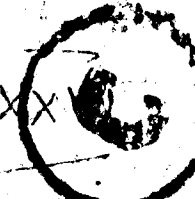


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THE
Madras Journal of Co-operation

EACH FOR ALL, AND ALL FOR EACH

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Editorial Notes.

Agricultural Problems:

In a speech dealing with the problems facing agriculture in this country at the opening session of the second meeting of the Policy Committee on Agriculture, the Hon. Sir Jogendra Singh indicated the directions in which the technological possibilities of agriculture can be pursued. Speaking on the future of farming in India, Sir Jogendra Singh said:

"I have so far dwelt on the essential needs of agriculture and our endeavour to meet these needs. There are other aspects with which the minds of thoughtful men are busy, such as, what should be the pattern of farming in future. This is a matter on which there is so much talk and so little data. Some people believe that the existing system should continue and all that is required is for Government to provide certain facilities in the shape of water, manure, seed, etc. Some insist that holdings must be consolidated and fragmentation prevented. Some hold that no progress is possible unless the land tenure system is changed and peasant proprietorship is introduced. Some pin their faith to consolidation of cultivation under the guidance of the village panchayat. Some believe in co-operative farming; though what type of co-operation is visualised is not always clear; there are so many different stages of co-operation. Some would resort to collective or

communal farming in which the rights in the land would be extinguished. Some would simply have State farms. Some believed in farms run by joint stock companies."

The problems presented are formidable and demand our closest attention. What form of farming is best suited to our country will depend on the conditions of the problem in each area and experiments have to be conducted before a decision can be arrived at. The State is the best agency for conducting these experiments as the risks involved are by no means small. In Madras, co-operative farming schemes have been evolved for the settlement of demobilised soldiers. The colonisation societies for landless labourers are also another form of farming in operation. But the colonisation scheme has undergone many changes as a result of experience gained. Without swearing by any particular scheme as the best suited for our conditions, we would suggest experiments in other forms of farming as well so that out of experience gained we may arrive at a suitable form of farming likely to yield best results.

Organisation of Agriculturists:

Sir Jogendra Singh urged the need for the organisation of agriculturists on the lines of Farmers' Unions in other countries. He lamented the absence of organisations which can speak with authority on agriculture as it affects the actual tillers of the soil. As in the case of industrial workers, attempts have been made in this province to organise agricultural labourers and small peasant proprietors. For some reason the authorities look upon such organisations with suspicion and distrust and they have no compunction even to prohibit the meetings of such organisations. Sir Jogendra Singh will do well to impress on the Provincial Governments to tolerate, if not actively assist, the formation of organisations for agriculturists. He is perfectly right when he says that "unless they organise themselves for their own advancement, they cannot make themselves felt among those who shape the destinies of the people and their claims are invariably over-looked". They can be organised; they can make themselves heard and felt; and they can put forward their legitimate claims. But the needless interference of the State in putting them down and considering everyone associated with them as irresponsible agitator, however legitimate and peaceful the activities may be, should be stopped. There should be a real change in the outlook of the authorities towards such organisations which alone can ensure their spontaneous growth.

Cottage Industries:

Sir Jogendra Singh stated that in relation to its size and resources, India is at the lowest scale of production and that we are not making full use of the man power available. He averred that there is urgent need to provide employment for 50 per cent of our population and that it would take some time to achieve this objective. Meanwhile he said there was room for organising cottage industries. We are not sure if Sir Jogendra Singh meant that the need for organising cottage industries would disappear with industrialisation. In our opinion, cottage industries have always a place and that too an important place in the rural economy of our country even when large scale industrialisation takes place. How best to allocate the spheres of industrial activity between small-scale and large-scale units and how best they can be linked up to avoid unhealthy competition, as it is unfortunately the case in regard to textiles, must be solved as otherwise it would be difficult, if not wholly futile, to solve the problems after they arise. We are amused to read the somewhat poetic outburst of Sir Jogendra Singh on the spinning wheel. This no doubt augurs well. But we would like to know what active steps have been taken by the Government of India of which he is a distinguished member in promoting hand spinning. For what we know such assistance as the Congress Ministries provided has been withdrawn by the Advisers' Governments. We hope he will use his good influence to recognise hand spinning as at least one of the spare-time occupations for the agriculturists and will make it an integral part of the economic rehabilitation programme for the rural areas.

Co-operative bias in Cloth Trade:

Even in regard to distribution of yarn and cloth, Hyderabad is giving a co-operative turn to the organisations engaged in distribution. Wholesale dealers and retailers are being encouraged to form themselves into co-operative societies by purchasing shares which are divided among them in proportion to the business they were previously doing and to start separate wholesale and retail sales depots at different centres. Once they enlist themselves as members, they are prohibited from doing private business. "They function as a collective body, the profits earned by each organisation to be divided among members after meeting working expenses and setting apart 25 per cent of them (profits) as a statutory reserve for the benefit of the textile trade in general. The dividend is to be limited

to a maximum of 10 per cent per annum." It is a matter of common knowledge the problem of distribution of yarn and cloth has raised many difficulties and in spite of Control Orders, black markets seem to flourish. Hyderabad seems to have benefited by the experience gained in the British India and devised the co-operative method of distribution. We too hope that 'this new turn given to the textile trade by the introduction of a co-operative bias in its machinery will not only meet the present scarcity of cloth and yarn but also become in the fullness of time, a permanent feature of the textile trade in the Dominions.'

Consumers' Co-operatives:

Out of evil cometh good. One such good thing which has resulted from this war as far as co-operation is concerned is the opportunity for the growth of consumers' co-operatives. The favourable conditions, among others controlled economy with its price ceilings, quotas, rationing and other measures involving the elimination of free competition in the retail trade, ought to prove sufficient encouragement for the establishment and growth of the consumers' movement. Unfortunately all the Provincial Governments do not seem to have realised its possibilities and given the necessary impetus. Even in provinces where the policy of Government as openly expressed favoured the consumers' co-operatives as suitable agencies for equitable distribution, we regret to say that in some districts the authorities are either indifferent or step-motherly in their treatment though it cannot be said they have actively sabotaged. It is not understood why they should persist in their attitude in spite of the policy of Government favouring the consumers' co-operatives. However, we are grateful for small mercies and our movement is making headway in spite of pin-pricks, thanks to the generous support of the Government. From our past achievements we shall be justified in saying we can do even better if the policy of Government is strictly followed in all the districts in spirit and letter. But we are pained to learn that in the United Provinces the co-operatives are kept at arm's length from the food rationing scheme. In a communication to the press, Mr. Mahesh Prasad, a prominent co-operator, pleads for the employment of co-operatives as agencies for food rationing. We heartily support his plea. If the United Provinces' Government have any misgivings regarding the capacity of co-operatives to undertake equitable distribution, we would invite their attention to the achievements of Madras where the co-operatives are playing a great and creditable part in food distribution even in rationed areas. If Madras had only relied on the 'normal channels of trade' especially during the emergency in 1942, what would have been the plight of Madras City and the province can be easily imagined. Starvation and death would have stared us. 'Normal channels of trade' may remain and continue to function. But the only way of checking their rapacity for more profits is to encourage

Consumers' Co-operatives. They will prove an effective check on their vagaries and ensure equitable distribution serving as a kind of 'fair price shops.' Our complaint is even in Madras 'the normal channels of trade' seem to have entrenched themselves strongly in regard to consumers' goods and their wail seems to have had its effect on the authorities. The consumers' co-operatives considered good for the equitable distribution of food-stuffs are not recognised as such for the distribution of consumers' goods. Man does not live by bread alone. He consumes other goods which are equally important for his existence. We hope in this regard too there will be a change in the attitude and the consumers' co-operatives in Madras will be enabled to cater to all the needs of the consumers and not merely confine themselves to food-stuffs.

Co-operative Milk Supply:

We are gratified to learn that the strenuous and sustained efforts of the Registrar of Co-operative Societies to employ the co-operative agency to tackle the problem of milk scarcity have borne fruit. The terms on which aid is promised are by no means as generous as we wish them to be. However, a beginning and that too a fairly good beginning has been made. We hope and pray the Milk Co-operatives will take full advantage of the offer of Government and play their part in supplying one of the most essential commodities of good quality and at reasonable rates to the consuming public.

We would invite the attention of our readers to an account of the working of the Madura Milk Supply Union published in this issue. It looks like a romance but all the same it is good and true. Similar sustained efforts, if made elsewhere, are sure to produce equally satisfactory results. We congratulate the Union heartily on its splendid success.

Rajalaseema Enquiry:

Elsewhere we have reproduced the exhaustive questionnaire issued by the Committee appointed to enquire into the state of the co-operative movement in Rajalaseema and suggest suitable steps to ensure its steady progress on right lines. It will be seen from the questions the terms of reference are wider than those ordinarily referred to such Committees in view of the peculiar conditions of the tract and the desire to bring about conditions favourable for the proper utilisation of the various measures of economic rehabilitation proposed and secure maximum benefit. We hope the response will be encouraging. Questions raised are practically the same as those which face areas similarly situated in the Province. Their solution will, therefore, be of general interest affecting the rural economy of the Province. Even co-operation can thrive and take strong roots only if conditions are favourable for its growth. Those conditions are essential if agriculture is to survive and cease to be a deficit economy.

Rayalaseema Co-operative Enquiry Committee.

Questionnaire.

Central Banks.

1. Are you satisfied with the working of the Central Bank in your district? If you are not, what, in your opinion, are the factors which prevent its functioning as a satisfactory institution and retard its progress?

To what extent have the following, among other factors, affected its progress?—

- (i) insufficient share capital;
- (ii) deposits—nature, condition and adequacy;
- (iii) inadequate reserves;
- (iv) shrinkage in loan business;
- (v) general apathy of the management.

