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EACH FOR ALL, AND ALL FOR EACH

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Shape of Things.

A Prominent Co-operator:

It is with the deepest regret we record the death of Prof. V. G. Kale, a well-known economist and a prominent co-operator. Many of our readers are not only familiar with his name but have also seen him in our co-operative gatherings on many occasions and heard his voice. It may be remembered the last occasion when he visited our City was at the time of the stormy Provincial Co-operative Conference which he opened. The address he delivered on the occasion showed a clear grasp of the Movement and a thorough and intimate knowledge of its working. In Bombay he was a prominent figure in the co-operative field. His main contribution is the starting of the Co-operative Banks' Association which is doing very useful work. Till his death he remained active and his advice and guidance on the many problems which face the Movement in the post-war period were available.

In the field of economics his contribution was equally outstanding. By temperament and training he belonged to the Ranade School of Economics and he propagated his views with vigour and strength and carried conviction on many an economic question especially affecting the rural life of the country. As an author of books on Economics also, his name is familiar in all parts of India.

In the death of Prof. Kale we have lost an active and vigorous exponent of co-operative ideals who maintained unflagging interest in its progress and unbounded faith in its contribution to social and economic welfare. The Movement can ill afford to lose the services of such a stalwart.

Moribund Societies:

A careful study of the working of what are known as moribund societies will show that most of them have ceased to be active because owing to past default they are not able to borrow further even to sanction loans to new members or old members who are not indebted. The state of their assets and liabilities is not such as to warrant liquidation proceedings. To keep them merely on the list without any effort for rehabilitating them is not conducive to the growth of the Movement. In many cases they have remained inactive so long, that the fact of their existence even has been obliterated. We would suggest rectification of such societies should be seriously undertaken. They should either cease to exist or be mended radically. It has been suggested that one method which may be usefully employed is to examine the debts due from all members and see to what extent they can be scaled down applying the accepted principles of debt relief. The revised debts may be treated as fresh debts and necessary steps may be taken to secure them. To enable these borrowers to make a fresh start and pay off their dues in stipulated instalments without further default, fresh loans may be given in all deserving cases to meet the costs of cultivation. These steps are necessary not only for the rehabilitation of the defaulting members but also moribund societies. Otherwise the present stalemate cannot be solved and to allow it to exist any longer is not the part of wisdom. The Madras Committee of Co-operation (1940) made these proposals. We do not know how far these have been given effect to. We understand though the societies are prepared to scale down debts in deserving cases, some central banks are reluctant to approve of the procedure. The societies rightly contend that to the extent they scale down the debts of members necessary adjustments should be made in the accounts of societies in the financing banks if the bad debt reserves of societies are not enough to cover such amounts. Unless this is done and the central banks not only co-operate but also even take active interest in the revival of these moribund societies, there is no hope for the Movement. It is in the interests of the central banks as well to address themselves to this task.

We are afraid no progress in the direction indicated is possible unless necessary provision for writing off bad debts is made in the by-laws of societies and the consequential amendments in the by-laws of financing banks as well to give effect to the suggestion we have already made. A specific provision for the creation of a "bad debt reserve" and for writing off bad debts against the same may be made by amending the by-law relating to allocation of profits. The panchayet or the Board should be at liberty to exercise its discretion unhampered by outside interference. If neeessary a set of general instructions may be framed for their guidance. These written-off debts should find a place in the balance sheet giving the balance at the beginning of the year to the credit of the bad debt reserve, if any, the bad debts written off during the year and the balance to the credit of that reserve. It may be, in some co-operatives, necessary to write off bad debts from the current income. There is nothing intrinsically wrong in doing so. These figures also should be specifically mentioned in the audit reports.

Withdrawal of Share Capital:

In the issue of the *Journal* for November, we wrote on the withdrawal of share capital from consumers' co-operatives and the likely repercussions on that account. We reproduced the suggested by-law in Bombay. What was said in respect of the consumers' co-operatives applies with equal force to loan and sale societies, fruit-growers' societies and multi-purpose societies. We find the Registrar of Co-operative Societies, Bombay, has suggested the adoption of a similar by-law on the model of the by-law in the consumers' co-operatives. We commend the suggestion for consideration in this province also. It is needless to emphasise that from the point of view of financial safety it is absolutely necessary to keep the share capital intact to serve as security for borrowings. The unhampered withdrawal of share capital would seriously affect the usefulness of the co-operatives, and the tendency to withdrawal is likely to grow once the present abnormal conditions begin to disappear.

Urban Banks:

In Bombay the question of admission of companies incorporated any where in India to the membership of an urban bank seems to be a live issue. We learn from the News Letter of the Co-operative Banks' Association just issued, the Association sees no objection for such membership for approved purposes such as grant of overdrafts and the like against Government securities. At present urban banks in this province do grant cash credits to non-members on the security of their fixed deposits or Government securities. Membership of such applicants is not insisted upon. The only point arising out of the Bombay suggestion is if a corporate body outside the co-operative field and that too outside the area of operations of the urban banks can claim not only this priyilege but also secure the privilege of membership. Urban banks as constituted already offend to some extent against the twin principles of mutual knowledge and mutual trust and by adopting the suggestion of the Co-operative Banks' Association, Bombay, this offence will be aggravated. If the suggestion is meant to improve the transactions in urban banks and thereby increase their usefulness there are many items of business, not hazardous at all, which they can undertake with advantage even within their area of operations. It is far better to move cautiously and that too conforming to the ideals of the Movement than go head-long and involve themselves in situations from which they cannot easily extricate themselves. The urban banks, it is suggested, can find useful outlets for their funds by serving as financing institutions to village co-operatives within a radius of, say, five miles of their area of jurisdiction. Then again, they may also be permitted to do what is termed 'inter-lending' to co-operatives of other types situated in the same place. In these and other directions they may make their usefulness extended and their existence felt. Anyhow a stage has been reached when in many urban banks there is surfeit of funds and outlets are restricted. These surplus funds are now invested either in central banks or in Government securities which bring them lower rates of interest. This is really unbusiness-like as often the rates paid on borrowings are higher. It is suggested they should lower their rates of interest on fixed and other deposits and if necessary even refuse deposits. This is easily said than done. Lowering of rates may be possible and feasible; but refusal is not desirable. In recent times the urban banks are faced with these and other problems. We wish the Registrar of Co-operative Societies will take note of them and suggest ways and means to increase their usefulness. Arbitrary fixation of limits regarding period of loans or maximum borrowing power of members without any reference to the circumstances peculiar to each locality is not helpful. All these points require careful consideration.

Conference of Consumers' Co-operatives:

We are glad that a Conference of representatives of the Whole-sales and those interested in the consumers' movement met in Madras to consider the future of the wholesales and the primaries. Valuable notes in the shape of questions and answers were circulated to enable concentration of discussion on certain essential topics. In spite of that, desultory and unnecessary talk could not be avoided as the Conference was used as a forum by some representatives to ventilate their grievances. However, the decisions arrived at, especially that relating to the organisation of the Provincial Wholesale Store, are, on the whole satisfactory. We are afraid too much concern was exhibited for the primary stores. While in dispersing credit which demands mutual knowledge and mutual trust, the primaries must be there, it is suggested that in regard to distribution to the consumers, primaries are unnecessary and that their existence only increases the burden on the consumers without corresponding benefit. Branches of the wholesales can as well perform the functions of the primaries at less cost and with greater efficiency. However, it cannot be gainsaid there are primaries in urban and semi-urban areas which have done yeomon service and whose financial position and management are sound. No purpose is served by abolishing them till they voluntarily agree to become branches of the wholesales. But besides such good stores, there are many others which are leading a precarious existence even now and may collapse as soon as the monopoly in essential articles is removed, controls are abolished and normal channels of trade are restored. This will be specially the case with many rural stores who are even now finding it difficult to carry on their transactions. The work of distribution in villages may as well be taken over by the village co-operatives. In urban and semi-urban areas where the primary stores do not exist or though existing they are leading a precarious existence, it is well the branches of the wholesales are established. These are only passing thoughts expressed to provoke discussion as on these and other topics we hope to comment when the resolutions of the Conference are made available.

