—

(i) Period of experiments—1904-05 to 1910-11.
(ii) Period of expansion—1911-12 to 1917-18.
(iii) Period of deterioration—1918-19 to 1922-23.
(iv) Period of reconstruction—1923-24 to 1929-30.

2. At the end of the "period of expansion", *i.e.*, in 1917-18, there were 3,377 societies with 55,663 members. Now the number of working societies, including a large number of hastily started crop loan societies is 4,997 with a membership of 60,906. Taking five as the average number in a member's family, these figures would mean that never did the movement extend to more than about three lakhs of persons out of about 150 lakhs of people living in the villages of our province. The bulk of the rural population could not be reached at all by the movement. Thousands of villages were practically outside the Movement. Out of 38,985 villages in the province, there were only about 3,750 with credit societies. The number of societies which were dormant or which were undergoing "re-organisation" was large and these conferred little or no benefit on their members. The kind of life in the working primary societies is further shown by the fact that there are now in the province only 18 societies of the A class and 257 of the B class. The rest are classed as generally below expectations. Keeping company with these 4,997 societies there are about 1,300 societies under liquidation! For three years past the number of societies under liquidation was more than 1,300. The process of liquidation is very slow, the bulk of the societies having been under liquidation for more than *ten* years! These figures show that the Movement was in a lame condition throughout the years during which it was expected to spread to every nook and corner of the province. After 1930 the Movement fared worse still. It was saved from a crash in 1940 only by special legislation. The problem of debt which it had undertaken to solve was eventually solved by drastic debt legislation.

3. After 1940, the credit movement has so far continued to function without any serious attempt being made at its reorganisation. Only certain patch-work experiments have been tried and the results of these are of very little value. The only experiment which may be referred to here is that of "crop loan societies". These were in no way radically different from the old type of primary credit societies. The only changes introduced were that only *short term* loans were given to members; that the liability of each member was limited to 20 times the face value of the shares held by him; and that all loans were required to be covered, in addition, by mortgages over the landed property of the borrowers. In actual practice the limitation of liability to 20 times the share-holding was no improvement over the dreaded joint liability. The insistence on mortgages in addition made the position worse and betrayed the hyper-cautious attitude into which co-operators had been driven by the failures of the past. The restriction of business to short term loans meant that medium term loans were left more or less to agencies outside the co-operative machinery. The crop loan societies have no doubt worked well if borrowing and recoveries are the only criteria. But, by other standards, *e.g.*, of capacity to expand as a Movement, or of financial self-sufficiency, the crop loan society has proved to be no better than the old primary credit society. It appears that this type of society was invented in 1940 more with a view to keep some form at least of co-operative credit activity alive than with a view to find a lasting solution for the problems which baffled the old credit movement. Other smaller experiments such as conversion of non-share societies into share societies and so on did not go far enough to improve the position.

4. The present position of the co-operative credit organisation is most unenviable. War has helped it financially, but the co-operative structure remains, as before, in a condition in which no life could be put into it under any circumstances. Left to itself, it would again go through the depressing cycles of expansion, deterioration and reconstruction. This should not be allowed to happen, as the agriculturists do not exist for the sake of the unwieldy and inelastic structure. It is the co-operative structure which should exist for the sake of the agriculturists. The existing structure has had forty years of trial and it is time we now recognise that it has failed to achieve its object and that it must be replaced *altogether* by some other structure.

5. There are people who would say that the credit movement failed because non-credit activities such as those of marketing, distribution and consumption had not been started simultaneously. But while it is true that the development of these non-credit activities would have *very* greatly improved the condition of the agriculturists and would have made them credit-worthy, it is not correct at all to say that the credit movement failed *because* of the absence of the former. The credit movement is an

essential one and is in no sense a mere subsidiary to the non-credit movement. It is possible and desirable to reconstitute the credit side of the co-operative movement. When so reconstituted, the credit side would live and *flourish* even if the non-credit side were to be non-existent as before. What is more, it would be able to render great service to the village communities without being required to go again through cycles of expansion, deterioration and reorganisation.

6. Before I come to my suggestions for reconstituting the credit side of the Movement, I find it necessary to explain why the existing structure is unworkable. The root cause of all the trouble in this structure which makes it unworkable is in the inelasticity and unwieldiness of the primary credit society which is the pivot of that structure. The primary society generally starts when a *chance* group of ten persons in a village get together and decide on forming a society. Very often the ten persons are brought together, as if in a herd, by the bank official in his canvassing tours. The process of forming the society is elaborate. A proposal is drawn up for registration. This is next scrutinised by the bank manager. The circle auditor then performs a second scrutiny. All this involves much waste of time and effort. Once the society is formed, the ten members are wedded to it for good, and, as it more frequently happens, also for eternal trouble. The society gets an elaborate set of byelaws and a charter for commencing its business. It is invested with all the dignity and complexity of a corporation. Loans are sanctioned by the bank only in favour of the society and the society then plays the role of a middleman charging two per cent for its intervention and distributes the amount to the members. No loan can be sanctioned unless the elected panchayat meets. But these panchas are illiterate and are not aware of the complex constitution of the corporation to which they belong. The panchas cannot draw up an application for loan and so have to wait for the society inspector maintained by the Movement at considerable expense for a small group of societies. Often, the members of societies are required to go all the way to the bank for getting the loans. In theory, recoveries are to be made by the panchas; but this task is well beyond their capacity and it is generally performed by the society inspector of the bank. The society inspector also writes up the *large number of prescribed registers*. And all this effort is spent on a small society of just about 10 persons or so which has as its object the single purpose of acting as an intermediary between the financing bank and the individual members. As a person belonging to one society with unlimited liability *cannot* become a member of another society of similar liability, very soon a dormant or non-borrowing stage is reached. The society which has one or two recalcitrant debtors does not get new loans and the remaining members cannot conveniently join another society. This deadlock in the society comes in the way of its expansion as no individual wishes to join a society which has lost its

business and reputation on account of one or two black sheep in it. The principle of joint and unlimited liability itself has the further effect of keeping the membership of a society as low as possible. An individual would not like to join a society in which he is likely to be held individually responsible for the debts of people whom he does not know well enough or who are too many in number for the risks he is prepared to undertake. Experience has also shown that societies with small memberships are more liable to disruption due to local factions and quarrels. Often, the society breaks up into two camps, each having its own society. Clannishness tends to become a prominent feature. As a result, the society as a unit tends to become too small and uneconomic and therefore too ineffective to get widespread acceptance in a village. This is shown by the fact that the average membership per agricultural credit society varied between only 16.0 to 17.6 during the years 1911-12 to 1922-23. In 1911-12 the figure was 17.6 and in 1922-23, only 16.0. At the present moment the average membership is only 12.2 per society. The same was the case of non-agricultural credit societies with unlimited liability. The smaller the membership the larger becomes the cost of the Movement. At present the expenditure by Government and non-official co-operative agencies comes to as much as Rs. 105 per society or Rs. 8-10-0 per member per year, which is indeed excessive. If the Movement were to spread to even about 50 per cent only of the population in the villages (which was 1,47,19,817 in 1941) we would have to organise about 120,650 primary societies and spend over Rs. 1.25 crores per year. This staggering expenditure would be worthy of a scheme which includes, besides co-operative credit, ***numerous other equally useful forms of co-operative activity.*** Given a crore of rupees per year, the co-operative movement would work wonders with a more elastic credit system and could even ***give due regard to the development of non-credit activities.***

7. Apart from its inelasticity and unwieldiness, the primary credit society has generally failed to provide credit to agriculturists at low rates of interest. The rates have been high and there has been considerable rigidity in the collection of interest. Banks which spend a lot of money in supervising the work of the societies and keeping them alive are obliged to charge sufficiently remunerative rates of interest. The machinery for recovery is costly, particularly in liquidation proceedings, and increases the cost of working and so tends to keep lending rates high. The primary credit society has to charge a margin of about two per cent as its profit to justify and ensure its existence. In a large number of societies, particularly crop loan societies, the profits are very low and often insufficient even to pay the audit fees. But the crop loan societies survive, because they get free audit and other free services at the expense of Government or of the financing bank. Members often pay interest at ten or eleven per cent. The actual payment made by the borrowing member

comes to even more than this as, in addition to the interest, he has to make a contribution of a rupee or more every year to maintain the Federation and the Divisional Institutes. These institutions have high-sounding constitutions and spend a good deal of money. But the work they do is not worth the money, either in quality or in volume. Their present position is that nothing is lost if they are abolished altogether after their functions are transferred to the banks. On the contrary, there would be gain, not only in money to the banks, but also in efficiency. The borrowing members too would benefit by having to pay less for the credit facilities enjoyed by them.