(The list is not exhaustive. If you could think of any other factors, please state them. You may also state your suggestions for removing all or any of the difficulties mentioned.)

2. Have the classification of loans into short-term, medium-term, and long-term loans and the fixation of a time limit for each of them affected the business of your Central Bank? If so, what alterations would you suggest in the existing system?

3. If, on account of short recoveries of loans, the Central Bank finds difficulty in meeting its obligations to its depositors, what measures would you suggest for enabling it to surmount that difficulty?

4. Have you any criticism or suggestion to offer in regard to the maintenance of fluid resources by Central Banks? Did your Central Bank at any time default in maintaining the requisite standard and, if so, what, in your opinion, were the reasons?

5. Do you consider the rate of interest charged by your Central Bank to the agricultural credit societies that borrow from it reasonable (a) with reference to the rate of interest that the Central Bank has to pay on its deposits and other borrowings and (b) with reference to the agricultural economy of the area and to the repaying capacity of the borrowers?

6. Do you consider that the rectification work conducted by the Central Bank in respect of agricultural credit societies has been fruitful of results, particularly in the direction of (a) reviving or weeding out bad and dormant societies; (b) securing insecure debts; and (c) scaling down debts and facilitating collection of loans? On what lines would you suggest the rectification work to be improved or overhauled?

7. Give your suggestions, if any, to improve the working of Central Banks—in particular—their present constitution, by-laws, method of supervision and employment of staff and other cognate matters.

RAYALASEEMA CO-OPERATIVE ENQUIRY COMMITTEE

8. To what extent is your Central Bank indebted to the Madras Provincial Co-operative Bank? Has your Central Bank, at any time, experienced any difficulty in repaying the Provincial Co-operative Bank or the depositors? Do you consider that your Central Bank should be enabled to apply to the Provincial Bank for cash credit on the security of promotes of credit societies with unlimited liability, even though there may be overdues outstanding against them?

9. What is the extent of overdues in your Central Bank? How much of it is definitely bad and beyond recovery? Do you consider that the Central Bank can, with its present reserves and the additional reserves which it can build up, write off these bad debts? If not, on what other shoulders would you suggest should the burden be thrown for meeting the whole or a part of the losses resulting from such write-off?

10. What is the number of agricultural societies within the jurisdiction of your Central Bank? How many of them have since 1940 ceased to borrow from the Central Bank? What, in your opinion, are the reasons for this state of things?

Urban Banks.

11. What have you to say regarding the working of urban banks in your area? Are any difficulties experienced in raising the necessary share capital or securing deposits? How would you overcome these difficulties?

12. Do you consider the working of urban banks in your district satisfactory? What concrete suggestions would you make for improving the constitution, management and financial condition of the banks?

Do you consider that the facilities now provided by urban banks in respect of borrowings, savings, commercial transactions, etc., adequate and satisfactory? What further banking facilities would you suggest to make the banks most popular and to extend their business?

13. What are the causes for the overdues in the urban banks and what suggestions would you make for preventing their accumulation?

Rural Credit Societies

14. What is the condition of village credit societies in your area? If they are not prospering, what, in your opinion, are the circumstances unfavourable to their satisfactory working and growth? Have you any specific suggestions to make for improving their working and increasing their usefulness?

15. (a) How does the rate of interest charged by rural credit societies compare with that charged by other credit agencies in the villages?

(b) What, in your opinion, is the rate of interest which an average agriculturist in your area can be called upon reasonably to pay with due regard to his economic condition and to the return which he can expect from agricultural operations?

What should be the methods of financing to be adopted for such societies and of marketing the goods produced by them?

What help and facilities do they require for successful working?

36. What are the subsidiary occupations or industries, connected with agriculture, which can, in your opinion, engage the spare time of agriculturists and their families and ensure a supplemental income to them?

What help and facilities are needed to encourage the adoption of such subsidiary industries or occupations? How should they be organized and worked on a co-operative basis?

37. What possibilities are there for the development of such industries as bee-keeping, poultry rearing, fruit growing, rope making, basket making etc., by co-operative methods? What are your concrete suggestions in this regard?

38. What do you think about the possibilities of organizing hand-spinning on a co-operative basis? Would you recommend organizing separate societies for hand-spinning or would you favour hand-spinning being taken up as spare time employment by members of village credit societies?

39. What possibilities are there for starting on a co-operative basis industries such as oil pressing, paper making, sugar making, rice-hulling, etc.? On what lines should they be organized and to what extent would Government assistance by way of subsidy, etc., be needed?

Marketing Societies.

40. What functions, besides marketing of agricultural produce, would you allot to marketing societies in your area?

How would you ensure competent discharge of the additional functions? Would you suggest the curtailment of the area of operation at present allotted to the marketing societies in view of the peculiar conditions of the tract and of the lack of transport facilities?

41. At present Government assistance is made available to sale societies in the Ceded districts in the following form:—

(i) free grants for the construction of godowns (25 per cent or more on the recommendation of the District Collector).

(ii) loan of services of inspectors on condition that the societies meet 25 per cent of the cost in the first year, 50 per cent in the second year, 75 per cent in the third year and the full cost thereafter. This concession was made available for a period of 4 years commencing from 1943.

Have the sale societies in your district availed themselves of these concessions? If not, why? What additional facilities are needed to develop the business of these societies?

Land Colonization Societies.

42. What possibilities for the development of land colonization societies exist in your area? Do you think it desirable and necessary to bring under cultivation the large tracts of cultivable land under the Tungabhadra and other projects under contemplation by adopting this method?

43. What would you prefer—co-operative farming or collective farming? State reasons for your preference, taking into account the peculiar conditions of your tract.

44. How far can the principles of and methods of the co-operative colonization schemes prepared for the settlement of demobilised soldiers be followed in settling landless labourers in your area?

Miscellaneous.

45. Are there separate societies for the scheduled classes? Why have they not been successful? What, in your opinion, are the special measures necessary to popularise the co-operative movement among these classes?

46. Do supervising unions exist and function in your area? What are their present functions? Do you think their existence is necessary for the progress of the movement? How do you propose to refashion them to serve the purpose for which they are meant? Do you favour the continuance of supervision and the control of supervising staff by the Central Bank?

47. The value of propaganda for the popularization of the movement is recognized. What is the non-official body which is supposed to carry on co-operative propaganda in your area? In view of the special enthusiasm and value of propaganda as a necessary feature of all rehabilitation measures, what proposals have you to make for securing this objective?

48. What is your estimate of the volume of agricultural indebtedness in your area? Can you assess to what extent this has been reduced as a result of the rise in prices of agricultural products in the recent war years?

49. How have the restrictions placed on the operations of the money-lenders in order to protect the interests of the cultivating classes proved beneficial? Have they to any extent either directly or indirectly assisted the growth of the co-operative movement?

50. To what extent is the tendency for ownership of land to pass out of the hands of cultivating classes to non-cultivating classes observed in your area? To what do you attribute the accumulation of large holdings in the hands of a few? How would you arrest these processes?

51. Is absentee ownership of land increasing in your area? Is it a factor restricting the growth of agricultural production? What remedies would you suggest?

52. Is there a tendency to progressive reduction in the average size of holdings and their fragmentation? What measures would you suggest not only to prevent further fragmentation, but also to promote consolidation of holdings? How far have the consolidation of holdings societies, if any, been successful in your area?

Special Questions.

53. You know the Tungabhadra project has been sanctioned. Other similar projects, though on a smaller scale, are also under active consideration. Besides, under the 'Grow More Food' campaign, small but useful irrigation works have been carried out. Regular supply of water in some cases necessitates conversion of dry lands into wet while in some other cases new cultivation is made possible. Under projects like the Tungabhadra, conversion of dry lands even for dry irrigation involves some capital expenditure, let alone increased expenditure on good seed, manure, etc. It is estimated the cost of conversion will be about Rs. 30 to Rs. 100 per acre. The agriculturists will, therefore, require short-term, medium-term and long-term loans. Would you suggest ways and means of financing agriculture under these special circumstances? How far can such financing be secured through co-operative institutions? How far could the existing co-operative organizations be adapted and used for this purpose? Would you suggest the creation

of special co-operative or other agencies for this specific purpose? On what lines should these agencies be organized? How do you think should the funds required be provided? Please let the Committee have detailed views on this important topic.

54. It is said one of the causes for the failure of the Kurnool-Cuddapah canal is the existence of holdings too large for extensive irrigation and these too in the hands of a few agriculturists and the indifference of these large holders to cultivate their holdings in view of the expenditure and the trouble involved. It has also been said that this tendency is noticed in many parts of Rayalaseema and that the full benefits of the measures contemplated for the economic rehabilitation of the tract especially the provision of irrigation facilities, may not be reaped unless some radical measures are adopted. Further, it is considered beyond the capacity of many a large holder to bring the land under the plough incurring heavy expenditure and also pay water-rate and other charges imposed on such large extents of the land. What, in your opinion, are the measures necessary for the purpose of meeting this situation?

55. The Famine Code Revision Committee have in paragraph 20 of their report made the following observation:—

"We recommend therefore not only a compulsory water-cess to be paid on the entire commanded ~~ayacut~~ but a provision for the acquisition of any land—which has not been brought under regular irrigation within ten years of water being first supplied—at a valuation to be fixed at the time of the passing of the Act. The lands thus acquired should be sold to bona fide cultivators who can be trusted to develop them to the best advantage. Legislation of this kind can only be passed if every opportunity and assistance is given to cultivators to make the best of their lands."

What is your reaction to the proposal contained in the above extract? If, however, the suggestion as made or in some other form is adopted, what is the best method of financing agriculture carried on by the new settlers? Could it be organized on a co-operative basis? Could the settlers be assisted to pay off the price of the holdings by means of land improvement loans from land mortgage or other co-operative institutions? What safeguards would you impose on alienation, etc., till the dues are fully paid?