Training Classes:

Elsewhere we have reproduced a review of the working of the training classes for panchayetdars and members of co-operative societies held by the Co-operative Institutes in the province. The number of panchayetdars and members who attended the classes in each centre is not encouraging at all and is not commensurate with the trouble and expense involved. Nor do we feel the time allotted for each centre is sufficient to deal with the large variety of subjects prescribed. We doubt very much if it is necessary to survey from China to Peru. It is on the principles and practice of co-operation mostly as applicable to the village co-operatives and the duties and responsibilities of panchayatdars and the general body of members, more emphasis should be laid. The moral and spiritual values of co-operation apart from the material benefits conferred should be emphasised Appeal to emotions is also necessary to evoke in them a desire to make a conscious endeavour to translate into practice the high ideals for which the Movement stands. As we have stated more than once, this kind of education should be continuous and sustained. It should not be confined to a few months in the year and that too to a few centres. It should also be widespread. Everyone should become imbued with the principles of co-operation. Then only there is some hope for the Movement. We understand it is proposed to try the present scheme for another year though it is considered by no means adequate especially for backward areas.

There have been too frequent changes in the schemes for propaganda and it is hight time we profit by the experience of the past and arrive at a scheme calculated to create enthusiasm and impart real education. To rely on part-time personnel engaged in other work, which is equally important, is not, we venture to state, corducive to satisfactory results.

Handloom Industry:

"I feel that not only the stability of the handloom industry but its very existence would depend on the extent of the success which is achieved in the direction of organising the weavers to ensure their continuous employment at reasonable wages, effecting economies in the cost of production, guiding the weavers' production along channels of readily saleable fabrics of standard qualities and satisfactory marketing of the produce." So spoke the Chairman of the All India Handloom Board at its recent meeting. He has admirably summed up the problems of the handloom industry. To solve these and other allied problems there is no denying the fact the co-operative system is eminently suitable. Dealing with the question of supply of yarn Mr. Dharma Vira said, that but for the increase in the number of looms engaged in preparing cotton fabrics, the marketable surplus of yarn would have sufficed to meet the reasonable requirements of the handloom and other miscellaneous industries.

He also stated that the average quantity of yarn available for distribution to handlooms and others had increased since April from 73,000 bales to 79,000 bales and they consisted mostly of coarse counts of yarn for which use must be found in the production of durries and carpets of cheap varieties. The position in regard to supply of finer counts of yarn remained unchanged and that no improvement would be possible till there were imports in appreciable quantities or mills in India increased their productive capacity of finer yarn. Taking 40s, Mr. Dharma Vira pointed out that the marketable surplus available was only 5 per cent while the consumption by the handlooms was about 11 per cent. He cautioned patience on the part of those using finer counts.

The Fact Finding Committee reported in 1940. Since then the economics of the handloom industry must have undergone considerable changes. Mr. Dharma Vira suggested that the Marketing and Research Committee of the Handloom Board should study this question and determine if a fresh survey is necessary to study the existing conditions. It is also proposed to set up a Raw Materials Committee which would go into various items including the supply of yarn.

Picture of a Plan:

This is the title of a book by that popular writer Mr. Minoo Masani published by the Oxford University Press (Price Rs. 2). With its brightly coloured pictorial diagrams, the book achieves the difficult task of conveying national economics in a popular style, making it possible for a layman who has no knowledge of principles of economics to understand and realise the economic problems of the country and how they can best be tackled. After waiting too long, India hopes to achieve her freedom at no distant future and how best to use that freedom to improve the living conditions of our vast millions who are now the victims of poverty, pestilence and ignorance is the main topic of this book. Food, clothing, housing, hygiene and other problems demand solution. Production has not kept pace with the increase in population. It must be stepped up in all spheres. The author mentions some home-truths in his own inimitable way to bring conviction to arm-chair critics and pleads with vigour that it should be the duty of every one in the country to bestow his attention to the problems facing the country, devise plans and carry them out with restless energy. To some the book may appear to be a piece of political propaganda while to others it is nothing but a bare statement of facts plainly stated in simple but forceful language. There is no denying the fact, Mr Masani of *Our India* has rendered a distinct service and placed millions of his countrymen under a debt of gratitude. We welcome this timely publication all the more now as post-war planning to achieve the freedoms of the Atlantic Charter are in the air.

Regrettable Omission :

We regret we failed to acknowledge our indebtedness to the *Indian Farmer* for the blocks we published in our issue of December. We hasten to rectify the mistake.

Food Situation:

We invite the attention of our readers to the communication of the Registrar of Co-operative Societies on the food situation and heartily commend his suggestions. Co-operatives in the past have a record of work in checking prices and preventing black markets by making available to the consumers, goods of quality, especially the essential articles, at controlled prices, In the coming months when measures to tighten our belts have become necessary, the part the co-operatives can play in procurement, conservation and equitable distribution will be very helpful. Informal rationing, even statutory rationing, will be introduced throughout the province. The co-operatives can assist the Government and the public by taking a leading part in the distribution of foodstuffs on an equitable basis in conformity with the regulations framed. We appeal to co-operators not to let go this opportunity to be of service to the community.

God, give us men. A time like this demands
Great hearts, strong minds, true faith and willing hands;
Men, whom the lust of office does not kill
Men, whom the spoils of office cannot buy;
Men, who possess opinions and a will;
Men, who have honour, men who will not lie.

—Oliver Wendell Holmes.

Co-operation and Development of Cottage Industries.

BY V. G. RAMAKRISHNAN,

Lecturer in Economics, Annamalai University.

Synopsis

Role of co-operation in cottage industries—The meaning of Cottage Industries—Difficulties of definition—Technical and Economic aspects of Cottage Industries — the Relation of Cottage Industries to largescale industries is partly one of competition and partly of co-operation—Antiquity and Vitality of some of the Cottage Industries that can be tackled co-operatively—the main problem is one of organisation—Present types of organisation with particular reference to the Handloom Industry—Difficulties that co-operative organisation of cottage industries have to reckon with—Some early efforts at Co-operative Organisation—Present position of co-operative organisation of Cottage Industries—Co-operative organisation of Handloom—Weaving and the Government of India grant—Woman's Co-operation and Cottage Industries—Some Cottage Industries that admit of co-operative organisation—Future line of development of Cottage Industries by co-operation.

Role of Co-operation in Cottage Industries

The subject of cottage industries has a peculiar fascination for the co-operator for various reasons. In the first place cottage industries represent in general a system of production for use rather than production for profit, and thus can easily be adopted to the co-operative form of productive endeavour. Secondly small scale production in the home or cottage by small groups of individuals affords better prospects of organisation on co-operative basis than production in large-sized factories. Above all, cottage industries are both economically important in the present and capable of affording an improving livelihood to a large number of people in the future and it is only co-operation that can give to small industry the necessary strength to hold its own. Though there is an academic acceptance of this point of view in co-operative circles, it is a matter for regret that the sum total of co-operative effort in the field of the organisation of cottage industries is practically negligible so far. Those co-operators who are anxious to know on what lines co-operative

* Prize essay in the competition conducted by the Madras Provincial Co-operative Union.

effort may be directed in this sphere must first study the basic facts of the economic organisation of cottage industries in our country. An intensive survey of the handicrafts in each province is a necessary pre-requisite for their scientific organisation. Although the subject is examined here with special reference to the cottage industries of the province of Madras many features of the economic structure are common to the cottage industries in most other provinces and the constructive proposals sketched in the concluding portion of this essay may therefore have an applicability even outside the limits of our province.

The Meaning of Cottage Industries

Cottage Industry is nowadays an oft-used technical term whose meaning has not yet become quite crystalised. But in common usage it has come to acquire a meaning according to which a cottage industry exhibits the following characteristics. In the first place, it is a small scale industry; secondly, it is less capitalistic and more labouristic; and lastly the human agents of production, labour and enterprise are not so clearly marked off in cottage industries as in other industries organised on modern lines. But it should be noted that the absence of any one of these features from an industry does not make it a non-cottage type of industry. There is no clear-out difference between the cottage type of industry and the small scale industry organised in workshops in towns. As the cottage industry makes progress and grows in size and efficiency due to superior industrial organisation, it tends to become a factory type of industry. There are a number of small scale industries in towns which are cottage industries, but in name. The difference between a cottage industry and a non-cottage industry will continue to be a difference of degree.

It is, however, necessary to have a working definition of cottage industries. The term 'cottage industry' has been interpreted in various ways. The Indian Industrial Commission designated as 'cottage industries' all those industries that are carried on in the homes of the workers and the characteristic features of cottage industries, according to the Commission are, the scale of operations is small, there is but little organisation so that they are, as a rule, capable of supplying only local needs. Such a definition of cottage industries is not quite comprehensive as it is based on the assumption that the organisation is insufficient and that the market is, as a rule, local. As a matter of fact, there are cottage industries whose

as a whole. But that is no criterion of the success achieved by the handicrafts in withstanding competition. Even in industries and handicrafts that have servived, working conditions have deteriorated, and real wages have declined. The general depression that prevails varies from group to group. Unfortunately the principal market to which some of the handicrafts are now largely confined being the countryside, almost all of them have become seasonal in character.