8. Thus, the ideal that a primary credit society should in due course build up its own reserve fund and remain a self-contained unit as far as agricultural credit requirements of its members was concerned, has not been realised at all. It is never capable of being realised, except from an academic point of view and at an expenditure far out of proportion to the benefits secured. The remedy lies in scrapping the present system altogether and replacing it by a system which has none of its disadvantages and which, at the same time, gives full scope for the co-operative ideal. The essential features of such a structure would be—

(1) elasticity in handling agricultural credit as one sees in the administration of taccavi by revenue officers;

(2) capacity of the *smallest* unit in the structure, namely, the village society—to accommodate not a dozen members as now, but a few hundreds of them, so that the total number of these units and the total expenditure and effort on them will not reach astronomical proportions, and so that each unit is able to make sufficient profits to pay for audit and other recurring charges, and also to facilitate healthy growth and expansion;

(3) simplicity in accounts of the credit business such as one finds in the case of taccavi accounts;

(4) simplicity in the methods of recovery and elimination of work in connection with superseded and liquidated societies which has been the ugliest feature of the present system of the last fifteen years or more; and

(5) ability of the system to undertake non-credit activities and to link them up when necessary and possible with credit activities.

My suggestions for building up such a co-operative structure are as follows:—

(1) The *smallest* unit, namely, the village society should have as its territorial jurisdiction three to five villages, with headquarters preferably at the village where the weekly bazar meets. This society would be

a multi-purpose society ***undertaking any non-credit activity*** which prevailing conditions render possible and profitable. But it will also ***assist*** in credit activities, and consequently, ***there would have to be no exclusive credit societies.***

(2) Credit business will be done by the central banks in ***exactly the same manner as taccavi business is done by revenue officers.*** All borrowers *must* be members of the village (multi-purpose) society. Seasonal or crop loans will be given to ***groups of about ten to fifteen persons*** on documents in which, as in the case of loans under the Agriculturists' Loans Act, they agree to repay the loan ***jointly or severally*** with interest at stipulated rates. ***The groups will not be registered as co-operative societies and invested with the insignia of corporations.*** They will have ephemeral existence and their existence as groups will automatically terminate as soon as the loans they have borrowed are repaid in full. The groups will not necessarily consist of the same persons throughout. Members who are solvent enough for the loans they intend borrowing can form groups as they like, exactly as villagers do now when taking taccavi loans. Care will be taken in financing as is done by revenue officers in disbursing taccavi. This procedure will save endless trouble now taken in registering each group of borrowers as a society and in trying to hold them in that group for all time. There will be no liquidation work or "supersession" work, as the groups get automatically liquidated when the loans due from them are recovered in full. Defaulters will be proceeded against ***individually*** under revenue recovery certificates in the revenue courts in the same way as taccavi defaulters are. They will be saddled with joint responsibility where such action is unavoidable. As the group has not got to maintain complicated registers and accounts, and as no fees will be payable by the group to Institutes, etc., the rate of advancing can be as low as in the case of taccavi loans, namely, ***Rs. 7-13-0 per cent.*** Accounts will be maintained only in the bank in forms used by revenue officers for taccavi loans. ***This method of borrowing involves no departure from the co-operative ideal. It is the group which borrows and each member in it co-operates by accepting joint and several liability for the total loan borrowed.***

Intermediate term loans will be granted in the manner employed for loans under the Land Improvement Loans Act. This procedure is permissible even now in view of the provisions in rule 15 (3) of the rules under the Co-operative Societies Act. Land may be taken as additional security as is done for long term loans by land mortgage banks.

(3) Village (multi-purpose) societies will ***assist*** the central banks in doing this credit business. These societies ***will not invest their own monies*** in this business as they have to finance non-credit businesses and as also it is risky for the same institution to do both banking and trading. It must be noted that even joint stock companies are not allowed

by the Indian Companies Act to do banking and trading businesses simultaneously. In a sense, the village societies will be the agents of the central banks in the same way as the central banks under section 42-B in Berar now are in respect of the financing by the Provincial Bank of the crop loan societies in Berar. The village societies will do the same work as patwaris do in taccavi administration. They will advise central banks on the suitability of the applicants for the loans applied for and will also ***assist*** executively in recovering the loans. Each village society would have sufficient non-credit business to be able to maintain a clerk-*cum*-salesman and this clerk can, like the patwari, maintain brief accounts of the principal items due from borrowers within the jurisdiction of the society. For the trouble taken by the village society, the bank would pay 1 to 1½ per cent on the advances to borrowers as remuneration. This agency business will help the society in making some money, especially when non-credit business is in the early stages of development. In this way the village society will facilitate the management of credit business by central banks. Where the village society is not established yet, the bank will have to use its own staff for doing the credit business in the same way it now does for its business with crop loan societies.

The Government of India's scheme for organising villages into groups having multi-purpose co-operative societies of their own has been described fully in the Second Report on Reconstruction Planning of the Reconstruction Committee of the Viceroy's Executive Council. This scheme recognises the failure of the older schemes for rural reconstruction (such as the co-operative credit scheme, the village panchayat scheme and the village uplift scheme) and suggests that village societies should 'undertake ***every activity*** affecting the daily life and business of the agriculturists and the artisans. The village society is to do not only non-credit business, but is also to "be a social organisation which will tend to promote better living and minor improvements in village conditions and to eliminate feuds, litigation and friction". My suggestions seek to enlarge the scope of activity of village society still further and to make it a very vital link in the rural co-operative credit machinery. This extension of scope is necessary if the suggestion made by the Reconstruction Committee of Council in the Second Report that loans should be given primarily for productive purposes on condition that the surplus produce is sold through the local marketing society is to be properly given effect to.

9. If this new scheme is put into practice, the co-operative machinery would be elastic and easily manageable. At the rate of one society for about three to five villages, there would be need for organising only about 10,000 village societies ***for credit as well as all non-credit activities*** in the whole of the province. The condition of granting loan

that the borrower should be a member of a village society will greatly facilitate the formation of village societies in rural areas. A net-work of such village societies working as affiliated societies with marketing societies at all tahsil headquarters has got to be brought into being all over the province if post-war schemes for rural advancement are to be executed satisfactorily.

10. The new scheme for co-operative credit will then be introduced. as follows :—

(1) No new primary credit or crop loan society should be established

(2) Existing societies should continue to function only so long as loans due to them and from them are under recovery. Thereafter they should be liquidated unless they want to lead an independent existence.

(3) Members of existing societies should, if they want loans from the central banks, obtain loans under the new scheme.

(4) Loans should be given only to those who are members of village multi-purpose societies. The bank staff and the officers of the department should draw well considered plans for starting such societies all over the area of the bank, and put the plans into action. In an area where village societies have not yet been established, the bank may waive the condition of membership of such societies to intending borrowers.