56. If, however, what is called as 'cultivating ownership' or the 'right to use the land' is conferred and the holder is allowed the full enjoyment of the fruits of his labours with restrictions on alienation, etc., on what conditions would you suggest should loans be advanced from the co-operative societies? Should the right of societies for prior claim on the produce be considered as sufficient security so far as loans for cultivation expenses are concerned? May the 'right to use the land' be deemed sufficient security for development loans of long-term duration? Do you think the land mortgage banks could dispense this credit or would you suggest the organization of special types of societies for the purpose? Please give your views in detail.

57. It has been said that individual holders of land, especially in the tracts affected by the various irrigation projects, cannot avail themselves of the facilities offered and achieve any material increase in production or improvement in their standard of life unless they are organized for the purpose on some kind of collective basis. What do you think of this suggestion? Would you suggest the formation of co-operative farming societies? If so, on what basis should they be organized? Please mention the fundamentals of such societies to ensure their successful working and secure the end in view.

Co-operation within a Planned Economy*

BY M. VENKATARAMAIAH.

I am very thankful to the management of the Co-operative Central Bank, Nellore, for having given me this opportunity to actively associate myself in the Silver Jubilee celebrations of the Institution this evening. As one belonging to the district and also as an Ex-Director of the Bank I am glad to join the other Co-operators in congratulating the Bank on the successful completion of twenty-five years of its life and the great service which it rendered to the agriculturists and to the other members of the lower middle class during all these years. I wish the Bank a long period of still more useful service in the field of co-operation.

I propose to make a few observations to-day on the various economic plans which have been recently put forward and the place which co-operation has if those plans are put into execution. Of these plans the more important ones are: (1) the Bombay plan (2) the People's plan (3) Sri M. Visweswaraiyah's plan (4) Agarwal's or Gandhian plan (5) Post-war reconstruction plan of the Government of Madras. It is not necessary for me to take you into the details of these various plans. It will be enough if I point out some of the salient features common to them all so that we may be in a position to state whether under those plans co-operation will have a larger and a more important place or a smaller and less important place than what it has in our country at present.

One feature common to all these plans is their diagnosis of the economic problem of India as the problem of poverty and their offering an economic solution to this problem. It is now universally recognised that the large majority of the people in our country are below the poverty line in the sense that they are not in a position to satisfy their primary needs. They do not have sufficient food to satisfy their hunger and to keep them in health and comfort; they do not have an adequate amount of clothing; and the large majority of them have no houses worth the name to live in; very few of them are healthy and still fewer are literate. In other words they do not have that minimum of food, clothing, shelter, health and education, which is absolutely necessary if man is to lead a human life. Ninety-five per cent of the people in the country are in this unfortunate position.

It may be said that this is no new discovery of the modern planners. Poverty has always been with us and with most peoples in the rest of the world. But it is in the matter of putting forward a solution to the problem that the planners deserve a great deal of credit. Here it is that

* An address delivered on the occasion of the Silver Jubilee celebrations of the Nellore Central Co-operative Bank.

we find a difference between the ancient and the modern approach to the problem. Until recently the solution for the problem of poverty was more a spiritual and moral one than an economic one. The poor were told that they would have compensation in the other world for the misery and suffering they experienced here on earth, that life on earth after all was comparatively a short one, that contentment would bring not only solace but was the symbol of courage and even heroism and that the ideal life was one of extreme simplicity. Even to-day there are the advocates of a simple life. Mahatma Gandhi is one of them and in Agarwal's plan a good deal of space is devoted to its advocacy. But on the whole this solution has been discarded. It is now realised that poverty need not exist and an adequate supply of goods required to satisfy the minimum needs of all men is a practicable proposition; and that the economic problem of poverty has an economic solution.

All are aware that this changed attitude towards the economic problem is only a century and half old and that it is the outcome of the revolution created by the development of modern experimental science. Our knowledge of Nature has enormously increased and our ability to bring the powers of Nature under human control and harness them to the service of man has also increased in an extraordinary degree. We know that if we make a proper use of this knowledge and ability we can produce from an acre of land three or four times as much as our ancestors produced: we can bring to the surface of the earth any quantity of minerals and with the help of machinery we can convert raw materials into finished products fit for the use of a man at a speed and with such excellence of quality not dreamt of in the past. This change in the general conditions of the world has made it quite clear that no one need suffer from want; and that if there is still any such suffering it is due to our unwillingness to make effective and right use of the human and non-human resources which are at our disposal.

The authors of the various plans are all agreed on this point. They think that it is possible within a given period of time—ten or fifteen years—to produce in our country food, clothing, house-room, health appliances and educational facilities which will make the life of every individual quite comfortable. There are differences among them but they are differences of emphasis, differences on points of minor detail or on ideologies. But in the broad approach to the solution there is a good deal of similarity among them.

Every system of planned economy implies a central agency which lays down the plan and which takes the steps necessary to execute it. And under modern conditions the State has to be that central agency. It has the advantage that its effective jurisdiction extends to the whole area over which the plan should work and it alone commands not merely all

the resources but also the coercive power which at some stage or other will be required to put into execution a planned order. Even under an unplanned economy as it exists to-day the general control exercised by the State is large and unescapable. And it has to be much more under planning.

But the State may use different agencies to execute its policies and purposes. And the agencies used will depend on the nature of the business to be carried on. It is also possible and desirable that certain businesses are undertaken and managed directly by the State itself. It is not necessary for our purpose to-day to draw a list of industries which fall into each one of the categories. Public utility concerns, industries required for the defence services of the country will necessarily be State-owned and State-managed. Many of the heavy industries like mining, metallurgy, manufacture of machinery and machine tools, engineering industries, chemical industries, will naturally be run as large scale businesses under private enterprise subject ultimately to State control. In all these cases large amounts of capital, organising abilities of an extraordinary character, willingness to take extensive risks will be required and such businesses have to be run mainly on a joint-stock basis.

It is at this stage that the question arises whether in the economic world as thus envisaged there is room for co-operative type of organisation, an organisation which is needed only when businesses are carried on on a small scale involving little risk and needing managerial abilities of only an average character. To the extent to which there is room for small-scale businesses to that extent will there be room for co-operative organisation.

The real question therefore that requires consideration is the extent to which small-scale businesses will exist in the planned order in post-war India. The first point to be noted in this connection is that all planners are agreed in saying that even in the future economy of the country agriculture is bound to occupy a dominant place. As the Bombay plan puts it, "Although ultimately the contribution of agriculture to our national dividend will be only 40 per cent as compared with 53 per cent in 1931-32, it will not change the essentially agricultural character of our economy. From the point of view of employment, agriculture will continue to employ the greater part of our population". Indian agriculture has always been small-scale agriculture. Peasant proprietorship has been its characteristic. There is no prospect whatever of this feature being abandoned in any conceivable future and so long as it continues to be the case the need for co-operation—the need for the satisfaction of which co-operative societies were originally organised—will continue to be there. The essence of co-operation consists in its bringing to the concerned persons all the economics of large-scale businesses without the

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business unit really becoming larger. And on experience of co-operative organisation proves that if peasant proprietors with their small holdings and with their load of debt have to become economically prosperous it is only through co-operative organisation that they can do so.

The idea of co-operative farming has now very much come into vogue. The present Director of Agriculture in the Madras Province is a staunch protagonist of this idea. And it can be put into effect in two ways. There are the schemes for settling the veterans returning from war service on new lands and making them adopt the new methods of cultivation. And it will be a good thing if these settlements are organised on a co-operative basis. In addition to this co-operative farming may be tried even in the existing villages. It will be an effective remedy for the evils ensuing out of the fragmentation of holdings. It will bring about economies in the use of cattle in carting and in many other directions. The field for it is large. The Bombay plan commends it mainly on the ground that it increases the size of the holding for purposes of cultivation without depriving the cultivators of their right to the ownership of their existing holdings.

The need for cheap credit will be as great in future as it has been in the past. There is no guarantee that the high prices for agricultural produce which have been ruling for some years and which have enabled the cultivators to get some relief from the burden of debt will continue after the war. Even otherwise the demand for cheap capital for agricultural purposes is bound to rise after the war. Ryots will be called upon to take to more intensive methods of cultivation and introduce the latest improvements suggested by the Agricultural Department. It is agreed by all that we should become more self-sufficient in the production of articles of food and of raw materials required for our manufacturing industries. The scope, therefore, for co-operative credit will become increasingly widened.

The same is true of co-operative marketing—of purchase and sale—by the agriculturists. Increasing use of fertilisers, of new implements and of the other requirements of the agricultural population will necessitate co-operative purchase on a larger scale. The advantages of sale through co-operative societies have already been understood by the cultivators and if increasing facilities are afforded to them to take loans on the security of their produce they will be in a position to make better and more effective use of the sale of their produce through co-operative organisations.

It is not merely because agriculture is bound to continue to occupy a dominant place in our national economy that the scope for co-operation will become wider in the future than in the past. There is also another reason for this. It is the increasing recognition that cottage industries

will occupy an important place in the future planned order. One need not be an opponent of all mechanisation to grasp the significance of cottage industries. Even advocates of extensive use of machinery and factory type of industry find that cottage industries will continue to exist although the country might become highly industrialised. This view is based on the experience of countries like England, Germany, Japan, and the United States which have already passed through the stages of industrial and technological revolution. In them there are many industries of the cottage type that are in a flourishing condition. In our own country industries like the handloom weaving industry have been able to withstand machine-competition. The National Planning Committee has given a list of about forty industries which may be successfully organised on a cottage basis. There is finally a most important consideration to be kept in mind in this connection. It is the fact that agriculture does not give employment to the cultivator all the twelve months of the year. He has to be compulsorily idle for four to six months; and of the causes of his poverty is this enforced idleness. It is, therefore, necessary to provide him with some subsidiary industry or other which he can carry on in his household and which will bring him some supplementary income. The scope therefore for cottage industries is wide.