The main problem that faces the handicrafts may be summed up as one of wholesale organisation. The aim of this organisation should be to secure (1) reduction of the cost of production (2) improvements and changes in the type of products (3) improvement in the organisation of manufacture and scientific management of work units (4) improvement in business methods.

Co-operation has now been accepted on all hands as the best form of organisation for the cottage industries and so far co-operation has no striking achievements to its credit. But co-operation has played no mean part in the organisation of handicrafts on sound economic lines in some of the western countries, and with the aid of the State, the organisation of handicrafts in India on sound co-operative lines is both necessary and feasible.

Some Cottage Industries in Madras.

A tentative list of existing cottage industries in our province that may be tackled co-operatively may be mentioned here. They are (1) Handspinning. (2) textiles (*a*) cotton, (*b*) wool, (*c*) silk, (*d*) fibre-cocoanut, palmyra, hemp etc. (3) dyeing and printing. (4) metal industry and cutlery. (5) match manufacture. (6) Bangle industry. (7) slate and marble industry. (8) doll and toy manufacture. (9) painting and lacquer work. (10) wood and underwood industries (11) bamboo, cane, palmyra, and other products. (12) paper manufacture. (13) oils and soaps. (14) gold and silver lace thread making, lace work and embroidery. (15) beedi and cheroot manufacture. (16) sericulture. (17) industries relating to fine art. (18) ceramic industry. (19) leather industries. (2) miscellaneous—cap making, chalks, crayons etc.

Types of organisation among cottage industries.

Some of these industries are carried on as the main occupation while others form the subsidiary occupation of the workers. Some of the industries are found in urban as well as in rural areas. As a matter of fact in our province there are today more cottage industries in the several urban areas than in rural parts and such localisation is due to a number of factors such as a market at hand, facilities of transport, for obtaining raw materials and financial help. This leads to the question of types of organisation among the cottage workers and how they work. The old cottage industries were two fold. The first was the village industry, which included the village artisans who catered more or less to the primary needs of the villagers. The second class was the urban industry better organised and confined to the manufacture of products of better quality and finish, though in the towns there were always some industries which were akin in the character of their products to the village industry. In the urban industry the workers became gradually dependent upon capitalists.

The handloom industry, the largest cotton industry in our province, furnishes a typical example of these changes in organisation. The earliest stage in this industry begins with the independent weaver who obtained raw material from his customer and was paid wages for working it up. In the next stage the independent weaver who had no capital bought only a small quantity of yarn at a time and he had therefore to work it up and sell the products before getting a further instalment of yarn. The weaver had therefore to find a ready market for the sale of his goods. This is the stage at which the middleman first appears sometimes in the shape of yarn dealer, and sometimes as cloth merchant, but often times combining the two functions. By this, the middleman is able to make profits at both ends and very little margin of profit is left to the independent weaver. In certain branches of the handloom industry, for example *kailies* and Madras handkerchiefs the independent weaver has disappeared altogether as he has been compelled to manufacture fabrics for which the market is at a great distance and the materials costly and as he has very little credit to purchase materials by himself or to make arrangement to export his products to distant places without the middleman's help. In this way the commission industry has developed, as for example in Salem and Coimbatore. The third stage is the factory system where a number of artisans work under a capitalist in a common workshop though this system has not very much developed. The type of organisation in the handloom industry is found more or less in other industries particularly in those that

lacked the aid of capital and for which there was more than a local demand, and it is the middleman who controls the workers.

Difficulties against which co-oporative organisation has to reckon.

In many countries the small industries owe their success to the influence of the co-operative principle. The small size and scattered nature of these industries do not justify the hope that big financiers will ever be sufficiently interested in their development but these very features lend themselves to co-operative treatment. A feature of the present organisation of cottage industries particularly the handloom weaving industry is the absence of organised co-operation among the workers and of the means of getting raw material on a large scale as also lack of capital. There is also no great measure of co-operation among the workers to mutual advantage so that they distrust each other and allow the employer to grind them. The employer acting on the principle of 'get rich quick' cuts down wages, cuts short supplies of materials and cuts down quality. The maintenance of a fair standard of quality which is essential to the maintenance of reputation is not fully realised. Deterioration has therefore set in. The causes that have led to deterioration are want of capital for the workmen, loss of independence and the consequent dependence on the leaders and competition from the machine-made cheaper products and the tendency to cut down quality in the anxiety to compete with them. The remedy lies in the creation of an organisation which will maintain a standard of skill and efficiency and in the cultivation of a spirit of co-operation among the workers and employers to their mutual advantage.

Most of the cottage industries are carried on in the homes of the artisans. An Indian artisan is not a factory worker by habit and nature but only by necessity. The environments of a mill or factory are not such as to attract him from the independent ways of rural life. Though there are variations in the earnings of workers in the various cottage industries the average earnings are small. A skilled worker earns about Re. 1 a day and an unskilled worker's income does not exceed 6 annas a day. A woman earns about 2 annas and a child 1 anna. The smallness of these earnings leaves them very little provision for those days of enforced idleness due to sickness and other causes. The result is they easily get into debt. Among the cottage workers the class of artisans that are more indebted than others are the weavers and the metal workers. The other classes *e.g.* carpenters, blacksmiths, gold and silver smiths, basket and mat-makers etc. are not so much subjected to the influence of dealers. As regards the system of repayment of debt, the dealer deducts about 2 annas per rupee from the wages due to the worker. As regards the profits of the industries, master-workmen and dealers who control the wage-earners take about 25 to 30 per cent profit on the price of the articles produced. For instance in Conjeevaram, Kumbakonam, and Tanjore where superior and costly silk and lace clothes are manufactured, the profit of a master-workman is 10 to 12 per cent and that of the dealer is 20 to 25 per cent. As regards the supply of raw materials again, it is the middleman who makes profits and the profits range from 12½ to 25 per cent exclusive of interest on capital. Infact the middleman makes profit at both ends while supplying raw material and again while buying the finished products from the workers. Infact the middleman leaves no avenue unexplored to enrich himself at the cost of the workers. In these circumstances, co-operative organisation is the only means for the supply of raw materials. In the case of modern tools and appliances it is beyond the power of individual workers in many cases to invest capital in the purchase of modern improved tools and appliances and the most suitable agency that can render valuable help appears again to be a co-operative organisation. As regards marketing, there are at present two main methods of marketing of the artisan's products. The artisan himself hawks his own products or stocks them in his house or shop and waits for the customer to come to him. This is found usually in the case of commodities which are comparatively of little value, and which have a local market, such as baskets, mats, shoes etc. The other method is for the artisan to sell to a dealer who in most cases happens to be one to whom the artisan is under some kind of financial obligation. This is found in the case of more easily portable and comparatively more valuable products of handicrafts, such as handloom woven cloth of various kinds. Although the middleman seems to be a necessary evil in any trade, our object so far as cottage industries are concerned must be to reduce the number of such middlemen and their baneful influence and this can be achieved by the organisation of sale societies.

Early efforts at co-operative organisation.

The organisation of cottage industries on co-operative lines was not attempted till the Co-operative Societies' Act of 1912. The Act of 1912 provided for non-credit as well as credit societies for artisans

The first cottage industries to be organised in our province on co-operative lines were weavers' societies in some important weaving centres. Co-oparative credit societies were first started among small urban artisans working in communities. The funds at first advanced to these societies were mainly used for the purchase of raw material and implements or for financing the sale of finished products. The scope of their beneficence has been hitherto restricted by under-capitalisation and ineffective bye-laws. The working of the non-credit societies in our province furnishes certain instructive lessons with regard to the role of co-operation in the organisation of cottage industries. The first non-credit society that was started for the benefit of weavers was at Conjeevaram in 1905. The society undertook to supply yarn to the members at a price slightly higher than cost price with a small cash advance to meet petty expenses connected with weaving and take back the finished products at a specified price, the difference being treated as the wages for the weaver. The society soon found difficulty of finding markets for the clothes woven. The first plan of asking the weavers to work at their homes having failed, the system of working in a factory also failed. The difficulty was always to find a market for the finished products. The delay in the disposal led to irregular work and consequent fall in the out-turn. The number of workers in the society fell and so the society gradually lost its usefulness. The same story may be said of the Berhampore co-operative society, Kondapalli (Kistna District) toy makers' society and the slab-stone makers at Nellore but one exception was to be found in the case of the society started for the benefit of weavers at Palapuram (Malabar) which achieved considerable success; unlike other societies which have been organised by the efforts of the public spirited men, the impetus for this society came from the community itself.