(5) Short term or crop loans should be given to groups of persons on joint liability in the same way as loans under the Agriculturists' Loans Act are. The limit of financing per member should be Rs. 12 per acre or Rs. 300 whichever is less in Central Provinces and Rs. 14 per acre or Rs. 500 whichever is less in Berar, so long as war-time conditions continue. Further, in no case should the individual member get a loan which exceeds three-fourths the value of his landed property. It is not ordinarily necessary to take mortgages of land as additional security for short-term loans. But so long as the law relating to alienation of interest in land continues to be what it is, perpetual mortgages may be obtained as security, as is now being done in Berar.

(6) Intermediate term loans such as loans for the purchase of carts, bullocks, etc., should be given to individuals on their furnishing two sureties from fellow-members of village societies in the manner similar to that laid down in rule 15 (3) of the rules under the Co-operative Societies Act. No individual will however get as loan more than three-fourths of the value of his landed property. Generally speaking, it may be necessary to take mortgages of land as additional security. Banks will no doubt limit the amount to be invested in intermediate term loans to definite percentages of their available funds so that such investments do not encroach on short-term loan business or other business of the banks.

(7) The rate of interest charged on loans should not exceed the rate charged on taccavi loans, *i.e.*, Re. 0-1-3 per rupee per annum or Rs. 7-13-0 per cent. Penal rate of interest up to Rs. 15-10-0 per cent may be charged on overdues as in the case of taccavi loans. It is presumed here that the central bank gets its funds at 4 per cent or less. If the bank's borrowing rate is higher, the bank's lending rate may also be increased, the margin never exceeding Rs. 3-13-0 per cent. The village society should get 1 to 1½ per cent as remuneration for its work. The higher rate of remuneration should be given only in the beginning when the village society is in need of encouragement. It is of course, necessary that the village societies become members of the financing banks and also of the regional marketing societies.

(8) There should be a society inspector for every five or eight village societies, who will help the village societies in his charge to develop ***both credit and non-credit activities***.. He will be paid by the bank which may levy a portion of the salary and travelling allowance, etc., from the village societies, the proportion depending on the volume and nature of work done. On the credit side, the society inspector's duties should be—

(i) to help and teach the village society to receive and write up loan applications ;

(ii) to scrutinise loan applications and then send them up to the bank without delay. The village society is ***not*** responsible for the scrutiny although it would help in conducting the scrutiny ;

(iii) to prepare and submit to the bank a monthly statement of the loans advanced, recoveries effected and balances outstanding in the different accounts, and inform the village societies also of the state of advances and recoveries, etc. in their respective areas ;

(iv) to get mortgages executed where these are necessary in the presence of the circle auditor and to send copies of mortgage deeds to the sub-registrar for record ;

(v) to disburse the sanctioned loans in the presence of an office-bearer of the village society or the patwari or the mukaddam, to take acknowledgement of receipt of the loan on the form prescribed and send the form to the bank ; and

(vi) to watch how the loans are actually utilised by the borrowers.

The society inspector would have equally responsible duties in respect of non-credit activities and he should not neglect these other duties.

(9) The bank manager may sanction seasonal loans (crop loans) subject to general control by the bank management. A special loan committee may be appointed by the banks consisting of the president or the vice-president, the secretary of the bank and the circle auditor. This committee will dispose of loan applications and will lay down the lines

according to which the manager may sanction crop loans. This committee should meet frequently, say once a week, during the financing seasons.

(10) All defaulted amounts would be recovered on revenue recovery certificates in the courts of the circle auditors exercising powers of tahsildars. It is hoped that all circle auditors in charge of circles will be appointed ex-officio additional tahsildars.

These are the broad outlines of the scheme. There are one or two difficulties which have to be solved before the scheme can be efficiently and smoothly worked.

11. The greatest difficulty in the smooth working of this scheme is the present state of the law regarding alienation of interest or property in land. Under this law it becomes too often necessary for the banks to insist on mortgages of land as security in addition to the joint liability shared by fellow-borrowers or sureties. In fact at the present moment no bank gives a loan—of any term or kind—without mortgages as security. In crop loan societies in Berar, *perpetual* mortgages are taken as a matter of routine. The result is that a prior claim over the borrower's land becomes a condition for the grant of the loan. The clerical work involved is very large, and causes much inconvenience to the banks as well as the borrowers. In the case of the crop loan societies, the borrowers who take small loans have to spend much for appearing before the sub-registrar for registration of the mortgages. The financing of crop loan societies in Berar is done by the Provincial Bank and the mortgages executed by members of the societies have to be assigned by the central banks in favour of the Provincial Bank. This necessity of assignment throws a further strain on the borrowers and the central banks. This difficulty has been solved in part by Government in the case of land mortgage banks by giving valuers of the Department who act as sale officers under the Land Mortgage Banks Act powers under section 42 of that Act to send certified copies of sale certificates to sub-registrars for record under section 89 of the Indian Registration Act. The same facility is given to revenue officers disbursing taccavi loans; they do not have to ask borrowers to remain present before sub-registrars for registration of mortgages. Under rule 9-A of the rules under section 4 of the Agriculturists Loans Act and under rule 14-A of the rules under section 10 of the Land Improvement Loans Act revenue officers send to the sub-registrars only copies of orders granting loans in which immovable property is hypothecated and copies of mortgages in the prescribed forms for registration purposes under section 89 of the Indian Registration Act. For smooth working of the new scheme for co-operative credit it is necessary then to give similar facilities to circle auditors and managers of co-operative central banks.

12. The best solution however would be to amend section 19 of the Co-operative Societies Act by making loans under the new scheme a charge on the lands of borrowers, such charge taking effect subsequent to charges of land revenue; of money recoverable for the Crown as arrears of land revenue and rent. If this is done, the clerical work involved would be very considerably reduced indeed and the scheme would work much more efficiently. Further, the agriculturists would get the benefit of the lesser costs of management in the shape of lower rates of interest. It would not prejudice any vested interest, as the charge does not arise so long as a loan is not borrowed by the member from the bank, and as no loan is sanctioned by the bank now without a voluntary act on the part of the borrower creating a charge by mortgage on his land. An amendment to section 19, Co-operative Societies Act, is preferable as it dispenses with the enormous mass of clerical work involved when every borrower is expected to create a charge by a separate document. At present section 19 of the Co-operative Societies Act is half-hearted. It realises the necessity of doing something to put co-operative loans on a privileged footing. But it does not go far enough. It only gives some priority to such loans in proceeding against standing crops or agricultural produce of borrowers in the case of loans for seed or manure, and against cattle, machinery or other article when loans were granted for the purchase of these several articles. The Bombay Co-operative Societies Act contains a similar provision, but instead of the word "priority" it uses the word "charge". The half-hearted concession is not sufficient as experience has shown. If it was, banks would not have had to buy up land on a large scale and amendments such as those made to section 12 of the Central Provinces Tenancy Act by the Central Provinces Tenancy (Amendment) Act, 1941 (VIII of 1941), would not have been found necessary. Under these amendments occupancy holdings can be mortgaged as security for co-operative loans or can be sold for co-operative loans advanced before the 1941 Amending Act came into force. The amendments are half-hearted as they needlessly make a distinction between co-operative loans granted before 1941 and those granted after 1941. Without a sufficiently severe inducement for repayment of loans it is not possible to expect the co-operative credit machinery to function smoothly and steadily. It is therefore necessary to amend section 19 of the Co-operative Societies Act and make co-operative loans a charge on the landed property with reference to which the loans were advanced, such charge no doubt taking effect after charges of land revenue, of Government money recoverable as land revenue, of rent and of money recoverable as rent. Such an amendment shortens the procedure for financing and also facilitates punctual recovery, but in no way affects interests of third parties adversely.

13. When this new system is introduced for financing agriculturists, the central banks would be in a position to take over the taccavi business from Government. Monies which Government now distributes through its revenue officers can be handed over to central banks at 4 per cent and the banks would undertake to do the financing in any specific manner laid down by Government. This will save Government a good deal of bother involved in taccavi administration and at the same time give the banks some additional business.

Livestock and Veterinary Aid in the Madras Presidency.