But like the peasant proprietor cultivating a small holding the person engaged in running a cottage industry suffers from very many disabilities. He is not always able to get the small capital he wants at low rates of interest. He is as much in the clutches of the money-lender as the cultivator. He is not able to get raw materials of good quality at reasonable prices. He is not able to dispose of the finished product at the price which it deserves to command in the market. It is only through co-operative societies that he can get himself freed from these difficulties. Experience has provided this and in the years to come when the public and the State are bound to take more interest in these small producers, co-operative societies will be called upon to play a larger part in this particular field.

I will give one more example to illustrate my point that the scope for co-operation will be much larger in the future than in the past. It arises out of the question of housing. We are already having fairly good number of building societies. In all schemes of post-war planning it is realised that more houses should be built and that the State should advance money for this purpose. The idea that every one should try to live in a house owned by him and that through building societies the idea could be put easily into practice have already taken hold of the people. In a planned economy under which the income of each individual is bound to rise, not only the demand for owned houses but also the ability to come into possession of such houses will increase. And there will be corresponding need for increasing the number of building societies in the country.

It is, therefore, safe to conclude that in the planned order which is to be put into operation in our country in the years to come the scope for co-operative organisation in all fields of economic activity will become wider and co-operators will have more opportunities of rendering service to their countrymen.

Social Insurance through Co-operation

BY V. JAGANNADHAM, M.A., M.LITT., B.L.

War has given a great impetus to reconstruction programmes and among these, social insurance occupies the foremost place. Agricultural labour, however, is regarded as unfit for schemes of social insurance as, at present, it is "ill-organised, illiterate and poverty stricken". While accepting this description, we should not rest content with the view that no form of social insurance can be applied to agricultural workers. Consisting as they do the bulk of the people, agricultural labour should not be denied the benefits of modern science and administration. In this connection, social insurance through co-operation readily suggests itself and it is the aim of the article to show that no insuperable obstacles lie in the way of experimenting and extending the scheme by shares.

The risks and hazards of life affect agricultural labourers as much as the industrial workers. Sickness, old age, invalidity, orphanage, widowhood and unemployment lower the standard of life of an agricultural worker. Besides these, the vagaries of monsoon, the loss of stock or fall in prices always threaten the lives of small proprietors and agricultural workers. While the decline of joint family system and the system of community help in villages expose them to greater risks of life, no serious efforts have been made to replace them by modern concerted social security schemes. If villages are to attain their former importance, and villagers their former status, their stature should be improved through well-planned social security schemes.

Social security may be defined as "the security that society furnishes through appropriate organisation against certain risks to which its members are exposed. These risks are essentially contingencies against which the individual of small means cannot effectively provide by his own ability or foresight alone or in private combination with his fellows." According to the famous report of Sir William Beveridge on "Social Security and Allied Services" the following three methods together make up the social security system namely (1) Social Insurance for basic needs, (2) National assistance for special cases and (3) Voluntary insurance for addition to the basic provision. We are for the present concerned with the first of these three methods *viz.*, Social Insurance.

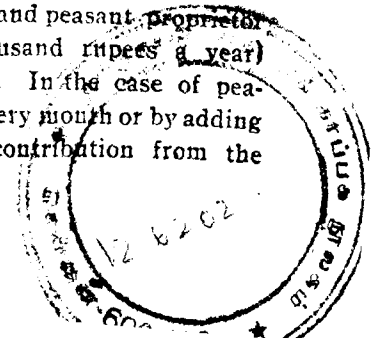
Two fundamental features of any scheme of social insurance are (1) compulsory contribution and (2) administration of benefits. The party that makes the contribution and the organisation that administers the benefits are therefore the pivots of the scheme. Whether agricultural labourers can be relied upon to make unfailing contributions is the crucial issue. In the case of industrial workers this difficulty is obviated

by the fact that they get a daily or weekly or monthly wage; and the employers also contribute in part to the insurance fund. Agricultural labourers, however, do not have regular employment throughout the year and their wages are mostly paid in kind. But the difficulties of collecting contributions are not as insuperable as they appear at first sight.

"In so far as agriculture is carried on by share farmers or tenant farmers and in so far as there exists a class of agricultural workers who are mainly dependent on wages, the basic condition of social insurance has already been fulfilled" says the I.L.O. pamphlet on "Social Security." That conditions in India approximate to this state of affairs is not an exaggeration. Thanks to our rules of inheritance and subdivision and fragmentation, agricultural labourers depending on daily wages are growing in large numbers. One more class of agriculturists that can be brought under the scope of social insurance is the small peasant proprietors.

"Co-operation bids fair to cover broad fields of economic life in India" says Mr. S. V. Ramamurthy, Adviser to His Excellency the Governor. If this is to become real in fact, a good start may be made by organising rural banks to collect contributions for Social Insurance fund. A noteworthy feature of agricultural labourers in India is the succession of opulence and want in harvest and non-harvest seasons respectively. What they are in need of is an even income all-round the year, and canalizing their savings into a pool from which they can draw during lean days. Besides these, of course, contributions should be collected for the Social Insurance Fund.

The first of these objects can be achieved (1) by undertaking public works during non-harvest season and (2) by organising subsidiary occupations and home industries. The second object can be achieved by spreading the net-work of thrift societies over almost every village or a group of contiguous villages. The experiment that is being carried on by the Alamuru Co-operative Rural Bank commends itself in this context. The Bank sends its agents every evening round the villages in the area of its operation and sells to the members thrift labels of various denominations ranging from one anna to one rupee. By this procedure, the savings during harvest season are prevented from being squandered on drink and other evil habits. The collections that are so made form the credit for advance during non-harvest days. A similar method may be adopted for collecting contributions from agricultural labourers for Social Insurance Fund. That every agricultural labourer and peasant proprietor below a certain level of income (for e.g. two thousand rupees a year) should become members may be made compulsory. In the case of peasant proprietors, contributions may be collected every month or by adding to the land cess. The State should make its contribution from the



inception of the scheme and may be made by remitting proportionate land revenue collected from the village to the village Social Insurance Fund.

Benefits, as in the case of industrial workers, will be of two kinds viz., (1) Cash and (2) Medical. Cash benefits can be administered by a separate branch of the rural bank and the card system adopted in the case of the industrial worker, may be adopted with advantage in the case of agricultural workers also. Medical benefit can be best administered by organising rural dispensaries. There are already several such dispensaries run under the auspices of the Panchayats and the District Boards. The activities of these dispensaries can be extended so as to cover the insured persons. Villagers are often of robust health and by improving environmental services and raising their standard of life the load of medical benefits will not be heavy. Common infectious diseases can be nipped in the bud through the activities of rural dispensaries and thereby check the heavy toll of preventible diseases like cholera, small-pox, etc. In fact, only the helpless and the aged will form the bulk of the claimants under rural Social Insurance Scheme. The absence of exact actuarial data is not regarded as a condition precedent for introducing social insurance even for industrial workers. To exclude the benefits of social insurance to agricultural classes is to deny its benefits to the bulk of the people and halting and lopsided will be the progress if it is merely confined to industrial workers.

Agrarian relief and co-operation have become intimately associated as end and means and social insurance for agricultural classes can also be best achieved through co-operation. Contributions and benefits can be collected and administered through village co-operative institutions. The activities of village organisations can be supervised and controlled by District and Provincial authorities separately established for this purpose. Social insurance for industrial and agricultural workers need not be in separate water-tight compartments. In practice the two assume the form of urban and rural service centres and their activities can be co-ordinated and brought under the administrative control of a single Social Insurance Board. The fact that rural agricultural population is less articulate and less assertive should not blind us to the immediate and imperative need to promote their welfare through modern agencies and give them the benefit of recent administrative discoveries.

We should all acquire the habit of thinking. Think deeply, think regularly. Think on 'whatsoever things are true, honest, just, pure, lovely of good report' and all these things will come into our lives.

The Kodur Fruit Growers' Co-operative Society, Ltd., Head Office, Rajampet.
(Contributed.)

Gardens especially contributed those of oranges are very vastly grown in Rajampet taluk. Food crops and other crops that fetch money are second to orange plants to a ryot of this taluk. The income is 300 per cent more in the case of oranges. Hence special attention and care are bestowed on orange gardens. A considerable portion of their income was snatched away in the previous years by the traders in that line. The traders purchased the gardens and exported the fruits to Madras merchants for sale. The Madras merchants gave them some price and they in turn sent the fruit to places in South India fixing a higher price. Thus there were two important middlemen before the fruit reached the consumer.

To eliminate these middlemen and to get the maximum benefit to the producer the Kodur Fruit Growers' Co-operative society was started on 7-4-1937. The President of the opening function was V. S. Hejmadi, Esq., I.C.S., the then Collector of Cuddapah. The Society not only eliminated the middlemen and added their share to the producer but also improved the gardens on scientific basis by a special staff. The Society also advanced loans on the pledge of the standing crops and thus met their financial needs. The improvement is such that within a period of 8 years the number of members on rolls is 900 with a paid-up share capital of Rs. 35,000. The sales made for 9 months up to the end of March 1945 are to the value of Rs. 13,41,500. The Joint Registrar inspected the accounts of the society in the month of January 1945 and remarked that the accounts were neatly and correctly maintained. The Registrar was pleased to pay a compliment at Palacole on the occasion of laying the foundation stone of Palacole Fruit Growers' Co-operative Society's buildings. The Registrar also paid a compliment to the working of the Society at the Silver Jubilee meeting of the Cuddapah District Co-operative Central Bank on 11-3-45. The Society has been classed as the best in India by the Agricultural Marketing Adviser to the Government of India. He has also recorded that the grower's share in the consumer's rupee is the highest in the case of sathukudi oranges exported by this Society to Madras City, it being 53.8 per cent as compared with 19.2 per cent only in the case of oranges exported from Nagpur for sale in North India.