The reasons for the failure of these societies are many and they operated at different stages in the development of the Movement. They are (1) indebtness of the workers (2) opposition of master workers to forming co-operative societies (3) want of proper human element to work the societies on a honorary basis (4) want of loyalty to the society on the part of members (5) lack of ambition to improve their status and standard of living (6) difficulty of finding a market for the finished product. As regards the difficulties of organisation on a co-operative basis, the indebtedness of the workers was a primary obstacle in inducing the artisans to become a members of societies and the majority of them have been unable to clear off their debts. No real progress can be made by a co-operative society that does not tackle this knotty problem. To deny the privilege of admission to the indebted is to close the door against a very large class of workers deserving help. The sowcar and the master workmen are antagonistic to the progress of workers and unless their sympathy is enlisted for the movement, it cannot make any substantial progress. The lack of proper human element to conduct the work of the societies is another impediment but in these days it may not be difficult to enlist the sympathy of well-intentioned persons to accept the honorary work on behalf of the poor artisans. At present the worker is not loyal to the society and does not realise that the society is intended for his benefit. The spirit of ambition to improve his status and standard of living which is found lacking is bound to disappear when the worker is made to realise that genuine attempts are being made to improve his conditions and that he has been himself helping to achieve it. The last handicap is the difficulty of finding a market for the artisan's products and unless this is surmounted, no real headway can be made in the improvement of the conditions of cottage workers.

(To be Continued.)

SONGS ON CO-OPERATION AND RURAL RECONSTRUCTION.

AWARD OF PRIZES.

The Madras Provincial Co-operative Union invites songs on co-operation and rural reconstruction suitable for the training classes for Panchayatdars of societies conducted annually. Songs indicating the Ragam or tune are required in each of the languages Tamil, Telugu, Malayalam and Kanarese. Two prizes of the value of Rs. 75 and Rs. 50 each will be awarded for the songs adjudged best and second best respectively in each of the languages. The opinion of the judges selected by the Provincial Co-operative Union will be final. The songs should be such as will be understood by the rural folks and each song should not exceed 2 foolscap pages in print. The copyright of the winning songs will vest with the Provincial Co-operative Union and they will be published in the Madras Journal of Co-operation. They should be sent in a sealed envelope before 15-3-46 addressed to **The General Secretary, Madras Provincial Co-operative Union, Esplanade, Madras.** The name and full address of the composer should be furnished in a separate sheet attached to the song and not on the song itself. Intending competitors may obtain the necessary particulars for the song from **The General Secretary, Madras Provincial Co-operative Union, Esplanade, Madras,** on application enclosing a stamped and addressed envelop.

Housing Problem in Cities.

NEED FOR URGENT ACTION.

RAO SAHIB N. RAMASWAMI AIYAR, B.A., B.L.,
Ex-President M. R. C. C. Bank Ltd., Madura.

It is a notorious fact that agriculture, as practised in this country, has ceased to be a paying concern on account of (1) the generally small and uneconomic holdings due to unrestricted division of property amongst the members of several Indian families, (2) growing cost of cultivation due to gradual rise in wages, prices of manure etc., (3) uncertainty of income due to the vagaries of monsoon, violent fluctuations on prices etc., and (4) heavy burdens of taxation under the half-net theory, increasing with every revision of land revenue settlemet, water-rate and cesses. With nearly 90 per cent of land-holders the income from land, except in years of good yield and high prices—which however rarely coincide—after meeting cultivation expenses and Government demands, is hardly sufficient to keep body and soul together. There is, therefore, continuous large scale emigration of of able-bodied villagers to foreign lands and cities, more especially to those of industrial and other importance which offer better means of livelihood and greater amenities of life. On account of this and also the large exodus and almost permanent settlement of people who came from coastal areas due to war scare, all the inland cities have become so highly congested as to prove a source of danger to health, comfort and convenience of the inhabitants. The following remarks extracted from the Administration Report of the Madura Municipality for 1940-41, which hold good even to-day, may be taken to apply to most of our cities.

"The problem of housing in Madura is the despair of the Health Worker. With a density of 70,000 persons in one square mile the heart of the town is just as close as a bee-hive. Tenement houses with scarcely any open space is the rule and incertain areas like Ramayanachavadi, cattle are housed in the same premises. There is some industrial encroachments on residential areas. The rapid industrialisation without housing accomodation keeping pace, a keen struggle for space and the avarice of land-lords combined with a public opinion slow to realise that good housing makes for good health have evolved the store model house with defective ventilation, drainage and latrine accomodation. If any town required a far-sighted housing policy, it is Madura. The Municipality cannot, for want of funds, hope to do this nor can the Government help now. Relief should therefore only fall on a City Improvement Trust, which should tap public and private funds to finance a co-operative effort for the building of the mass production type of houses in cleared areas and suburbs skirting the City."

2. Matters are bound to grow worse with the return from war of our men, who will generally be disposed to settle down in cities instead of going back to villages. It is therefore high time for both the Local Authorities and the Government to face the problem without any delay with all the seriousness it deserves.

Industrial Encroachments.

3. There are three ways of tackling the problem, namely :—

(1) By extending the limits of cities by acquisition, wherever possible, of all lands nearby, which are fit or could be rendered fit for building purposes;

(2) By making available for house-building all unbuilt sites within the city limits, which are occupied by timber and fire-wood depots, godowns, rice and oil-mills etc., which are industrial encroachments on residential areas.

(3) By offering all facilities towards increasing the accomodation in existing houses by way of improving them, wherever possible, or rebuilding them on up-to-date lines with one or two floors added.

Now that Government has been freed from all pre-occupations of war the first should hereafter be easy. As for the second all that is needed is for the Local Authorities to take courage in both the hands and withdraw and desist from issuing licenses in respect of all industrial encroachments on residential areas and warn the encroachers that, in the event of their failure to build houses themselves within a responsible time, the sites will be acquired by Government for being sold to others who may be willing to build. The third is equally feasible and a beginning can be made almost immediately if the two impediments standing in the way of house-owners, namely ;—finance and difficulties in the way of securing necessary licenses from Local Authorities—should be removed.

4. Our Joint Stock Banks, Mutual Benefit Funds and Nidhis, which can command any amount of money are now surplusing with funds and it should not be impossible for them to divert a portion of their long-term deposits for this very useful and beneficient purpose. The latter two receive considerable amounts by way of recurring deposits for 45, 84 and 126 months at 3 to 4 per cent interest, which are not able to find full out-let. And if only these institutions should take into their heads to divert a portion of their funds by way of granting loans at 5 per cent interest for the special purpose of re-building and improving houses in the cities within their jurisdiction, subject to repayment in 7 years by equated payment which come after all to about Rs. 1-7-0 per month per hundred rupees, the question of finance will be solved. To guard against being affected adversely by the future money market, the issue of long-term loans at 5 per cent may be so regulated as not to exceed the amount of recurring and other quasi-permanent

deposits (reserve fund, trust fund etc.,) available with the institutions from time to time. To be further safe, the rate of interest on both the deposits and the loans may be made subject to revision, say, after three years, if the money market should necessitate such a course.

It is idle to expect City Improvement Trust being created in every place and that in the near future or for their functioning with such promptitude as occasion and circumstances demand.

With a view to make the scheme a success, the financing institutions should not only broadcast their readiness to help house-owners on the lines indicated but also give them all help required in the way of getting necessary plans prepared by their own surveyors in consultation with house-owners, securing the sanction of the Local Authorities therefor without delay and themselves executing the work, if the owners so desire.

"The mills and factories situated within city limits and in the neighbourhood could also further the scheme by providing their employees with houses or by accomodating them with long-term loans."

5. There are, of course, a few co-operative building societies here and there intended to serve this purpose. But as they have to look up solely to Government for finances which must be used only for the construction of new dwelling houses and are subject to other limitations, they are not able to touch even the fringe of the problem. But they may be made to function better, if they are allowed to take outside long-term deposits which they are sure to command in view of the fact that such deposits are to be utilised towards the grant of loans on mortgages of valuable house properties capable of fetching good rents which will enable house-owners to be unfailing and punctual in the discharge of their obligations. This is a point deserving the serious consideration of the existing co-operative building societies, urban and central banks surplusing with funds, as also the Registrar of Co-operative societies.