By D. V. Rajalakshman,

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The problem of providing sufficient food for the population never received any serious consideration, in India, before 1943, and even the later control exercised by the Government on the supply and distribution of foodstuffs is the outcome of an inevitable necessity to relieve the acute scarcity rather than a planned policy of war economy. But the Government of India, after the recent experiences, has decided to pursue the policy of increasing the production of foodstuffs even in the post-war period to attain the object of providing sufficient food, both in quality and quantity, to all people. When the production of proper food is considered as a vital aspect of any reconstruction programme by countries which had enough food for the population even before the war, there is no need to emphasise the importance of this problem for a country like India where "at least 30 per cent of the population are habitually underfed in normal times." Though the measures adopted for the last few years are mainly intended to relieve the acute scarcity, for attaining the object of providing sufficient and proper food for the population in the post-war period, it is necessary to fix targets for production based on the nutritional requirements and formulate a plan for increasing the production of foodstuffs to reach the specified levels. The recent All-India Food Conference also recommended that "it is essential to improve the diet of the people and to this and all Governments will undertake an examination of diets in their area, to determine in what respect they are defective and how the defects can best be removed." "The existing production of cereals will cover the requirements" of the population in India "provided the supplementary non-cereal foods needed for a well-balanced diet can be produced." Since milk is next in importance to cereals and is essential both as a protective and as a nutritive food for a balanced diet, any plan to improve the diet should aim at increasing the production of milk to attain the level of sufficiency. Though a widespread scarcity of milk is felt in many parts of India recently, still, the daily per capita consumption of milk, even in normal times, is only 7 oz. whereas most countries reached a level of 35 oz.[1] (1,000 grammes) which is recommended by the League of Nations as the proper requirement of a balanced diet.

The necessity of increasing the milk production in the post-war years is even more important for the Madras Presidency where the daily per capita production of milk in normal times is estimated to be so low as 3.6 oz. The cereal production in this province is sufficient to meet the requirements of the population as specified in the balanced diet and only a shift in the production of millets to paddy may be necessary to

[1] Dr. Wright: Report on the development of the Cattle and Dairy Industries in India, 1937.

adjust for the increasing demand of the population for rice which can be achieved by providing adequate irrigation facilities. So a rapid increase in the production of milk which depends on the livestock development, must be the vital aspect of any reconstruction programme for the adequate provision of proper food. Since there is a sufficient number of livestock in this province,[1] the main problem reduces to that of maintaining the existing livestock in good health and evolve from them a generation yielding enough milk to satisfy the dietetic requirements of the population. The preliminary requisite of any such programme is to obtain an adequate number of trained personnel in the shortest time. After fixing the requirement, it is necessary to evolve a scheme for training that number in a reasonable time keeping in view the problem of preventing the production of excess number, after reaching the optimum level. According to the Royal Commission on Agriculture (1927), "the aim should be to provide on an average at least one veterinary assistant surgeon for every 25,000 cattle" and even this is inadequate but it "can be regarded as providing a frame work round which a more complete service can grow up." Based on the livestock census of 1940, 885 trained assistant surgeons are necessary for this province, but this requirement is only the essential minimum envisaged for the prevention and treatment of diseases. Consequent on the transfer of the livestock section to the Veterinary Department and keeping in view the possible increase in the number of trained people needed for livestock development in the post-war period, the minimum requirement of this province may be regarded as 1,000. The following table indicates that even this provision, compared with other countries, is inadequate.

Table I.*

Country.		Veterinary surgeons per 25,000 cattle.	Veterinary surgeons per Millions of cattle.
Britain	...	8.7	94.4
France	...	5.5	98.8
Germany	...	9.6	149.0
Holland	...	7.1	140.0
Switzerland	...	10.9	247.8
India—Proposed[2]	...	1.0	26.7
Existing	...	0.3	7.9
Madras—Proposed[3]	...	1.0	19.4
Existing	...	0.3	6.6

* Compiled from the Report of the Committee on Veterinary Education in Great Britain, 1938.

[1] The total number of cows and buffaloes over three years kept for breeding or milk production, according to 1940 livestock is 7,867,782, and taking the census of 1941 the population is 49,341,810, there are 16 milch cattle for 100 of human population.

[2] Obtained from Dr. Wright's Report.

[3] Calculated from the Indian Livestock Statistics (1940) and the Administration Reports of the Civil Veterinary Department.

The Madras Veterinary College is the only institution imparting veterinary education in this Province. On an average the college is admitting 40 students every year and 20 emerge after the successful completion of the course. The administration reports of the Civil Veterinary Department indicate an annual increase of 5 in the provincial service, although it can be assumed that all the trained personnel are joining the Department after completing the course every year. As such 15 per annum or about 5 per cent of the existing strength of the Department may be taken to be the annual reduction due to retirements and other exigencies. So the plan should be to obtain the required number of 1,000, from the existing figure of about 300 veterinary assistant surgeons who are in charge of institutions and touring billets. To relieve the scarcity felt for trained people, the admissions to the college are increased to 60 this year, and, as the duration of the course extends over five years, the first batch will complete their training only in 1949. Consistent with the results of the examinations, the maximum annual output of the college may be assumed to be 40 after 1949, and till then the college can produce only 20 every year. Assuming that all these join the provincial service, the strength of the cadre will be 318 by 1949, after allowing for the annual reduction of 5 per cent. If the existing college continues to admit 60 students every year, it will take 44 years for the number of veterinary assistant surgeons to become 750, and 76 years to reach a figure of 790, and 800 can never be attained, assuming that there will be 40 successful candidates annually and all of them join the service. This clearly indicates the necessity of starting new colleges for training the required number of veterinary surgeons.

Since the opening of new institutions involve some delay and keeping in view the duration of the course which is 5 years, it can be assumed that fresh colleges can be started at regular intervals of five years. A period of 20 years may be taken as a reasonable time limit for completing this programme of training the adequate number of veterinary surgeons. Assuming that it is not possible to admit more than 60 students in one institution, if a new college is started in 1949, the first batch of trained people will emerge in 1954 and a third college started in that year will produce veterinary surgeons from 1959. Till 1954 the existing college alone produces annually 40 surgeons, after which two colleges will function giving at the rate of 80 and from 1959 all the three colleges will train 120 veterinary graduates every year. If all those trained personnel enter the Government service soon after completing the course, then the total number in the Department, after allowing for the annual decrease of 5 per cent of the existing strength, will reach a figure of 1079 by 1964, that is, in another quinquennium. The required number of about 1,000 veterinary surgeons will thus be available in about 20 years if two more colleges, each admitting the full strength of 60 every year, are started at an interval of five years. Since the above estimate is based on the minimum requirement and the maximum possible successful candidates that can emerge from the colleges, the plan can safely be taken to cover even more than 20 years.

If all the three colleges continue to train veterinary surgeons after reaching the required level, it may be necessary to regulate the admissions into the colleges to prevent the excess production of trained personnel. To maintain the strength of the department at a level of about 1,000, it will be necessary to train at least 50 veterinary surgeons every year. Considering the increasing need for livestock improvement and keeping in view the results of the college examinations which, on an average, are noted not to exceed 50 per cent of the annual admissions, the maximum reduction that may be necessary will be to limit the admissions to 40 into every college which will then produce only 60 trained surgeons annually.

The possibility of regulating the admissions to the existing college alone for producing the required number of trained surgeons in the given period, instead of starting new colleges, presents certain difficulties. Since it is not possible to provide adequate facilities for practical training to any number of students in a single institution, a considerable increase in the number of admissions will deteriorate the efficiency of the trained people. Further, the veterinary surgeons require an intensive training to handle efficiently the various problems that are connected with the livestock development, and as such, it is advisable to start new colleges in the tracts where the important breeds exist in this province. Since the general policy of livestock development is to improve the local breeds, it is essential to locate one of the proposed colleges in the Coimbatore area where the Kangayam and Halikar breeds are prominent and the other in the Guntur tract where the Ongole breed is predominent, to train veterinary surgeons suitable to aid the improvement of these three main breeds of this Presidency which the Government of Madras have decided recently to improve in the post-war period. The selection of students from the contiguous areas for the respective colleges also helps to obtain trained surgeons acquainted with the local conditions.