The improvement is steady. Every year an addition either a branch or an agency is added to the working of the Society. In the year 1936-37, the year of starting, no appreciable work was done because the period was only two months. The improvement year by year is given below:—
1937-38. A depot at Madras was opened and finally the depot was handed over to the Madras Provincial Marketing Society, Ltd., agreeing to share the commission earned in the ratio of 1:3.

- 1939-40. Branches at Anantapur, Bellary and Hindupur were opened. These branches had to be closed in the year 1940-41 since they were not self-supporting. The Society created markets in these three places. Local agents were appointed.
- 1940-41. The Hyderabad and Bangalore branches were opened and are still working. The Society was the first to introduce sathukudi oranges in these two places. Bangalore has become a good market for sathukudi. Hyderabad is still to improve. Major portion of the business at Hyderabad is that of betel leaves and mangoes.
- 1941-42. Grading stations at Kodur and Rajampet were opened. Under the advice of the Agricultural Marketing Adviser to the Government of India and the Provincial Marketing Officer, Madras, the Society took up grading and supplying fruits sizewar with A. G. mark labels to the consumer. The Society monopolise South India by the supply of graded fruits. The Society appreciates the co-operation of the sister co-operative societies of South India. The Society corresponded with the M. & S. M. Railway and got special concessions in the railway freight. An agent at Vellore was appointed.
- 1942-43. Grading station at Reddipalli was started. Secunderabad branch was opened. Agents at Bombay and Sholapur were appointed for the sale of mangoes.
- 1943-44. Agents at Ahmedabad, Guntakal and Nellore were appointed.
- 1944-45. A branch at Cuddapah and a Grading station at Nandalur were opened. With the kind help of the Registrar and the Joint Registrar of the Co-operative Societies, Madras, the Society got Military contract and has become the sole supplier of oranges, plantains, mangoes and limes in the Cuddapah district.
- Thus it can be seen that every year the Society took a step further in the improvement and advancement of the Society. The statement given below illustrates with facts and figures.

Year.	Number of members	Paid up share capital.	Madras depot.	SALES.		Other agents.	Total.
				Hyderabad.	Bangalore.		
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1937-38	108	2,795	...	...	...	...	9,258
1938-39	173	4,325	81,092	...	...	...	81,092
1939-40	230	6,156	81,145	...	...	5,886	87,031
1940-41	306	6,948	94,993	42,438	5,656	6,869	1,49,946
1941-42	374	8,140	91,826	56,694	13,722	9,471	1,71,713
1942-43	465	9,693	82,127	46,745	15,637	1,14,369	2,58,878
1943-44	563	17,243	1,34,616	42,807	17,583	1,76,466	3,71,501
1944-45	900	34,958	1,33,697	31,487	19,227	1,00,500	18,41,503*

*including military sale-proceeds of Rs. 11,69,593.

The special staff of the Society visited the villages and educated the growers in the scientific methods of gardening. The supply of necessary appliances, insecticides and scientific manures especially bone meal improved the quality as well as yield. The two important diseases mottle leaf and root-rot were brought under control.

The Madura City Co-operative Milk Supply Union.

BY V. ALAGAPPAN, B.A., B.L.

The Madura City Co-operative Milk Supply Union is to-day occupying a front rank among the institutions of its kind in this Presidency. Started in the year 1938, amidst keen competition, with the main object of supplying pure hygienic milk at reasonable prices to an indifferent consuming public, it is to-day distributing 1,800 Madras measures of milk to about 3,000 customers. Judged by the standard of distribution of milk to civilian needs as distinct from military requirements, this Union occupies the first place in the province. This rapid progress has not been made over night and the road to such progress was not smooth. It had to encounter many obstacles in the early stages and it was only the indomitable courage and willing sacrifice of time and energy by the Directors that steered the Union from success to success.

2. The history of the Union briefly told is this. The citizens of Madura were depending upon private dealers for their very essential requisite milk. The milk vendors resorted to all sorts of malpractices with the result that pure unadulterated milk could not be had for any price. True they were taking the milch animals to the residence of the customers and did the milking in their very presence and even then they were able to adulterate either by having a bottle of water with them and mixing it while milking or by arranging somebody to pass by and adulterate unnoticed. Thus even the upper and middle class people who alone could have this facility of having the cows milked in their presence and so had the obvious satisfaction of getting pure milk did not in actual practice get pure milk. The case of smaller consumers was still worse and as a large number of consumers were not also regular in making their payments, the entire civilian population were at the mercy of these milk men who supplied anything except pure milk. Further as these milk men kept the animals in insanitary sheds and underfed them, the quality of milk produced by these animals was also poor. This appalling situation attracted the attention of the co-operators of Madura and the Municipality who found in the formation of a co-operative milk supply union the only possible remedy for the evils in this trade. The Madura City Co-operative Milk Supply Union was registered and started on work on 29-6-38.

3. The main object of the Union was to arrange to secure from the various centres pure good quality of milk under hygienic conditions and distribute it to the public at reasonable prices. For the purpose of getting milk from the producing centres, feeder societies as they are called, were started in Anuppanady, Taliakulam and Ponnagaram, all situated within the municipal limits. These societies had as their members persons who either owned or were helped to purchase and maintain

milch animals. The milking was done in the societies' sheds in the presence of the office-bearers of the societies and employees of the Union, and sent to the Union in sealed cans through bullock carts. Distribution of milk by the union was also made in sealed vessels with taps and there was no scope for adulteration anywhere. The price was fixed reasonably at 3 Madras measures per rupee and reduced rates were offered for bulk purchase. It has only been recently raised in view of the increased cost of maintaining animals.

4. The Union did not have a smooth sailing and the expected success in the initial stages. The consuming public who were all along accustomed to make payments to milk men at irregular intervals could not adjust themselves to the changed system of paying cash in advance and patronage even from educated middle class was very slow in forthcoming. Added to this, the staff employed in the Union were not faithful to the institution. A direct consequence of these factors was that large quantities of milk received in the Union were left unsold. This surplus milk had to be converted into bi-products such as cream, butter, curd, etc., and then sold. And it is no surprise that the first year's working disclosed a net deficit of Rs. 1,216. The Directors were undaunted and in the succeeding year, they made a vigorous door to door propaganda with appreciable results. The progress of the Union has since then been steady as would be seen from the statement below:—

Year.	No. of members.		Paid up share capital.	Production of milk.	Sale of Milk and Milk products.
	Individuals.	Feeder Societies.			
1938-39	3	3	Rs. 400	Rs. 14,962	Rs. 15,399
1939-40	3	3	500	20,537	24,061
1940-41	3	6	530	25,495	28,903
1941-42	3	6	540	50,401	58,498
1942-43	3	6	600	64,004	76,323
1943-44	3	15	1,400	1,40,462	1,59,732
1944-45	3	19	2,300	2,64,568	2,93,182

The net profit earned by the Union during 1943-44 was Rs. 11,875. It has a Reserve Fund of Rs. 5,663 and a building fund of Rs. 4,818.

The Union has to-day attained a very high degree of popularity among the civilian public and it is only the difficulty in increasing production that stands mainly in the way of its further progress. Besides catering to the needs of families, the Union has secured during this period the supply of

milk to the Government Hospital, District Jail, the Indian Refreshment Room of the South Indian Railway, Madurai, hostels attached to educational institutions and some private restaurants. The three feeder societies which were originally started for the purpose of supplying milk to the Union could not supply all the milk required with the expanding business of the Union and more feeder societies were gradually registered with the result that to-day there are 19 feeder societies supplying 1,800 Madras measures of milk to the Union.

The Union and the feeder societies were fortunate in having a sympathetic financing bank in the Madurai-Ramnad Central Co-operative Bank which is generous in encouraging institutions of this type. Besides providing the requisite finance to the feeder societies for issuing loans to their members for purchase of milch animals, fodder, etc., from time to time, the Bank placed at the disposal of the Union a portion of its premises for locating the office of the Union at the initial stages.

The Madurai Municipality has also been taking a sympathetic interest in the affairs of the Union from its inception and has also permitted its Health officer who has been giving expert technical advice and guidance to be in the Directorate of the Union. Further, the Municipality has also given the necessary vessels and push cycles required by the Union at concessional prices.

5. The 19 feeder societies which have in between them about 1,500 animals require a regular supply of good grass. Reference was made in the foregoing paragraph to the poor quality of milk from animals kept in insanitary conditions and ill-fed, with a view to ensure regular supply of good grass an essential and requisite food for milch animals, the union has taken up the lease of sewage farm owned by the Madurai municipality where guinea grass is grown. A brief note on the sewage farm may be of interest. The sewage farm is about 150 acres in extent and is situated in the Ayanapakkudi village at a distance of 4 miles south of Madurai Town. In about 80 acres, guinea grass is grown. The lease of this land has been all along taken by private persons who were selling the grass in the town at high prices and that too not regularly. The members of our feeder societies who are supplying milk to the Union were along with the rest of the milk men put to a great deal of suffering and inconvenience thereby. The Union therefore had to step in and from the year 1943-44 took the lease for two years of a portion viz. 18 plots measuring about 40 acres the remaining plots having been taken by private individuals. Of the 18 plots, 16 were with the grass and two were planted with the grass by the Union after the lease was taken. The method of planting is done as follows. Guinea grass is a permanent crop in the field. All the weeds in the fields are removed and burnt. The plots are then watered for ploughing and ploughed 4 times and ridges are formed 10 feet apart to have easy irrigation of beds. Guinea grass seedlings in the other fields are taken and planted 2 feet apart. The sewage water of the town is pumped to the farm and is directly allowed into the plots through sluices in the masonry channels into earthen sub-carriers and watering the plants is thus done once in a week. The grass is ready for first cutting in 6 weeks after planting. Afterwards, the harvest is made once in 35 to 45 days and on the whole 8 to 10 cuttings are made in a year. Weedings were done 3 times during the first year. The grass as it is cut is tied into bundles of 12 to 15 lbs. of weight. 100 bundles are loaded in

double bullock carts every morning and sent to the town for distribution among the members of the various feeder milk supply societies. The surplus stock if any left after distribution to members of societies is sold to non-members of the public.