6. The remaining difficulty namely, getting promptly the necessary licenses for building, can be removed by the Local Authorities sympathetically and promptly dealing with applications for licenses and by otherwise actively co-operating with the financing institutions.

7. In dealing with this question it must be noted that nearly 90 per cent of the houses in our cities are century old, ill-built ones, and their satisfactory improvement or renovation is too formidable a work to be undertaken by house owners themselves without outside help or with the help of single individuals or small groups of individuals, even if it should be forthcoming. It must also be noted that, owing to scarcity and soaring high prices of suitable lands for city expansion, it should be easier to deal with the improvement of existing houses than building new ones.

8. If, even in the face of these facts, the institutions in question cannot see their way to adopt the scheme, the only other course open is for those interested in house improvements to have separate house building corporations or companies started for this special purpose and arrange for a scheme being worked out on or about the lines suggested. It is perhaps far better if the work is undertaken by existing institutions themselves, wherever possible, instead of by new ones which may work in rivalry or competition.

9. The need for amending the bye-laws of co-operative building-societies so as to permit the sanction of loans for repairs and improvement of existing buildings may very usefully be considered in this connection.

The Madras Provincial Co-operative Union Examination, 1946.

An examination for the students of the Tanjore, Coimbatore, Anantapur and Rajamundry Institutes will be held at the respective Institutes' headquarters **from 25th to 30th March 1946** as per programme given below:

Monday ...	25-3-1946	10 a.m. to 1 p.m.	Co-operation, Historical and General
Tuesday ...	26-3-1946	" "	Co-operation, Law and Principles.
Wednesday ...	27-3-1946	" "	Auditing.
Thursday ...	28-3-1946	" "	Book-keeping.
Friday ...	29-3-1946	" "	Banking.
Saturday ...	30-3-1946	" "	Rural Economics, Sanitation, Village Panchayats.

Candidates who failed to pass in the previous Provincial Co-operative Union Examinations held during 1942 to 1945 are hereby informed that they can also sit for the above examinations.

Candidates who underwent training in the Institutes prior to 1941 have to appear and pass Part III of the examination under the new regulations for eligibility for a certificate.

In view of the subject 'Banking' having been included under Part III from the year 1945, candidates who have passed Part II in previous years prior to 1945 need not appear for 'Banking' under Part III this year. It will suffice if they sit for 'Rural Economics, Sanitation, Village Panchayats etc.' only.

The examination comprises of III parts:—

1	Co-operation—Historical and General	Part I.
2	Co-operation—Law and principles	Part I.
3	Auditing	Part II.
4	Book-keeping	Part II.
5	Banking	Part III.
6	Rural Economics, Sanitation, Village Panchayats	Part III.

Candidates who have failed in any one of the part or parts have to sit for the subjects comprising that Part or Parts.

The examination fee is Rs. 10 for full examination, and Rs. 4 for each Part.

The last date for receiving examination fees is 8-3-1946.

For further particulars, please apply to the General Secretary:

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

Recent Utterance.

Extracts from the Speech delivered by Sri Dewan Bahadur C. S. Ratnasabapathi Mudaliar, C.B.E., at the 16th Conference of Land Mortgage Banks held on 27th January 1946.

It is a matter for gratification that the Government are taking steps with a view to increase the level of economic prosperity of the country and have constituted Planning Committees to examine and report on the possibilities of all round economic development. It is to be hoped that the recommendations of these committees will be speedily implemented and the measures indicated brought into effect in as short a time as possible.

The war and recent famines have brought to the forefront the utter inadequacy of food production in the country. The Woodhead Commission has emphasised the need for increased production of foodstuffs. Land Banks have an important duty in fulfilling this policy as the execution of any scheme of large scale improvement needs the provision of cheap agricultural credit. In deltaic areas the scope for large scale improvements is very limited as the bulk of cultivable land has been put to use long ago. The possibility of reclaiming waste lands has to be taken up. There is also scope for land improvement works in dry areas and areas coming under new irrigation projects. The small number of land improvement loans so far issued have been mostly for construction or deepening of wells and for installation of electrical machinery and these too are confined to only a few areas. It is for the Government to come to the help of the agriculturist by providing expert advice and assistance about the nature of the improvements to be effected on a country wide basis. The Agricultural Department should educate the ryot as to how the projected improvements would economically benefit him.

This brings me to the question of the sad plight of the agriculturists of the famine districts awaiting solution for a long time. A few banks have been working in this area but most of them are in a languishing condition. Unless the area under irrigation in these districts is increased, it may not be possible to mitigate their sufferings. The periodical famines in these districts have to be prevented at all costs. Government should appoint experts to examine the sources for water supply in these areas and plan to harness them for the benefit of the ryot. The Central Land Mortgage Bank will be willing to finance any suitable scheme devised for the purpose of bringing more land under cultivation.

In Western countries land banks have interested themselves in finding long term finance for processing and dairy industries. In order that the agriculturists may derive the full benefit of his labours it is necessary that the produce should be processed and made ready for the market by producers' societies. This is an aspect of activity which has to be explored

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and taken up by land mortgage banks for the benefit of the agricultural population.

When we last met a fervant appeal was made to the Government to permit the Bank to reduce the margin between the borrowing and the lending rates from 3 per cent to 2 per cent. The Government were addressed giving full details of the strong financial position of the Bank, and its ability to carry on its activities efficiently and earn a decent profit even after reducing the margin to 2 per cent. Instances of agricultural credit institutions in England and American where the lending rate was reduced at the behest of their Governments to rates as low as 3½ per cent, while the debentures were issued at rates ranging from 3 to 5 per cent, were brought to the notice of the Government. I had hoped that the urgent necessity to put agriculture on a profitable basis and to encourage the agriculturist to increase his production would influence the Government to accede to the very modest and reasonable request made by the Conference. Much to our disappointment and to the detriment of the agricultural economy of the country, the Government have not acceded to our request. The "Agricultural Finance Sub-Committee" appointed by the Government of India on the recommendation of the "Policy Committee on Agriculture etc.," considered this question very recently and came to identical conclusions which we have been advocating for a very long time. The Committee went a step further and recommended that to enable land mortgage banks to lend to the agriculturist at lower rates of interest, Government should grant liberal subsidies as is being done in western countries.

I make no apology for extracting the following from that report:

> "We, however, feel that the rates of interest charged by these banks (Land Mortgage Banks) are too high and the agriculturists are not likely to make much use of their finance unless the rate is reduced to 4 per cent. This can be possible only through Government subsidies. In this connection we would refer to the Agricultural Mortgage Corporation of London which is able to charge only 4 per cent on loans, while itself paying 4½ per cent to 5 per cent on debentures because of the subsidies granted by the State which amounted to £50,000 in 1943-44. The Stock Exchange Gazette, dated the 30th June 1944, reported that Clause 2 of the Agricultural (Miscellaneous Provisions Bill) which was at the time before Parliament extended to financial assistance to the Corporation so that it might make advances at an interest rate of 3½ per cent. We suggest that long term finance to agriculture in India should be made available at a rate not exceeding 4 per cent, and recommend that Government should subsidize land mortgage banks to enable them to do so. This will induce cultivators to make an increasing use of long term finance for agricultural developments and will lead to an expansion of the business of land mortgage banks."

With the addition to the Reserves from the profits of this year, the owned capital of the Bank will exceed 10 per cent of the borrowed capital and the ground of objection to reduction in the margin so long taken by the Government will cease to exist. It is, therefore, hoped that the Government will give the matter a fresh consideration and fall in line with the general opinion on this important subject.

There are at present 119 lank mortgage banks working in the Province. The last bank was started before December, 1939. Since then due to war conditions no new Bank has been started. The Viziaraghavachariar Committee on Co-operation has recommended that there should be a five-year Plan during which period the whole Province should be covered with 200 mortgage banks. Now that the war is over, it is time the organisation of land mortgage banks in areas not served so far is taken up. A portion of the area to be brought under the jurisdiction of land mortgage banks consists of unsurveyed mitta or zamin lands. Before mortgage banks can begin their operations in these areas it will be necessary to have the lands surveyed. This should be treated as an urgent item of post-war rehabilitation of agriculture and survey undertaken by Government as the existing provisions in the Estates Land Act in regard to survey are not adequate.