A reduction in the duration of the course may be suggested as a plausible solution to accelerate the production of veterinary doctors. Even if the course is reduced by one year, the only effect will be to obtain an extra batch of 40, instead of 20 surgeons, which is quite negligible compared with the requirement. Further, the course was enhanced to five years only in 1938, after considering the necessity of imparting intensive training to produce efficient veterinary surgeons. In view of the growing importance of veterinary aid for livestock improvement, a measure to reduce the course, which affects the efficiency with no reasonable benefit of speeding up the production, should not be advised especially for this Presidency, which is the first to recognise the need for properly trained veterinary surgeons in India.

In view of the recent fall in the admissions to the college, a doubt may arise that the new colleges will not be able to attract a sufficient number of proper students as visualized in the scheme. When the entire problem of providing adequate and proper food for the population is considered as the primary responsibility of the Government for any reconstruction programme, the training of necessary personnel to attain this objective is of such a fundamental importance that adequate facilities must be provided to obtain sufficient number of proper students to undergo the training. Considering the number of qualified students who are failing to secure admission into other professions like medicine and engineering, it is not possible to consider that there will be a dearth of proper students for this profession. Possibly the existing conditions may not be attractive to divert sufficient number of qualified students to undertake this professional training extending over five years, and any such obstacles must be immediately removed to achieve the object of securing sufficient number of trained veterinary surgeons.

The recent five-year plan of development in this Presidency provides a scheme for adequate public and medical health relief which will be completed in a period of 20 years. Closely associated and equally important is to plan for the elimination of the fundamental causes of ill-health and disease in this Province, namely, underfeeding and malnutrition. To achieve this objective a rapid increase in the available quantity of protective foods, particularly milk is essential. This involves the training of efficient veterinary surgeons whose responsible duty is to retain the existing livestock in good health and breed from them a generation which will yield sufficient milk to meet the requirements of the population. But the five-year plan only suggests "extensions to the Veterinary College at Madras" and no provision is made for starting new institutions to impart veterinary education. With a scheme for a rapid improvement of livestock it is necessary to plan for the training of an adequate number of veterinary surgeons, which can only be attained by starting two more colleges one of which should commence from 1949, and the other five years hence, for providing a sufficient number of trained graduates in a period of about 20 years to undertake the reconstruction programme. It is also essential to provide conditions that are congenial to attract a sufficient number of qualified and able students to join this profession. Measures to attain these objectives will help to improve the diet of the population in this province.

Recent Utterances.

Presidential Address by Rao Bahadur Sri S. K. Yegnanarayana Iyer, M.A., at the Conference of the Stores Societies in Salem District, held at Salem on the 7th April 1945.

The Consumers' Movement in India has been very much neglected though co-operation meant only the stores' movement so far as England and many western countries are concerned. The Townsend Committee went to the extent of saying that the stores movement is not likely to succeed in the rural parts of India. Sir T. Vijayaraghavachary Committee which examined the Co-operative Movement in the Province later also had not much to say about the stores. It shows that the prominence now given to the stores movement is a thing of recent growth, come into existence to meet the needs of the war situation.

Whatever the favourable cause for recent growth, the stores movement has now attained a unique position. We have now 21 wholesale stores working in different parts of the Province with about 1,200 primary stores attached to them. Except a few cases here and there we may say that the position with regard to these institutions is fairly satisfactory. They have done an amount of business running to crores of rupees which is beyond the wildest dreams of the pioneers of the movement 40 years ago.

There are a few tests which can be applied to find out whether the movement is working well or not. Taking a primary stores as the basis, if it has a large percentage of its working capital as its own capital, if its members are loyal and make as far as possible all their purchases from the stores, if the turnover is sufficiently large and if there is a tendency not to stagnate but to grow in a healthy manner, we shall not be far wrong if we say that the movement is working well. Similarly, with regard to a wholesale, the very same tests may be applied substituting primaries for individual members. Judged by these tests, I am glad to say that the stores movement is quite satisfactory in the District of Salem.

We have begun to think of the stores movement as it is likely to be in the post-war period and there are many who think that these war-babies may not survive the war. The rate of mortality they fear would be pretty high among rural stores. Urban and semi-urban Stores have some better chance of survival than the rural stores. There is a good deal of truth in this but we need not be discouraged by this forecast. Taking the articles dealt with by the primary stores, we find that they can be broadly classified under 3 headings of food materials, other controlled articles such as kerosene, sugar and other articles, cloth, toilet, stationery, etc. After the war, the present arrangement of controlling food-stuffs may be considerably relaxed and the retail trade in these articles is sure to revive and this would affect rural stores and some of the semi-urban stores more than the well established urban stores. But even the rural stores and Semi-Urban Stores will continue to deal with the other controlled articles and the other articles not controlled and, therefore, personally I think the feature is not so gloomy. But we have to take active steps to strengthen the movement even from now onwards and these in my view are the steps to be taken. Firstly, we have to capture fresh fields of business in rural societies; and the articles that the members are likely to require such as improved seeds, implements, manure, etc., have to be supplied to them by the rural stores. Similarly the semi-urban and urban stores have to increase their business by dealing in toilet, stationery articles, glassware and other new ones. The wholesales have also to extend their activities by making a careful survey of the requirements of their constituents and finding out ways of supplying them efficiently and economically. They should do well to specialise under certain main headings such as food materials, clothing and other requirements which are the 3 main departments which every wholesale must have and there must be a harmonious growth in these various sections. As it is we are obsessed by the present problem of food procuration and distribution and we have just a few stray cases of wholesales doing business in clothing. If Wholesales extend along these three directions, there is a possibility of the formation of a Central Wholesale of the Province as a whole which acting as an agent in the matter of many imported products may be able to get them cheaper than the district wholesales do now. Thus there is scope for unlimited expansion in primaries, rural and urban and of wholesales eventually leading to the formation of a Provincial Wholesale.

Secondly, many non-members are now enjoying the benefit of the stores and the large percentage of them have to be retained as members. Thirdly, vast sections of the population not yet brought under co-operation such as women-folk of our land and the youth of our country have to be brought in and lastly, we have to study the methods of business carried on by our rivals, the retail merchants, and try to the extent possible to take in the good points of their business. Our account system must be considerably simplified and we must devise some method whereby credit can be given to members. The stores should not sell articles on credit to members, that is against the fundamental policy of Rochdale Pioneers. But the credit section of the movement should be combined with the stores in some way beneficial to the members and not injurious to the movement. Madura tried the experiment of giving loans to members of rural credit societies not in cash but in the form of special notes which can be exchanged for articles in stores only. Similarly, many mills and employers of labour ascertain the credit-worthiness of their employees and advance them not money but coupons which can be exchanged for goods in a co-operative stores only.

These suggestions refer to details of actual business; over and above there are certain broad principles to be remembered and they are these. There must be a drive against the anti-social tendency that has been allowed to grow rampant for the past 100 years and more. Unrestricted competition has been the basic principle of our economic life with the result that it has taken its heavy toll of human sufferings and human life. This tendency is to be strongly fought against and the more congenial tendency of "live and let live" is to be encouraged. This social tendency is not a new thing to be popularised among us. The old village life and the system of joint families still practised were based on these unifying principles and they have to be revived again.

The State may not continue to control as it is doing now but the general responsibility of the State to maintain its population in a high condition of economic efficiency is getting more and more realised and it is likely to involve the State in activities which are now not associated with it. I envisage a bright future for the Co-operative movement, co-operative production, co-operative finance and co-operative consumption: these are three main branches which have to be developed harmoniously together.