The farm is in charge of a Superintendent who is an agricultural graduate and is paid by the Municipality. The Union has employed a Supervisor to look after the harvesting and distribution of grass. There is a maistry to periodically arrange for watering the plants, weeding, etc. About 40 coolies have been engaged to cut grasses daily, bundle them up and load them in carts. 18 cartmen with carts contracted by the Union undertake the distribution of about 1,600 bundles daily. The customers have paid trade deposits and monthly bills for supply of grass are met by them regularly.

During the years 1943-44 and 1944-45 the Union has taken up the lease for total sums of Rs. 21,167. The sale of grass during this period amounted to Rs. 89,523. After meeting the expenses of Rs. 45,972 in running the scheme and paying the lease amount of Rs. 2,167, the Union has made a net profit of Rs. 22,384. For the lease of the farm for the years 1945-46 and 1946-47, there was very keen competition and yet the Union and the other 3 feeder societies have in all taken up the lease of 17 plots measuring about 36 acres for Rs. 77,000. The municipality has fixed the selling price of grass at a rate higher than that of the previous year in view of the increased cost in maintaining the farm.

6. In view of the difficulties in maintaining in the town the milch animals when they go dry the milk men sell away their animals for low amounts and are forced to buy animals in milk at disproportionately high prices. To avoid this loss at both ends to the milk men, the union launched a scheme in 1942 by which the dry animals could be maintained at low costs. Manickampatti a place situated near hilly parts in the north of Madura at a distance of 16 miles where there are ample facilities for grazing was selected for the purpose. A nominal fee of one rupee per month for each animal and 0-8-0 per calf was levied as the cost for maintaining them. About 200 dry animals were maintained at this station and they were left under the care of an agent of the union at Manickampatti who was a respectable man of the village and also the President of the local co-operative credit society. The entire fees collected were paid to him to meet the expenditure incurred by him. But however due to attack of cattle diseases and by wild animals of the jungle, some cattle died. The Government have been requested to depute an Assistant Veterinary Surgeon to look after these animals and at present the Veterinary Department has made arrangements to inspect the animals by a touring Veterinary Assistant Surgeon with his headquarters at Madura.

This scheme has now been extended to two other centres at Nainar-puram and Koothiarkundu, places adjacent to Madura. Good breeds of stud bulls are maintained in these stations for serving dry animals. Under this scheme some owners of animals have been benefitted and at a cheap cost of less than Rs. 20 dry animal is maintained and at rid of the bother in maintaining them in towns or in purchasing fresh animals. The scheme is only in its initial stages and further development on safe lines and a scheme of cattle insurance to meet losses due to death of animals are under contemplation.

Reviews.

Japan: By Sir George Sansom—No. 70—Oxford Pamphlets on World Affairs—Price 6 d. net.—pp 32.

The author of this leaflet has served in consular and diplomatic posts in Japan for nearly forty years and is therefore unusually fitted to speak with first hand knowledge about that country.

Within the brief space of 32 pages the author has given us much information about the physical characteristics of the country, its history, its political and economical structure, its religion and its educational system.

Gifted with a climate "that provides challenge and stimulus, without excessive hardships" and endowed with a desire "to better themselves and tireless ambition and a determination to profit by the knowledge and experience of others", no wonder Japan has made tremendous progress in the last phase of its history which opens with 1,853 when Perry of America got admission into Japan.

Naturally there is much indoctrination in schools and every boy and girl is made to believe in the greatness of the country and his or her duty to serve the motherland even at the cost of life. its economic prosperity, is to a great extent due to the "diligence of her people, their manual dexterity, their simple standard of living and her greatest single asset namely, her disciplined man-power has been exploited to the maximum extent.

Japan has a population which is beyond its ability to maintain decently and hence many attempts that have been made in recent times on foreign conquest as in Korea, Manchuria and so on.

The author concludes this brief survey with a bit of advice about the future. He wants the United Nations which we are all sure, would be victorious to devise a plan by which Japan can be ensured a livelihood but denied the power of aggression.

S.K.Y.

French Foreign Policy: By David Thomson—No. 67—Oxford Pamphlet on World Affairs—Price 6 d. net.—pp. 32.

In discussing the foreign policy of a country, we have to consider as the author remarks at the outset "its geographical and strategic position, its historical traditions and economic interests, its political tendencies and foreign rivalries or enmities." The French foreign policy after 1870 is discussed in this pamphlet in the light of these various guiding factors.

Three factors have had a mighty influence upon the history of France in general after 1870. The decrease in her population contrasted with the rapid increase in the population of countries around her, Federation of her neighbouring states into German Empire and United Italy and industrialisation which made Britain, U.S.A. and Germany strong and which was not so prominent in France, these three factors affected her considerably.

The key to her foreign policy was to make herself strong against Germany and naturally therefore she entered into alliances with Russia and Great Britain.

The first world war found her victorious. But she could not fully enforce the term of the treaty of Versailles after some years. A policy of conciliation towards Germany paved the way for her ultimate ruin. The League of Nations could not be of much use to her and England her ally practically failed her. As the author observes "By their readiness to promote greater disarmament of land forces than of naval forces; by their ill-timed naval agreement with Germany in 1935; by their failure to appreciate the decisiveness of Hitler's occupation of the Rhineland in 1936, the Governments of Great Britain were betraying British interests no less than the French."

The author ends this illuminating treatise on a note of hope that her present condition may bring about a new national unity and enable France to follow a more effective foreign policy than hitherto.

S.K.Y.

The British Colonies : By Vincent Harlow—No. 68—Oxford Pamphlets on World Affairs—Price 6 d. net.—pp. 39.

The territories coming under this class are scattered all over the globe and form that part of the British Empire excluding Great Britain and the self-governing dominions and India. It is surprising to note that most of this has been added during the last 100 years. The author traces the development of the conception of colonies through succeeding centuries. The first stage was when colonies were looked upon as markets for the products of the mother country and for the supply of raw materials required by her.

Then came the next stage which followed industrial expansion of England when England became the workshop of the world and then the stage when her far flung empire had to be kept well knit by live communication lines extended to the ends of the earth.

We in India may not be inclined to agree with the author that most of the pioneers were actuated by a desire on the part of Britain as a civilised power to discharge her obligation to the dependent races by promoting their welfare. This is a famous doctrine of the whiteman's burden which convinces nobody. Exploitation there was if not by Government at least by individuals and organised groups of individuals who if not encouraged were not prevented from exploiting the people by the Home Government.

In recent times England has been making honest attempt to develop her colonies inhabited by backward races and to inculcate into them modern ideas of liberty and self-government. If the author in conclusion appeals to the citizens of Britain to realise their responsibilities to the peoples of the colonies whereby they will be contributing to the future welfare of mankind, it is not actuated by altruism but because such development will naturally benefit England also.

We wish that these colonies will be developed more in their own interests than in the interests of England even though the process may be slow.

S.K.Y.

Franch by Dorothy M. Pickles—No. 69—Oxford Pamphlets on World Affairs—Price 6 d. net.—pp. 32.

This is also a survey of France, but more of her internal condition than her attitude to outsiders.

Those who have followed French politics during the last 20 or 30 years would agree with the author, that more than the Englishmen the Frenchman "is a political animal and French politics are therefore more violent and political discussions more acrimonious."

Another statement by the author may not be so obvious to the ordinary man that is that from 1789 onwards there have been two Frances—the Catholic and Conservative France—caring for order, authority and nationality and radical and free thinking France, drawing inspiration from the principles of the French Revolution of 1789.

The author also points out that though the third republic was able to create a democratic society where a baker's son and cook's nephew may become ministers yet it failed to solve the fundamental problem of power both for international peace and for meeting external attack consistent with democratic principles.

In modern times the State has to be very active on economic matters and in this respect France's record is not quite high. Its paucity of iron, coal and oil and its clinging on to self-sufficiency in agriculture and its mentality of petty townsman making large industrial development impossible are serious defects in her economic system, and her neighbouring States have progressed very much in industrial and economic matters. There was a natural conflict in France between the consumer who wanted to import cheap articles and the producer who feared foreign competition and wanted protection for himself and his industries. Moreover what industrial development there was unfortunately in the hands of unscrupulous speculators who also controlled national finance and the bold economic programme by the Popular Front was only a short-lived experiment.

There was disunity both on internal and external affairs and there was a lack of realism. Hence the collapse of France in 1940 when she had to face a strong enemy in a condition less prepared than she was in 1914, politically, economically and psychologically.

S.K.Y.

Recent Utterances

An Address delivered by W. R. S. Sathianadhan, Esq., I.C.S., Registrar of Co-operative Societies, Madras, on the occasion of the Silver Jubilee Celebration of the Cuddapah District Co-operative Central Bank on 11-3-1945.

I am extremely grateful to Mr. Pattabhirama Reddy and the members of the Special Committee for having invited me to deliver the Silver Jubilee address of the Cuddapah District Co-operative Central Bank. It is a matter for great satisfaction to all of us that Sri Rao Bahadur V. Pichia Pantulu who was the President of the Bank for about 19 years ever since its inception in 1919, is happily with us. There are also others who laboured hard and shouldered the responsibility of carrying on the administration of the bank. To all of them our thanks are due.