In zamindari areas where land mortgage banks are functioning their progress is considerably impeded by lack of adequate facilities for grant of pattas and subdivision of holdings. The Conference has repeated its request for the Government undertaking special legislation to remove this difficulty. But this has not been done. Much valuable time had been lost to the detriment of the zamin ryot. The present provisions of the Estate Land Act are too inadequate. The amendment need not be made to wait the solution of much larger issues and I hope Government will take suitable action without delay.

I cannot leave this matter without referring to the position of banks working at a loss whose number on 30th June this year was 24. Some of these will be able to make much headway if the legislation indicated above is undertaken by Government. Meanwhile the Board has decided to adopt measures for improving the business of these banks. The Committee appointed by the Conference to go into the peculiar difficulties of the West Coast Banks has recommended to add some more tenures to the list of acceptable securities for granting other facilities.

In order to effect a general improvement in the working of these banks the Board has provided in the budget for the year a sum of Rs. 10,000. A detailed scheme will soon be worked out and implemented to put all these banks on a sound financial basis.

I am glad to say that our debentures have proved very popular with the investors. The last two series of debentures *viz.*, 37th and 38th series were heavily oversubscribed and only partial allotment had to be made. Many an investor is feeling disappointed as he is not able to buy these debentures. The amount of debentures at present in circulation amount to 327 lakhs. This is only a small fraction of the amount of Government Securities in circulation. A study of the holding of our debentures discloses that they are held by genuine investors who require long term investment and who do not speculate in the Stock Exchange. This and the comparatively small amount of debentures account for the small number of transactions in the Stock Exchange. Unfortunately, however, the Reserve Bank of India have taken the attitude that these debentures are not readily marketable and have refused to grant accommodation on their security. Our experience as a buyer in the market of these debentures and that of investors has been that they are not available. I have not come across one case in which any debenture holder found any difficulty in disposing of his debentures. While the Imperial Bank of India and other scheduled banks have been freely lending on their security the unhelpful attitude taken up by the Reserve Bank of India authorities is inexplicable. I hope that the Reserve Bank of India will realise the strong position that these debentures occupy in our economy and change their attitude.

There is a misconception in some quarters that the war has brought prosperity to the rural popuation. It is true that the prices of agricultural produce have appreciated. But the costs of production have increased enormously and the prices of other articles of consumption which the agriculturist requires have gone much higher, thus offsetting the advantage on account of increased prices of the produce. Most of our agriculturists are small scale farmers whose average holding is said to be 4.91 acres. This class of ryots will have very little surplus produce to sell. He has not, therefore, derived much benefit from increased prices. The maintenance of the prices of agricultural produce at a remunerative level is of primary importance not only to the agriculturist but to the country as a whole as the prosperity of the country is to a large extent dependent on the prosperity of the largest industry in the country *viz.* agriculture.

The noblest motive is the public good.
—Vergil.

Resolutions.

THE ALL-INDIA CO-OPERATIVE INSURANCE SOCIETIES CONFERENCE.

Held at Bombay on the 10th and 11th December 1945.

1. This Meeting of the All India Co-operative Insurance Societies' Association is of the considered opinion that, in view of restrictions on investments of Insurance Companies already placed under Section 27 of the Insurance Act, 1938, to which the Co-operative Insurance Societies are also subject, the further restrictions on their powers to invest, imposed by various Co-operative Acts in force, place them at a considerable disadvantage as against other Insurance Companies. These restrictions result in their realising on their funds a comparatively lower rate of interest, which has far-reaching consequences. This Meeting, therefore, requests the Provincial Governments, the Government of India, the Governments of the Indian States and other authorities concerned to remove all restrictions on investment of funds imposed by Co-operative Societies' Acts.

2. This Meeting of the All India Co-operative Insurance Societies' Association begs to draw the earnest attention of the Central Government in the matter of assessment of Co-operative Insurance Societies to income-tax, with particular reference to the anomalous position created in the case of Co-operative Insurance Societies by, on the one hand, exemption under Section 60 of the Indian Income-tax Act from taxation of the profits of a Society and on the other, by taxation of the income derived by the Society from interest on Securities or Dividends. There is no justification for this so far as Co-operative Insurance Societies are concerned, as, by the very nature of their business, they have got large Life Funds, which have to be invested. The earnings of these funds cannot be construed as profits. This Meeting, therefore, strongly urges upon the Central Government to remit the tax payable by the Societies on the income derived by them from investment on Government Securities.

3. The attention of this Meeting of the All India Co-operative Insurance Societies' Association has been drawn to the Orders made under the Payment of Wages Act by the Provincial Governments, whereunder deductions from the wages of an employed person are not allowed to be made for the purpose of making due payments in respect of any scheme of insurance other than the Postal Insurance Scheme, unless such schemes are approved by the Government. Such Orders have debarred employees from insuring their lives and arranging to pay the premiums thereon directly by a deduction from their wages by the employer or by their Co-operative Society except under the Postal Insurance Scheme. This Meeting is of the emphatic opinion that Policies issued by Co-operative Insurance Societies should be put on the same footing as those under the Postal Insurance Scheme and that the said Orders under the Payment of Wages Act be amended accordingly, so that employees who become members of Co-operative Societies, can place their insurance with Co-operative Insurance Societies and have their premiums deducted from their salaries or wages.

4. With a view to encouraging thrift amongst the members of Co-operative Societies and extending the undoubted benefits of Life Insurance, this Meeting of the All India Co-operative Insurance

Societies' Association urges upon the Governments and other authorities concerned to make it obligatory on all Co-operative Credit Societies to insure the lives of their members for a minimum sum assured and to place such assurance with a Co-operative Insurance Society only.

5. This Meeting of the All India Co-operative Insurance Societies' Association welcomes the development of Housing Societies on co-operative lines, and with a view to relieve the present acute shortage of decent housing accommodation, both in the urban and rural areas, requests all Co-operative Insurance Societies to render the necessary financial assistance by means of loans at reasonable rates or otherwise to such Societies. This Meeting further requests the Central and Provincial Governments, the Governments of the Indian States and other authorities concerned to formulate schemes for enabling Co-operative Insurance Societies to render the necessary financial assistance to Housing Societies by guaranteeing the security of capital and reasonable interest. This Meeting further requests the Central Government to treat such investments as falling within the scope of Approved Securities for the purpose of Section 27 of the Insurance Act, 1938.

6. This Meeting of the All India Co-operative Insurance Societies' Association recommends to all Co-operative Insurance Societies to have their Banking arrangements, wherever possible, with Co-operative Banks only and appeals to the Provincial and other Co-operative Banks to give Co-operative Insurance Societies special facilities and particularly.

(a) a low rate of commission on collection

(b) a low rate of exchange

(c) allowing favourable terms on short term investments.

7. This Meeting of the All India Co-operative Insurance Sceities' Association requests the Provincial Governments, the Government of India, the Governments of the Indian States and also quasi-Government Bodies, Local Bodies and other employers of labour on a large scale to encourage the habit of insurance amongst their employees by grant of special facilities such as permitting them to utlise their accumulated Provident Fund amounts towards payment of premia on Policies taken out with Co-operative Insurance Societies and by assisting in the recovery of the premia by direct deductions from their salaries.

8. This Meeting of the All India Co-operative Insurancs Societies' Association is of the opinion that all Co-operative Insurance Societies registered under a Central or a Provincial Co-operative Act or a Co-operative Act of an Indian State should be recognised as registered under a Co-operative Act both in British India and in the Indian States on a reciprocal basis.

9. This Meeting of the All India Co-operative Insurance Societies' Association recommends that reinsurance by a Co-operative Society shall be placed with a sister Co-operative Insurance Society, as far as possible.

Conference.

THE TAMIL NADU FOURTH CO-OPERATIVE CONFERENCE.

The Tamil Nadu Fourth Co-operative Conference was held at the National College, Trichinopoly under the presidentship Sri P. S. Kumaraswami Raja. Sri T. A. Ramalingam Chettiar and several delegates from the Tamil Districts were present. Dr. K.V. Dhanakoti Naidu, Vice-President of the Salem District Co-operative Central Bank hoisted the co-operative flag. Sri T. S. Muthukumaraswami Pillai, President of the Trichinopoly District Co-operative Central Bank delivered the welcome address as Chairman of the Reception Committee and stressed the urgency of launching the irrigation projects in the Tamil Districts. Sri Rao Bahadur J. C. Ryan, Joint Registrar of Co-operative Societies, delivered the opening address in the course of which he gave a graphic account of the all-round progress of the co-operative movement in the Tamil Nadu. Sri P. S. Kumaraswami Raja, in the course of his presidential address, referred to the good work done by the Tamil Nadu Co-operative Federation and its official organ the *Kootturavu* journal under the guidance of Sri T. A. Ramalingam Chettiar, and indicated the lines of progress during the post-war period. Sri T. Narayana Pillai, the Joint Secretary of the Tamil Nadu Co-operative Federation, read out the messages received from leading co-operators from all over India.