All these are based on the existing state of affairs but things are changing and changing rapidly. In another twenty years there will be more of education among the masses of our land, more transport facilities and more of general prosperity and hence the possibility of co-operative institutions thriving is much more in the congenial surroundings of to-morrow. But we must have faith in co-operation and it has to be looked upon not merely as a policy to be followed within present economic system of capitalism and unlimited competition. It has to be looked upon as a way of life different from the modern one and better in every way. With faith in co-operation we have to work together and try to usher into existence a new society which is pro-social in motive and hence fully co-operative in character.

Extracts from the Presidential Address of M.R.Ry. Dewan Bahadur T. M. Narayanaswami Pillai Avergal, M.A., B.L. at the 8th Pudukkottai Co-operative Conference.

The effects of the war on the Co-operative Movement, Credit Societies.

I am not speaking with an intimate knowledge of the effects of the war on the co-operative movement in your State, but I am sure that the effects of the war on our rural and urban economy in general have had their reactions on the Co-operative Organization

and their members. The years immediately preceding the war had witnessed an economic depression which was almost unprecedented. The fall in prices of land and agricultural produce had hit hard the agriculturists and this had very serious repercussions on the working of the co-operative societies, particularly the credit societies. Overdues in agricultural credit societies were universally high and it looked as though nothing could be done to relieve the agriculturist of his age-long indebtedness. The war has, however, brought about beneficial effects on the Movement in general. There has been an all-round and appreciable increase in the prices of land and agricultural produce and whatever the effect of this increase has been on the average consumer, there can be no doubt that it has been, on the whole, somewhat favourable to the agriculturist in some respects. In many cases, he has been able to discharge his accumulated debts. This is reflected in the substantial reduction in the overdues and the general improvement in the working of the credit societies. The overdues of societies to the Central Bank in your State which amounted to Rs. 72,896 at the end of Fasli 1351, were brought down to Rs. 41,000 at the end of Fasli 1353. I am sure they have been reduced still further since then. There has been much improvement in the loan transactions of these societies also as is witnessed by the following figures.

Fasli 1351	...	Rs. 5·08 Lakhs.
Fasli 1352	...	Rs. 7·98 „
Fasli 1353	...	Rs. 10·75 „

Consumers' Stores.

The war has brought in its wake many other problems as well. The cost of living rose and is perhaps still rising despite control measures taken by the Government. The import of textile goods, processed food-stuffs, medicinal drugs and other necessaries of life which declined from year to year since the outbreak of the war came to a stand-still after the entry of Japan into the war. The occupation of Burma and the consequent stoppage of rice imports hit us hard. In the field of textile goods also we were faced with acute shortage as the foreign imports diminished and as it became necessary to meet the ever-increasing demands of the Military. Though the Mills and the hand-looms are working to their full capacity, the shortage of cloth for the civilian consumption is still being felt. There is thus an unprecedented demand for all the necessaries of life while the supply is very much restricted. The merchants and the middle-men began to exploit the situation and there was a lot of hoarding and profiteering at the expense of the consumer. It became therefore, necessary for the Governments to institute various control measures and these had the effect of checking hoarding and profiteering to a considerable extent. In Pudukkottai also, I see that effective steps were taken to stop profiteering and that the War Prices Advisory Committee met every month and fixed the prices of essential foodstuffs. The co-operative movement stepped in at the right moment and it has played a very useful part in securing a fair distribution of the necessaries of life among the consumers. In Madras, a large number of consumers' co-operative stores came into existence after the outbreak of the war and they undertook the distribution of the essential articles to the consumers at controlled rates. The public readily joined these stores as they were satisfied that they could deal with confidence with these institutions rather than with the merchants and middlemen. In Pudukkottai also, I see that there has been a phenomenal growth of the co-operative stores movement as a result of the conditions created by the war. The total sales in fasli 1350 through co-operative stores were only Rs. 12,880 while they exceeded Rs. 23,81,700 in fasli 1353. I note with gratification that these institutions rendered most useful work in the purchase and the distribution of essential foodstuffs and other necessaries of life to the public.

Weavers' Societies.

Next to agriculture, the handloom weaving industry supports the highest number of families. In Madras, thanks to the Government of India subvention, the Provincial Weavers'

Co-operative Society was started at the headquarters in 1935 to co-ordinate and develop the activities of the primaries and since then the Society has made much progress in organizing both production and marketing. On account of the pre-occupation of the mills with war-production, there was a growing demand for handloom cloth and this gave much impetus to the development of Weavers' Societies. In Madras, Government, besides entrusting the Provincial Society with the production of handloom standard cloth, made special arrangements to secure for it the yarn and other raw materials required for the industry and thus enabled it to undertake production on a large scale and to a certain extent fill up the gap created by the diminution of imports and the diversion of the bulk of the production of the mills to war requirements. In your own State, I see that there are three weavers' societies and I dare say they have taken advantage of the conditions created by the war and are progressing well.

Post-war development and the utilisation of the co-operative machinery for the purpose.

Having thus briefly surveyed the working of the Movement in relation to the conditions created by the war, I should like to say a few words on the lines on which the Movement might be developed in the post-war period.

The favourable conditions now obtaining are not likely to last long after the cessation of hostilities. Conditions are bound to settle themselves to normality afterwards, but the transition from war to peace economy is beset with difficulties. Governments all over the world are planning ahead to ensure that the change is as gradual as possible. The Government of India have also created a special department for the post-war planning and the Provincial Governments too are busy drawing up their plans for the post-war period. I am sure your State too is busy drawing up your programme of work. Experience in the past has shown conclusively that the co-operative movement has immense potentialities and it will therefore be in the fitness of things that the co-operative machinery should be made use of to the fullest extent, where possible, in working any scheme that may be drawn up for the post-war period. Before examining in detail in what respects the co-operative machinery can be made use of in tackling some of the post-war problems, I should like to say something on the lines on which our existing societies may usefully develop.

Cautious lending by Credit Societies.

There has now been an abnormal increase in the prices of agricultural commodities. These high prices may not be maintained at the same level for a very long time in the post-war period. It is alleged by some that prices will not fall down as abruptly as they did after the last war and that the world may not witness another economic depression. It cannot be stated that the prices will not at all fall, though they may not fall to the extent to which they did after the last war. Now as a result of the increase of prices during the last war the average man spent liberally, if not lavishly, and it had the effect of raising the standard of living. When the prices went down subsequently, he found himself helpless and the result was that societies which had lent indiscriminately on the basis of high values came to grief. Now this must serve as a warning. At the same time I must say that every attempt must be made to maintain the prices of agricultural commodities at about the same level. At any rate, they should not be allowed to go below a certain minimum. The agriculturist should be guaranteed a certain minimum; he should be assured of a decent living and margin of safety with the prospect of the United Nations uniting and taking all possible steps to solve the question, one cannot be without hopes of success in this direction in the post-war period.

Another point which I should like to stress is the thrift aspect. The ryots should be educated not to fritter away their enhanced income in wasteful expenditure but to save and to deposit such savings in co-operative institutions.

Expansion of Credit Societies.

There are at present in your State 92 agricultural credit societies while there are as many as 436 villages in the State. This would mean that co-operative credit movement has covered only less than a fourth of the State. I do not believe either that all the other villages are not in need of co-operative credit or that the conditions of these villages are such that co-operation cannot thrive in them. If suitable steps are taken to organize societies according to a long-range plan, say for 5 to 10 years, I am sure it will be possible to bring many of the remaining villages also within the fold of the Movement. I hope the State will give due consideration to this point and take the necessary steps to expand the movement.

Development of Stores Societies.