Started in February 1919 with 57 individuals and 17 societies and a share capital of little over Rs. 7,000, to-day your Central Bank has on its rolls 67 individuals and 250 societies with a paid-up share capital of over 1,35,000 rupees.* Its reserves amount to Rs. 39,000. The loans outstanding against societies and individuals exceed Rs. 11 lakhs and its working capital is Rs. 13.5 lakhs. Quantitatively, therefore, the Bank has made striking progress and this is in keeping with the development of co-operative central banking in this Province. Co-operative central banks headed by the Madras Provincial Co-operative Bank constitute an integral part of and occupy a pivotal position in the co-operative banking structure of this Province. The thirty central banks in the Province finance over 15,000 societies that exist to-day, and generally speaking, have commanded the patronage and confidence of the investing public, which is evident by their borrowed capital which has exceeded Rs. 6 crores. The central banks have proved themselves on the whole worthy of the trust placed in them by the public. Speaking purely from a banking point of view, it is a matter for satisfaction, that they maintain a high degree of liquid assets. The cash on hand and with banks as on 30th June 1944 was over 11 per cent of the total deposits, while the holdings in Government promissory notes were about 17 per cent; their loans and advances were a little less than 54 per cent. This is a position which approximates to the sound banking standards set up by the Reserve Bank of India and is in no small measure due to the efforts of those who are in charge of the management of these banks. Most central banks have also built up a sound reserve position. Against a total estimate of their bad and doubtful debts of about Rs. 30 lakhs, their reserves exceed Rs. 56 lakhs. I have been repeatedly stressing that central banks should strengthen their bad debts reserves so that they may be in a position to steer clear of any financial rough weather brought about by factors beyond their control. You are doubtless aware of the very difficult conditions which co-operative banks had to pass through during the great depression which preceded the present war. It is a measure of their strength that no co-operative central bank in this Province failed during the depression period which shows how strong are their foundations, and how much faith the public place in them.

While I say this, I am all the time conscious that a few of the central banks, particularly those in the Ceded districts, located as they are in what is familiarly known as the 'famine zone' present peculiarly difficult problems, primarily by reason of the backward agricultural, economic and social conditions of the tract. It is, I think, a truism that any movement touching the social life of the people is influenced by the agricultural, economic or educational conditions of the area concerned, and the co-operative movement which is essentially economic is no exception. It is natural, therefore, that the co-operative movement in the Rayalaseema should present certain common features, peculiarly its own and often difficult. Ever since I assumed charge of my office, I have been giving my continuous personal attention to the affairs of the central banks in the Ceded districts and have been taking such measures, as are, in my opinion, calculated to put them on a sound working basis.

Though the general quantitative progress of your bank has been, as I have stated, satisfactory, qualitatively there are features which, on a close analysis, may cause some concern to its well-wishers. Briefly, the position is that a number of societies in this district had to be liquidated because of their bad working or unsound financial position. Loans were, in the boom period, given to members of village societies without much scrutiny or adequate security. Bad debts in liquidated societies are estimated at over Rs. 1 lakh and in living societies at Rs. 30,000 while the reserves of the bank come to only Rs. 39,000. The overdues, too, in societies affiliated to the bank are fairly high. It is true that the percentage of balance to demand of all types of societies is 24 but if we exclude the loan and sale societies, stores and weavers' societies and take into account primarily the village credit societies, the percentage of arrears comes to 53. Of the arrears amounting to about Rs. 1.74 lakhs in agricultural societies, a sum of over Rs. 95,000 represents arrears varying from 5 to 10 years. Further, there does not appear to be much vitality, in many of the agricultural credit societies, as is shown by the fact that many of them have not been borrowing for several years, while the total of the loans taken by others is inconsiderable. Your deposit position, too, is not quite strong enough. As against over 7 lakhs of deposits put in by individuals and others in the year 1935-36, the amount now held is hardly Rs. 3½ lakhs. There has been a steady fall.

It is these features of the movement in the district and the working of your bank that give one some anxiety and would seem to have retarded the bank's natural growth. I am told that, because of some of these aspects of the movement in this district, which is in some measure due probably to the mistakes committed in the past but chiefly due to the difficult agricultural and economic conditions of the district, there is amongst the old generation of co-operators here what my Deputy Registrar would like to call a sort of 'psychological paralysis' which would seem to refuse to respond to any effort for improvement. I feel encouraged, however, to be assured that amongst the present generation of co-operators, there are many who desire to face and overcome difficulties with confidence and courage. I hope their energies will be canalised into constructive co-operative endeavour. It is indeed a matter for satisfaction that the present generation of co-operators here realise the philosophical truth embodied in the statement "where there is no vision the people perish". You have a profound responsibility but linked with it there is a great opportunity for service as well.

This sketchy review of the position I have made is no doubt not too optimistic. But there is no reason for despair or despondency. Your bank does not stand alone in this respect. The position of the Co-operative central banks in the Ceded districts is generally speaking, not quite satisfactory, though even here a distinction can be drawn between one bank and another. As I have stated, I have missed no opportunity to devise some measure or another to improve the working of the Central Banks in the Rayalaseema. As soon as it was found that the affairs of your bank were not satisfactory, steps were taken to re-organise the constitution of your bank and to place its working in the hands of a small committee consisting of 5 representatives nominated by me. I have placed a Co-operative Sub-Registrar in charge of the bank on deputation. I approached the Government and secured the services of another Co-operative Sub-Registrar for speeding up recoveries in liquidated societies. I instructed my Deputy Registrar to draw up a plan of rectification and consolidation, stimulate the realisation of overdue debts both in living and liquidated societies and see that as much as possible is recovered from societies during the present favourable times. I have no doubt that an examination of the results so far achieved would convince one that quite a lot has been achieved in all these directions. It is very encouraging that, in some of the liquidated societies where hope of recovery was completely given up and debts were considered bad, substantial recoveries have actually been effected. No efforts are being spared by my Co-operative Sub-Registrars to visit bad societies and stimulate collections. New life has been put into some of the dormant societies and fresh loans are

being given to them. There are indications that some of the village credit societies have begun to show signs of fresh life and that, with proper supervision and effective control, they may once again be made vital distributors of credit to the villagers. Furthermore, there is still a vast area which from the point of view of co-operative credit, still remains untapped.

There are other directions, too, in which the co-operative movement in your district has been showing signs of vigour. The Kodur Fruit Growers' Co-operative Society is an achievement and a land mark in the marketing of fruit in the Province. Kodur oranges have established a name and a secure market for themselves. The society's monthly supplies of fruit to the Army alone come to about Rs. 1½ lakhs. I am glad that the society has proposals to start a Canning Department, own air-conditioned godowns, at its headquarters and its branches and expand its business further. It is at present the biggest single borrower of your central bank. May I appeal to all the growers in that part of your district who still remain outside the society, to become its members and market their produce through it and share the benefit which it confers. The society will certainly grow in stature and usefulness if all the growers in the area join it and make it much stronger than what it is.

Your district is noted for production of ground-nut, turmeric, cotton, etc., and many firms have been operating in this district for the purchase and export of these commodities. It seems to me that co-operative marketing and sale societies can, with the necessary staff and requisite facilities, serve the agricultural community in a much greater degree than they have been able to do so far and take up marketing with success, rather than confine themselves, as hitherto, to the supply of credit on pledge of produce alone. There is no reason why these societies should not widen the range of their marketing services and ultimately own their own ginning factories, decorticators or oil expellers or their own turmeric polishing mills. With a wider range of activities and a bold and vigorous policy, these societies will need more financial accommodation from your bank than the six lakhs of rupees which they have now borrowed.

There are, too, prospects for forming more cottage industries societies. Already there are a few weavers' societies, of which the Pullampet Society which has earned for itself a reputation in handloom textiles, needs special mention. The possibilities of further expansion of weavers' societies need investigation. The district, I understand, provides, suitable clay for the ceramic industry. I also gather that barytes and asbestos are other minerals available in this district. Whether any co-operative effort is possible on the industrial side is a matter which I hope the officers of the Industrial Department and non-official gentlemen in the district will investigate.

Your district along with others has taken its due share in consumers' co-operation. There are 45 primary stores and one wholesale co-operative stores. I know some of the rural stores are not strong and may probably collapse with the impact of post-war competitive trade conditions. I hope, however, that some of them will continue to remain and render yeoman service to the community in the post-war period as they are doing in this war period. Consumers' stores have become your new clients and along with the sale societies and the Kodur Fruit Growers' society have contributed to the bulk of your loan business. They have thus filled the gap created by the shrinkage of loan business with the old customers namely, the village credit societies. Your Bank has no doubt been denied, owing to certain difficulties the loan business of the Cuddapah Co-operative Wholesale Stores and the Madras Provincial Co-operative Bank has been financing it. Now that the share capital position of your bank has improved, I am considering the question of permitting your Bank to finance the Wholesale Stores.

Gentlemen, these are all the elements in the situation which I believe, should give us hope and which furnish a setting against which I would appeal to you to view the future of the movement in the district. With faith and determination on the part of co-operators in

the district, the revitalising of agricultural credit societies through a process of reformation and rectification, the development of the fruit growers' society and weavers' societies and the formation of other types of industrial societies, the business extension of loan and sale or marketing societies and consolidation of consumers' stores, I expect your bank will in due course turn the corner and enter a new phase of expanded business. I know that the plan of development which I have just outlined, calls for great effort and hard work on the part of the co-operators here. It also requires the assistance of departments of Government which are concerned with rural welfare and economic progress. It is natural, too, that you should expect help from the State in your endeavours to rehabilitate and expand the co-operative movement and make it a vital factor in the rural economy of your district. What help you require and in what form it should be forthcoming are all matters which require careful study and investigation. It is in view of these considerations that the Government have at my request, appointed an expert committee to examine and report on the condition of the co-operative movement in the Rayalaseema area, and to suggest measures for the financing of agriculture on a satisfactory co-operative basis. The committee has also been asked to recommend the steps necessary to place the different kinds of co-operative institutions in the area on a sound footing and to report on the possibilities of organising cottage industries on a co-operative basis. May I request the co-operators of the district to place their experience at the disposal of the committee and help it with their views and suggestions on the several matters referred to it? I am hoping that the co-operative movement in your district as well as in your neighbouring districts will, as a result of the labours of the members of the committee, enter a new phase of development and a career of great usefulness to the people of the Rayalaseema.