In the afternoon Sri Rao Sahib K. Subramaniam Naidu, Additional Joint Registrar of Co-operative Societies reviewed the co-operative movement.The following gentlemen took part in the Subjects Committee to draft the resolutions:—Sri T. A. Ramalingam Chettiar, Sri Rao Sahib A. Ramachandram Pillai, Sri Rao Sahib C. S. Srinivasa Mudaliar, Sri S. Srinivasa Mudaliar, Janab P. Allapichai, Sri A. M. Maduraipuli Gownder, Sri D. Mahalingam Pillai, Sri Rao Sahib M. S. Palaniappa Mudaliar, Sri S. K. Ramaswami Mudaliar, Sri Rao Sahib L. N. Paramasivam Pillai, Sri V. Alagappan, Sri R. G. Nallakutralam Pillai, Sri M. P. Nachimuthu Mudaliar, Sri Rao Sahib T. R. Sundaram Pillai, Sri P. Manickam, Sri N. Lakshmanan, Sri S. Govindarajulu, Sri Rao Sahib A. Sethuram Iyer, Sri A. Ponnuswami Pillai, Sri Rao Sahib I. Kumaraswami Pillai. The following resolutions were then unanimously passed.

After the President's concluding remarks, Sri Rao Sahib L. N. Paramasivam Pillai proposed a vote thanks. The next session of the conference has been invited to be held at Salem.

Resolutions passed at the Tamil Nadu Fourth Co-operative Conference held at Trichinopoly.

1. Village Guides:—This Conference is of opinion that the scheme of Grama Sangams devised by the Government of Madras will not promote the welfare of the villagers and therefore recommends that Village Panchayats and Co-operative Societies be used as the natural

bases for rural reconstruction work and that public spirited young men of Tamil Nadu be selected and trained to become Village Guides.

2. This Conference resolves that as in the case of limited liability societies unlimited liability societies also may send one delegate, each to the Tamil Nadu Co-operative Conference.

3. This Conference requests the central co-operative Banks to advise Co-operative credit societies, in their area, to subscribe for the "Kootturavu Journal" (the official organ of the Tamil Nadu co-operative Federation) by remitting the annual subscription of Rs. 2 each.

4. This Conference is of opinion that co-operative training given in the co-operative Training Institutes, should, as far as possible be in the mother tongue and requests the Registrar of Co-operative Societies and the Madras Provincial Co-operative Union to give the necessary facilities to the Institutes for this purpose.

5. This Conference is of opinion that to infuse confidence in the agriculturists and win them over to the new methods Government should prove to the agriculturist by opening agricultural farms at many centres in each district that the new methods of agriculture are really paying.

6. Electricity:—This Conference requests the Government to extend the supply of electric energy for the improvement of agriculture and to entrust to co-operative societies the distribution of the electrical goods.

7. Irrigation:—In view of food shortage in Tamil Nadu this Conference requests Government to expedite completion of irrigation projects now on hand and also bring to function without delay the other possible irrigation schemes.

8. Irrigation Projects:—As the food crops grown in the Tamil Districts are not sufficient, this Conference requests the Government to take on hand and complete, particularly the following projects.

Trichy District:—Unjalur Peruvalai Channel Project.
Coimbatore District:—Lower & Upper Bhavani Projects.
Madura District:—Teni Project, Sathiar Project in Nilakottah Taluk.
Salem District:—Thoppaiyar Project in Omalur Taluk, and Padathalam Project in Krishnagiri Taluk.

9. Prevention of Malaria in Deltaic area:—This Conference resolves that in the deltaic areas which are now highly malarial, this pestilence should be eradicated by extensively growing in such areas trees yielding green manure.

10. Agriculture:—Co-operative Societies are the ideal agencies for the equitable distribution of articles like manure, seed, agricultural

implements, wheel axle, iron tyres, cattle fodder etc., which are necessary for the agriculturists and the artisans. This conference requests the Government to arrange for the supply of such necessary goods only through co-operative Institutions.

11. Cottage Industries:—This Conference requests the Government to frame suitable schemes for employing the landless labourers in each village, to organise cottage industries in several villages in the Tamil Nadu to enable them to increase their income and when they are sent to places where there is a demand for labour to provide sufficient safeguards for their welfare.

12. Cattle Breeding:—In view of the abnormal depletion of cattle in the Tamil Nadu on account of the war and in order to increase the cattle wealth this Conference requests the Government to import good breeds of cattle from Australia, Canada and other places, to set apart forest for grazing and provide such other facilities as may be necessary for the improvement of local breeds of cattle.

13. Land Mortgage Banks:—In view of easy money conditions in villages this Conference requests the Government to reduce the rate of interest on loans by land mortgage banks to a rate not exceeding 5 per cent.

14. Godowns:—This Conference requests the Government to provide funds liberally for each district and make available at least 50 per cent of the amount required for the construction of godowns.

15. Paramboke:—This Conference requests the Government to direct District Collectors to assign paramboke lands to co-operative societies only, when they apply for the construction of godowns.

16. Godowns:—This Conference requests the Government to take immediate steps and do the needful when societies send their applications for the acquisition of lands for the construction of godowns.

17. Marketing Societies:—This Conference requests the Government to help the co-operative marketing societies with interest free loans and liberal free grants for installation of the machinery required for the processing of agricultural produce such as cotton, groundnut etc.

18. Sales Tax:—This Conference requests the Government to exempt Co-operative Milk Societies and Marketing Societies from the levy of Sales tax.

19. Burma rice:—While congratulating co-operative stores on their vital role in the distribution of food stuffs till now this Conference requests the Government to entrust in future also with them the work of distribution of the Government's imports of rice and food products from foreign countries. It also requests the government to arrange through

Trade Commissioners to secure agencies for the distribution of food products both inland and foreign to these institutions.

20. Books & Forms :—This Conference requests the Registrar of Co-operative Societies to issue orders for the standardisation and printing of books and forms useful for co-operative societies in the Tamil Nadu, similar to those of Local Bodies.

21. Representatives :—This Conference requests the Registrar and the Central Banks to permit non-union societies affiliated to the central Banks to send a delegate to the Board of Management of the concerned central bank.

22. Rule VIII-A :—This Conference requests the Government through the Registrar of co-operative societies to rescind rule VIII-A of the Rules under the Madras Co-operative Societies Act VI of 1932. In the alternative the periods for medium and long term loans be increased to 5 and 7 years respectively and the condition fixing the percentage for each kind of loan be omitted.

23. Produce Loan :—This Conference requests the Registrar of co-operative societies to permit the enhancement of the individual maximum credit limit of members in the case of produce loans in primary credit Societies to their members, from Rs. 1,000 to Rs. 5,000 and to permit the necessary amendments to the by laws of the Societies accordingly.

24. Minors :—This Conference requests the Government to amend the act suitably providing admission of minors in primary credit societies as 'B' class members as in the case of Land Mortgage Banks so as to facilitate the execution of mortgage deeds by guardians without legal difficulties.

25. Encumberance certificates :—This Conference requests the Government not to levy any fee for the issue of encumberance certificates to co-operative societies.

26. This Conference requests the Government to amend rule XXII of the Rules under the Madras Co-operative Societies Act VI of 1932 vesting the Registrar of the district with powers to hand over possession of properties, purchased by societies at the departmental sale without further recourse to the civil court.

27. This Conference requests the Government to amend Rule XXII of the Rules under the Madras Co-operative Societies Act VI of 1932 so as to proceed against the sureties who are entrusted with the attached movable properties in the case of execution through department in cases where they fail to fulfil the conditions of suretyship so undertaken.

REPORT OF THE WORKING

OF

The Madras Provincial Co-operative Union

(From 1st July 1944 to 30th June 1945.)

1. Period of Report

The following is a report of working of the Madras Provincial Co-operative Union, for the period from 1st July 1944 to 30th June 1945.

2. Membership

The number of member Societies as on 30-6-44 was 572, and the number of member Societies on 30-6-45 was 637. The number of members belonging to different classes is given below. The increase in membership is due to vigorous campaign for membership carried on by the Union. Even so, the response is not encouraging. But it is hoped that by persistant appeal, more societies will be induced to enrol themselves as members.