On the non-credit side, I have already referred to the phenomenal progress made by the consumers' stores. During the war-scare in the City of Madras in 1942, most of the merchants left the City closing their business and the population that was forced to remain in the city during the period would have suffered much had it not been for the T.U.C.S. This was perhaps the only institution that served the essential service personnel and others in the city during that period by distributing the necessary food-stuffs through its several branches. The utility of these Stores Societies needs therefore no emphasis. They should be developed to the fullest extent. The favourable conditions created by the war have enabled them to make large profits and this opportunity should be availed of to strengthen their reserves and stabilise the organisations to withstand the strain, if any, that they may have to face in the post-war period. It is true no doubt that these stores have attracted a large clientele now, because they are entrusted with the distribution of controlled articles and because the consumers find it more convenient to secure them from the Stores than from other merchants. It does not, however, follow that, when the war comes to a close and the control measures are withdrawn, the consumers will all desert the Stores. There may be no doubt some such desertions but if stores societies make it a point to deal even now in all goods and not only in the controlled articles and earn the good will of its clientele, I see no reason why they cannot ensure loyalty on the part of the members even in the post-war period. I might also suggest that these stores societies may start manufacturing sections for the production of soaps, hand-made paper and the semi-processing paddy into hand-pounded rice, oil-pressing etc., so that the consumers may get such things at competitive rates.

Co-operative Workshops.

I shall now examine the plans for post-war development that may be tackled on a co-operative basis. A number of people from your State and from the Provinces have joined the Military. You will agree with me that, when these people return after the demobilisation of the Army, the Naval and Air Forces, there is bound to be severe unemployment. These are persons who have offered to give up their lives in the cause of the country and it is the duty of the State to provide employment to them after they are discharged from the Military. Most of the ex-service men would prefer to go back to their own districts or even to their villages when they are discharged from the Army. Where the ex-service men will settle in urban areas and seek industrial and other employment in towns, they may be settled in one or two co-operative industries for the manufacture of consumer goods, such as wooden furniture, hardware, leather goods etc. The settlers will, under this scheme, be both the proprietors as well as the employees of these organisations which will be their common property. Besides wages or salary for services rendered, the workmen will share between themselves a greater portion of the profits arising from the industry. To give the organisations a co-operative existence and a legal status, they may be registered under the Co-operative Societies Act. The entire management must vest with the demobilised soldiers but in the initial stages of development, it may be necessary to include officers of the Revenue, Co-operative and Industries Departments by nomination. As these settlers cannot be expected to find the entire capital necessary for the venture, the State may have to come to their help.

The Central Bank may provide the funds necessary for working expenses, such as, purchase of raw materials and payment of wages. The success of this venture will largely depend upon the marketing of their products. The State should therefore undertake to purchase their requirements of these articles from these organisations as far as possible.

Development of Cottage Industries.

As regards ex-service men who will settle down in villages, I would suggest the development of Cottage Industries on co-operative lines. I see from your Administration Report that the weaving of silk and cotton fabrics on handlooms, dyeing, spinning wool, weaving cumblies (blankets), making mats with rushes, and fans out of palm leaves, basket making, metal work, oil-pressing, and also the manufacture of matches and cigars, tiles, bricks and clay-pots are some of the cottage industries that are carried on on a small scale. So far as cotton weaving is concerned, you are already having only three Weavers, Societies in the State, though weaving is carried on in seven centres. New societies for weavers may be organized in the remaining centres also. As regards other industries, there are already private factories for the manufacture of matches, soap-making, oil-pressing etc. In respect of these industries in other areas of the State and in respect of other cottage industries, I would suggest that the question of organizing, them on a co-operative basis may be examined. With suitable State-aid, in the initial stages, I am hopeful that they will work well. Besides providing employment to the demobilised soldiers that may settle down in villages, they will provide a subsidiary occupation to the agriculturists thereby increasing their income.

Land Colonization Societies may also be organized. Lands may be assigned to the societies for cultivation by the settlers and with adequate State-aid, the settlers may be educated in the use of improved methods of cultivation.

One other point to which, I wish to refer before closing this address is milk supply. It is needless for me to say that there are Milk Supply Societies and Unions in many of the important towns, like Madras and Coimbatore, which are doing splendidly well. Your Administration Report shows that adequate measures have been taken by the State towards the improvement of live-stock and that provision has also been made for the grant of loans for purchase of milch cows. With this provision I presume it will be possible to form a Milk Supply Society at least at the Capital to ensure supply of pure and unadulterated milk to the people.

NOTICE.

Volume No. XXXVII Madras Journal of Co-operation.

With this issue the **Madras Journal of Co-operation** completes Vol. XXXVI. Subscribers are requested to remit their subscription for the next **Volume, i. e., No XXXVII** commencing from July 1945 and ending with June 1946 **in advance** so as to reach this office **before the 25th July 1945** If for any reason remittance is not received before that date, the July issue will be sent by **V.P P.** which means an additional avoidable expense of annas three to themselves and some unnecessary work to the office.

If subscriptions are remitted by cheques drawn on banks other than the Madras Clearing Banks, the minimum bank commission of **four annas** may kindly be added also to the subscription.

V. VIYYANNA,
General Secretary,
The Madras Provincial Co-operative Union, Esplanade, Madras.

The Madras Provincial Co-operative Union,
Esplanade, Madras.

EXAMINATION RESULTS.

The following is the list of candidates with their Registered Numbers who have come out successful in the Co-operative Institutes' Examination held in the month of March 1945 at Coimbatore, Tanjore, Rajahmundry and Anantapur Centres :—

FIRST CLASS.

S. No.	Name of Candidate	Regd.No.
	Coimbatore Centre.	
1	Anantaraja Malla, K.	1822
2	Marappan, V. S.	1832
3	Nagarajan V.	1835
4	Rangasami, G.	1840

SECOND CLASS.

S. No.	Name of Candidate	Regd.No.
	Coimbatore Centre.	
1	Arumugam, T.M.	1823
2	Bellan, S.	1824
3	Lakshmi Narasimhan, A.L.	1831
4	Namasivayam, N.	1836
5	Rangaswamy, L.S.	1841
6	Sundaram, M.C.	1843
7	Venkataraman, N.M.	1847
	Tanjore Centre.	
8	Balasubba Naidu, S.	1853
9	Chockalingam, T.S.	1854
10	Ganapathy, S.	1857
11	Kathankillikondar, R.	1860
12	Narayanasamy, S.	1863
13	Panchanatham, R.	1864
14	Panchapakesan, T.P.	1865
15	Sambandan, C.T.	1873
16	Sambandam, M.	1874
17	Seshadri, V.	1877
18	Shanmugam, S.	1879
19	Vennimalai Pandian, V.M.	1889
	Rajahmundry Centre.	
20	Bhaskara Rao, P.	1894
21	Bhimasankara Sastry, Ch.	1895
22	Bhutchiraju, R.	1896
23	Koteswara Rao, S.	1898
24	Krishnamraju, A.S.	1900
25	Kutumba Rao, U.S.V.	1901
26	Narayana Sastry, Ch. L.	1902
27	Narasimha Murty, K.	1904
28	Radhakrishnamurty, M.	1907
29	Raghavaiah, K.	1908
30	Raghavaiah, V.V.	1909
31	Satyanarayana, K. (Kanuri)	1918
32	Subba Rao, Ch.	1920
33	Subba Rao, Pindiproli	1922
34	Subba Rao, G.P.V.	1923
35	Suryaprakasam, P.	1926
36	Srinivasa Rao, I. Ch.	1927
37	Venkateswara Rao, M.	1932
38	Viswanadha Rao, A.V.R.	1935
39	Subrahmanyam, Gollapudi	1936
	Anantapur Centre.	
40	Adi Raju, J.	1937
41	Ananthakrishnan, K.	1938
42	Appiah (*alias*) Appa Rao, N.	1939
43	Aswathanarayana Rao, N.	1940
44	Chandrasekhar Rao, S.	1941
45	Dasaradha Ramaiah, K.	1942
46	Hanumanthappa Chetty, C.	1943
47	Krishnamacharlu, P.G.	1945
48	Krishnamurthy Rao, K.	1946
49	Koti Reddy, K.	1947
50	Pattabhiraman, G.L.	1948
51	Lakshmi Narayana Sastry T.	1949
52	Muthukrishnaiah, G.	1952
53	Narasimha Rao, L.	1954
54	Palakondiah, M.	1956
55	Ramachandra Rao, R.	1959
56	Ramachandra Sarma, M.	1960
57	Sangana Basappa, T.	1961
58	Sreenivasan, K.	1964
59	Venkatachalapathy, K.	1965
60	Venkatanarasiah, G.	1967

PASSED IN PART I.