I wish you success in all your co-operative endeavours and the Central Bank a long life of usefulness and prosperity.

Speech of Mr. W. R. S. Sathianadhan, I.C.S., on the occasion of the Silver Jubilee of the Nellore Central Co-operative Bank.

I am grateful to the President of your Bank for having invited me to inaugurate the Silver Jubilee Celebrations of the Co-operative Central Bank Ltd., Nellore. I regard it as a great privilege to share with you the feelings of joy and pride over the achievements of this fine institution which was founded in 1918 for the relief of rural indebtedness and for the economic amelioration of the agricultural masses of this district. It is a pity that we miss here to-day the first President of the Bank, the late Rao Bahadur M. Chengayya Pantulu, and the first Secretary, the late Sri K. V. Raghavachari. Like the Rochdale pioneers, who opened the first co-operative stores in the world in a dark and dingy street in Rochdale, the founders of this institution commenced business in the humble residence of the late Sri Raghavachari. Over a generation, it has grown into a solid bank and has established itself in a building of its own costing over Rs. 40,000. It has piled up reserves exceeding Rs. 2 lakhs, which are larger than even its paid-up share capital. Its working capital amounts to over Rs. 25 lakhs. This is indeed a splendid record on which the share holders may congratulate themselves and convey their thanks to successive boards of directors who steered the institution through storm and stress and brought it to its present state. Periods of economic depression and an occasion of unjustifiable scare were faced by them with courage and perseverance, and the Bank to-day stands on firm foundations, able, not only to withstand a possible depression in the post-war period, but also to strengthen and expand the co-operative movement in the district in the years to come.

2. Here in Nellore, as in the rest of the province, the co-operative movement has, during the last three years, recorded a vast expansion in the direction of co-operative stores and weavers' societies, thanks to the finances made available to them by your Central Bank. Notwithstanding the fact that this is a surplus district, there are here to-day 35 co-operative

stores handling a total business of Rs. 14 lakhs in a year. Indeed, the recent phenomenal growth of co-operative stores in the province, doing an annual business of over Rs. 14 crores, has startlingly arrested the attention of the general public. There are many who admire this vast expansion of the consumers' movement and look forward to its consolidation in the future. Those, particularly, who have benefitted at its hands by obtaining their requirements of rationed articles, other provisions, and consumers' goods look upon it with feelings of gratitude for having enabled them to satisfy their needs in these days of scarcity. But there are some who remark: "It is always so with the Co-operative Movement! It suddenly flares up into spectacular achievements, and lapses into gloom with equal suddenness". These are cynics who fail to realise that every co-operative society is the creature of a deeply felt want and flourishes best when the want which it satisfies is most deeply felt. They are people, too, who forget that co-operative institutions are primarily business institutions, and therefore, like all other business institutions, have their periods of prosperity and slump. More than all, there are people who miss the essential point about co-operation, namely, that it is a new mode of doing business—a mode which is inspired not by the anxiety of a capitalist or group of capitalists seeking to make profits out of their business, but a mode which is inspired by a desire to satisfy one's own wants and the wants of one's fellowmen in a spirit of self-help and mutual help. In faith in this fundamental creed of co-operation lies the future of the consumers' movement during the post-war period. Control orders may disappear; Grain Purchase Officers may quit the field; Collectors may cease to procure and give stocks to co-operative stores; Rationing officers may stop registering ration cards with co-operative stores; but, as long as the faith of the public in the co-operative mode of doing business remains, the future of the co-operative stores movement is assured. Therefore, gentlemen, it is up to you and to me to do propaganda on an extensive scale on the principles of co-operation. We have to tell every consumer that when he buys from a store, whatever may be its failings, one thing is assured, namely that there is nobody in the stores to make money at his expense. The institution has been set up to do service to the public, and the directors are there to help every member, to give him the best commodities and to help him to get a bonus on purchases at the end of the year.

3. It is the same maxim that animates the co-operative weavers' societies which your Central Bank has helped to increase in numbers in recent years. It save the weavers from the clutches of master-weavers and traders. Here again, the society is there to see to it that one or more capitalists do not become rich at the expense of the toiling weaver. It is there to ensure that the weaver gets his fair wage, and an equitable share in the profits. Nearly one crore worth of handloom products are being produced and sold every year by the weavers' co-operative societies in the Province and 31,441 weavers are engaged in their production. Most of these weavers to-day may not see the fundamental principle that sustains their co-operative societies. They may only see the fact, that, but for their society and the Madras Handloom Weavers' Provincial Co-operative Society Ltd., they would not get the yarn that they need and might be thrown out of business. Some of them, therefore, may play into the hands of capitalists when they are able to get yarn as in normal days and when they tempt them with credit and a temporary increase in wages. Consequently, we co-operators, should spread the knowledge of the fundamental principles of co-operation, so that when normal conditions are restored, faith in co-operation will preserve the loyalty of the weavers to their societies. Other aids for retaining the ground won by the handloom weavers' societies have been taken by the Madras Handloom Weavers' Provincial Co-operative Society by introducing dyeing factories for dyeing, experimental factories for introducing new patterns and designs, Sales Emporiums for improving marketing, etc., etc. These are necessary aids for strengthening weavers' co-operative societies; but the paramount need is a wider realisation of the essentials of co-operation and a greater faith in its superiority over other modes of doing business.

4. Opportunities provided by the war have been availed of in other districts even in the direction of producers' societies like those for milk supply and fruit-growers. In your neighbouring district of Cuddalore, fruit-growers have joined the Kodur Fruit Growers' Co-operative Society in increasing numbers, and that society is now marketing oranges and other fruits to the value of over a lakh and a half of rupees every month. In the headquarters of the Province, the Madras Co-operative Milk Supply Union is supplying milk to the extent of 16,000 lbs. a day and paying the producers of milk a monthly bill of Rs. 86,000. Producers' societies of these varieties are the greatest need of the day. While consumers' organizations help consumers to economise their expenditure, producers' societies assist producers to enhance their income. The more the income of an individual the happier he and his family will be. I, therefore, suggest that you might investigate the possibilities of improving the few producers' societies you have in this district and of planting fresh ones in suitable places. The time is most opportune for improvement in this direction. What is wanted is an endeavour to explore possibilities and a spirit of enterprise. Your bank can command the necessary funds for activities in this direction, and money lent for productive purposes will be money well-spent for adding to the wealth of the district. Your district has a reputation for its cattle. A good many of the cows of the Madras Milk Supply Union are obtained from your district and a good number of the work-bullocks of the Southern districts are obtained from your district. A possible line of development will be a co-operative society for exporting cattle to other districts and for preserving to cattle-breeders the full value of the cattle they have raised with such great care.

It has been the experience in recent years that the rise in prices of agricultural produce has increased the income of agriculturists and resulted in a dearth of loan applications from rural credit societies to Central Banks. Your bank is no exception to this general feature. In cattle-breeding lies the remedy. Good cows and good bullocks are now widely in demand. This demand is increasing; the prices are good; and, as far as it can be foreseen, this state of affairs is likely to continue for many years to come. Why not seize this opportunity? Why not provide funds through every rural credit society for the purchase of cows and studs for breeding purposes? For the erection of cattle-sheds? For the provision of cattle-feeds? A bold policy of financing liberally in these directions may increase the number of cattle breeders and multiply sturdy cattle. Rural credit societies might become units of a Cattle-Export Federation and the Federation might export cattle to most other districts of the Province. If necessary, the Federation could include in its area and adjoining district of Guntur which has also a fine reputation for its cattle.

Here, again, the principle underlying co-operative effort will be the same viz., the substitution of a system which aims at making many poor people contented and prosperous for the system which endeavours to make a few rich people richer. It is recorded that one of the Rochdale Pioneers used to say in all seriousness in his Lancashire dialect:—"When we opened our store we were very poor! Very poor! Aw't stuff as we had int' shop, you cud a tan it away in a wheelbarrow". But, we were filled with a determination to revolutionise the world. The revolution indicated was really an evolution from bad economic conditions of selfish competition and poverty to co-operative production and distribution, where peace and plenty would assist people to strive for higher intellectual and spiritual values in life. You and I are engaged in this task of peaceful evolution. Let us go forward with faith in its goal and a determination to enlist more and more people in this great cause. During recent years, there has been a considerable accession of devotees to this cause even from those classes of society which formerly looked down upon the co-operative movement. But we want men and women who are willing to work with a Missionary zeal. We do not want figure heads who not only do nothing themselves but prevent others from doing anything tangible. May I suggest that the noble example set by Mr. T. A. Rajalingam Chettiar, by dedicating his life to the cause of Co-operation be followed by others. We want more and more men like him in the Movement, men who work for co-operation for its own sake and because they have infinite faith in its ideals, and not because they seek profits or cheap fame or public recognition. With a new era and a new spirit, let us, you and I, official and non-official, work hand in hand for this noble cause and build up a co-operative structure which will give a share of contentment to all who need it, rich and poor alike.

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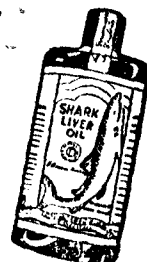


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