S. No.	Name of Candidate	Regd. No.
	Coimbatore Centre.	
1	Jayaram Panth, M.	1826
2	Muthuramalingam, M.	1833
3	Raghavendra Rao, T.V.	1838
4	Ramachandra Menon, M.	1839
5	Murugesan, C.	1968
6	Ratnavelu, T.	1972
	Tanjore Centre.	
7	Athmanathan, T.R.	1851
8	Muthukumaraswamy, S.	1862
9	Ramdos, N.	1869
10	Sundara Reddi, R.	1975
	Rajahmundry Centre.	
11	Tulasidas, N.M.	1930
12	Viswanath, T.S.	1934
13	Narasimhamurthy, K.	1986
	Anantapur Centre.	
	Nil	

PASSED IN PART II.

S. No.	Name of Candidate	Regd. No.
	Coimbatore Centre.	
1	Jayaram Panth, M.	1826
2	Krishnamurthy, K.S.	1830
3	Muthuramalingam, M.	1833
4	Naharajan, B.	1834
5	Narayanaswamy, S.R.	1837
6	Raghavendra Rao, T.V.	1838
7	Ramachandra Menon, M.	1839
8	Venkatachalam, N.	1844
9	Venkatapathi, N.V.	1846
10	Verghese, P.C.	1848
11	Murugesan, C.	1968
12	Narasingam Pillai, A.	1970
13	Varadharajan, M.	1971
14	Govindarajan, C.A.	1973
	Tanjore Centre.	
15	Athmanathan, T.R.	1851
16	Dattaji Rao, T.S.	1855
17	Meenakshisundaram, S.	1861
18	Muthukumaraswamy, S.	1862
19	Radhakrishnan, V.	1867
20	Sambasivam, P.	1875
21	Somasundaram, V.	1883
22	Vaithianathan, P.	1886
23	Veeraraghavan, V.	1892
24	Sundara Reddi, R.	1975
25	Velayutham, S.	1976
	Rajahmundry Centre.	
26	Artatrana Mishra	1893
27	Chengalarayudu, S.	1897
28	Krishnamurty, P.V.	1899
29	Narasimha Murty, C.V.	1903
30	Prakasa Rao, G.	1905
31	Sadagopalacharyulu, N. Ch. V.	1916
32	Seshagiri Rao, T.	1919
33	Viswanath, T.S.	1934
34	Narasimhamurty, K.	1986
	Anantapur Centre.	
35	Krishnaiah, K.R.	1944
36	Manikya Sarma, K.	1950
37	Mohandas Kishen, K.	1951
38	Nanjunda Rao, K.	1953
39	Narayanayya, C.	1955
40	Rama Rao, B.V.	1958
41	Seshagiri Rao, Ch.	1962
42	Seetarama Reddy, B.	1963
43	Venkateswara Rao, K.	1966

PASSED IN PART III.

(Banking & Rural Economics)

S. No.	Name of Candidate	Regd. No.
	Tanjore Centre.	
1	Sivaramakrishnan, V.	1881
	Rajahmundry Centre.	
2	Krishnamurty, P.V.	1899
3	Purnayya Sastry, Ch.	1906
4	Ramanamurty, M.V.	1910
5	Subba Rao, Kandarpa,	1921
	Anantapur Centre.	
6	Narayanayya, C.	1955

PASSED IN PART III.

(Rural Economics only)

S. No.	Name of Candidate	Regd. No.
1	Muthaiyan, A.	1981

Enquiry into Rural Indebtedness, Government of Madras.

May 1945.

ECONOMIST: Rao Bahadur Dr. B. V. NARAYANASWAMI NAYUDU, M.A., PH.D., B.COM., Bar-at-Law.

Questionnaire to Competent Non-Officials, Officials, Associations, etc.

1. Do you think that the rise in prices of agricultural produce during the war time has contributed to reduce the aggregate rural indebtedness?

2. How far has the rise in the price of necessary consumption goods of the rural population has counteracted the beneficent effects of the rise in prices of the agricultural produce?

3. How far has the cost of cultivation and marketing risen during the war years?

4. Has there been any remarkable rise in the wages of agricultural labourers? If so, to what extent has it enhanced the cost of cultivation?

5. Are the agricultural labourers better off due to rise in agricultural wages? Are they contracting debt in a lesser degree than before? Is their financial position better or worse? How far has the cost of living gone adversely to this class of people? Is there any insistence upon wages in kind? If so, what is the reason and what degree of response does this demand meet with?

6. What is the minimum acreage under dry crops and wet crops that is necessary for an agriculturist to have sufficient food for himself in your district? Have those who own this minimum or a less number of acres benefited by the rise in prices of agricultural produce? If so, in what manner? If not, why not?

7. Do you agree with the statement that the rise in prices has benefited only the bigger landholders and agriculturists who have a surplus to sell in the market? Whom will you consider as bigger landholders belonging to this category? How many acres he should own and cultivate in your district?

8. Has there been in your district any steep rise in land price and any large scale sale of lands for the liquidation of indebtedness on that account. If so, what is the percentage of rise in the land prices?

9. To what extent, indebted agriculturists have benefited from the Debt Conciliation Boards in reducing their indebtedness?

10. To what extent indebted agriculturists have got relief from the operation of the Agriculturist Debt Relief Act?

11. Have there been genuine savings on the part of the agriculturists due to the rise in prices? If so, what have they done with their savings? Have they invested in Post Office Savings Banks, Cash Certificates, Defence Loans, liquidation of their own debts, improvement of lands, purchase of new lands and other productive lines or have they raised their standard of living, increased their expense on luxuries, marriages and other social ceremonies?

12. If there have been genuine savings has the Co-operative movement taken advantage of it to attract them to the credit societies on deposits? If not, why?

What methods could it have adopted to achieve this purpose?

13. What is the position of the land mortgage bank in view of the rise in prices of agricultural produce? How far their loans have been paid in advance?

14. Are the actual cultivators able to derive the full benefit of the rise in prices? Or are the middlemen depriving them of their legitimate reward? How far are the agriculturists taking advantage of co-operative sale societies to get fair prices?

15. Has the yield per acre increased due to intensive cultivation application of concentrates, etc.? Does not the high price stimulate agriculturists to adopt intensive cultivation?

16. Are members of co-operative societies leaving them after repaying of their debts?

The Madras Provincial Co-operative Union

Esplanade, Madras.

AWARD OF PRIZES.

Extension of time till 31-7-1945.

For the Best Essay on:—

"Co-operative Stores during War and How to Stabilize them after War."

The above Union will award Rs. 100 and Rs. 50 respectively for the first and second best essay on the above subject. The competition is open to all Co-operators in Madras—both officials and non-officials.

Essay must be sent **on or before 31-7-1945.**

The following rules are to be observed:—

1. Essay should not exceed 20 typed foolscap pages.
2. Contributor of the essay should not write his name on his essay. He must send the essay by Registered Post with his name in a slip attached to it to the Hon. General Secretary of the Union.

A Committee will Judge the essay and award the prizes. The prize essay will be printed in the Madras Journal of Co-operation if space permits.

Essays should be sent to: V. VIYYANNA, B.A., B.L.,
General Secretary.

The Madras Journal of Co-operation

Regd. No. M. 1284.

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