	Name of Institution.		As on 30-6-44.	As on 30-6-45.
1	Provincial Institutions	...	6	7
2	Central Banks	...	31	31
3	Language Federations	...	2	2
4	Urban Banks	...	116	120
5	Audit Union	...	1	1
6	Land Mortgage Banks	...	48	50
7	Local Supervising Unions	...	161	170
8	Training Institues	...	4	4
9	Honorary Members	...	20	15
	Non-Credit Societies :—			
10	Stores Societies	...	135	176
11	Marketing Societies	...	5	11
12	Loan and Sale Societies	...	22	21
13	Weavers Societies	...	6	8
14	Milk Supply Unions	...	4	4
15	Building Societies and Banks	...	6	8
16	Agricultural Societies	...	4	8
17	Other Societies	...	1	1
	Total	...	572	637

3. Meetings

(A) General Body:

A meeting of the General Body was held on 28-10-44 when the annual report and Audit review for 1943-44 were considered and adopted.

(B) Board of Management:

The Board met during the year thrice *i.e.*, on 28-10-44; 29-10-44 and 11-6-45. The Board which met on the last occasion was newly constituted, in accordance with the amended By-laws.

(C) Executive Committee:

The Executive Committee met 6 times in the year and the meetings were generally well attended.

(D) Sub-Committees:

To give a wide based representation for all types of societies in the management of the Union, the constitution of the Union was altered and 5 sub-committees one for each of the following groups of co-operatives were constituted.

1. Credit Socities.
2. Consumers' Societies.
3. Education and Propaganda.
4. Producers' Societies.
5. Marketing Societies.

4. Activities

The main activities of the Union have been as usual, the conduct of the *Madras Journal of Co-operation*, subsiding co-operative journals in the various languages of the province, running co-operative Library, publishing of propaganda literature, holding of examinations for the students of Co-operative Institutes and the celebration of the International Co-operators'. Day. In addition to these, the Panchayatdars Training Classes were conducted during the months of April, May & June in accordance with a scheme drawn up and approved by Government.

(A) The Madras Journal of Co-operation:

The Journal continued to be published regularly every month, though, of course due to scarcity of paper, the size as well as the bulk had to be diminished. The cost of publishing the journal amounted to Rs. 2,358 against which the subscriptions and appropriation of membership fees and advertisement charges amounted to Rs. 5,513. The publication resulted in a net profit of Rs. 3,155. The Journal continued to be very popular. Besides affiliated societies which are entitled to a free copy, the number of subscribers rose to 600.

(B) Subsidy to Language Journals:

A subsidy of Rs. 1,000 each was given to the Tamil Nadu Co-operative Fedration, Coimbatore which conducts a journal *Kootturavu*, and to the Andhra Desa Co-operative Union, which conducts the monthly Journal *Shakaramu* and a sum of Rs. 250 for each was also given to *Kannada Shakari* and *Parasparasahayi* published by the South Kanara Co-operative Central Bank and the Malabar District Co-operative Bank respectively. These journals was conducted satisfactorily and appeared regularly, contributing a great deal for the spread of Co-operative ideas and ideals in their language areas.

(C) Library and Reading Room:

Books of the value of Rs. 487, were added to library besides subscription of Rs. 71 for newspapers. Government gave a grant of Rs. 113-8-0.

(D) Propaganda:

i. Conference.

The 25th Madras Provincial Conference was held on the 28th and 29th October 1944. Sri V. T. Krishnamachari presided, Sir H. M. Hood, K.C.S.I., C.S.I., I.C.S., Adviser to the Government of Madras, delivered the welcome address, and Sir P. T. Rajan unfurled the Co-operative flag. Dr. P. Subbaroyan opened the Exhibition. The conference was very largely attended by delegates from all over the presidency. There was a record gathering of about 400 delegates. Many visitors also attended. The Exhibition was also very popular and attracted many visitors and students from colleges. Many women students attended the conference and visited the Exhibition. There was very good response for the call for donations from Co-operative Institutions. By observing strict economy in expenditure there was surplus of Rs. 1,989-10-0 on conference account.

The Union ran a mess for the convenience of the delegates as there was rationing in Madras. The Ration Department was very helpful in giving rations of rice and fuel. The Provincial Co-operative Marketing Society helped the Union by supplying other materials and taking back the surplus materials. The Government Kodur fruit farm took part in the Exhibition, as also a number of societies. The Madras Milk Supply Union also took part in the Exhibition and the milk bar run by them was very popular and was in great demand. A number of resolutions were passed at the conference.

ii. Post-War Planning.

In pursuance of a resolution passed at the 25th Co-operative conference, the Executive Committee appointed a committee to prepare a report as to Post-War Planning on Co-operative lines. The Government of India appointed a Committee to draft a report for Co-operative Post-War Planning.

This Committee called for the views of the Unions. The sub-committee met in April and May and prepared a scheme and submitted it to the Government of India Co-operative Planning Committee and to the Government. The report has been published.

iii Tours and Radio Talks.

The President of the Union Sri B. Venkataratnam Chowdari attended the meeting of the All India Institutes' Association held at Bombay. The General Secretary of the Union, Sri V. Viyyanna gave some talks in the All India Radio on "Co-operative Movement." The Executive Committee invited an essay on "Co-operative Stores during the war and how to stabalise them after the War" and announced that two prizes of Rs. 100 and 50 woutd be awarded respectively to the first two candidates. The results are not yet announced. Professor S. K. Yegnanarayana Aiyer, the Chairman of the Committee dealing with Consumers' Co-operation, presided over the Salem District conference of the Stores societies. He also visited the Co-operative Wholesale Societies of Kurnool, North Arcot, Chittoor and Salem and had discussions with the authorities of these Institutions about improving their working. He also interviewed the authorities of the Civil Supplies Department on behalf of the Wholesale Societies of Chingleput and Anantapur. Mrs. K. Satthianadhan, Chairwoman of Producers' Societies Committee, toured Chingleput and Nellore Districts and did propaganda.

iv. Magic Lantern and Cine Cinemas:

The Cine Cinema projector owned by the Union was used on several occasions for propaganda purposes. The Executive Committee resolved to buy three cine projectors for the Union and applied to the Government for a subsidy to meet the cost of them. The Government was kind euough to grant a subsidy equal to 2/3 of the cost of three projectors. The balance from out of the conference receipts will be utilised for the purpose.

v. Publications:

The Union published a comprehensive book on Market Intelligence giving a variety of information for the benefit of the Co-operative Stores. The report on Post-War Reconstruction is in great demand. The Co-operative Act published in 1943 has been exhausted and a new edition is being brought out.

(E) i. Co-operative Education and Training:

The Union as usual, conducted the Co-operative Training Institutes examination in April 1945. Particulars regarding the number of candidates appeared and passed are given below. When compared to last year's results this year's results are very poor.

April 1945 Examination Results

Centre.	Appeared.	Passed in Class I.	Passed in Class II.
Coimbatore Co-operative Institute ...	27	4	7
Hood Co-operative Institute, Tanjore ...	44	...	12
Ramdas Co-operative Institute, Rajahmundry	43	...	19
Rayalaseema Co-oporative Institute, Anantapur ...	32	...	22
Supplemental candidates in all the above Institutes	23	...	3

(E) ii. Panchayantdars' Training Classes:

Till the end of 1943, the Union was conducting Panchayatdars Training Classes with subsidy from the Government of India given to the provincial Government under a 5 years programme. This year the local Government gave a grant to the Union Rs. 15,800 to conduct Panchayatdars' Training Classes for 3 months during April, May and June utilising the services of the lecturers in the Institutes. A scheme for the training together with a syllabus of courses for the 3 months was prepared by the Union, in consultation with the Registrar. The main object of these classes is to gather at least 25 panchayatdars at each centre in a district and give them a general education on all aspects of co-operation. To attract the rural public and the other panchayatdars in the neighbouring villages, entertainments are also contemplated. These 25 candidates are to be given stipend of Rs. 15. The course of training is for a period of 15 days. Help and co-operation of non-official co-operators in the district, and also officers of Government for Agriculture, Public Health and Veterinary is contemplated to make the scheme a success. Two centres in each district were selected for the holding these classes. In total 24 classes were held. The actual working of the scheme will be reviewed and the defects rectified for the next classes. On the whole it may be stated that the scheme was a success and there was a good response in many centres. The only difficulty felt in many places was to keep the Panchayatdars for 15 days at a centre especially, as they are mostly agriculturists working in villages. The stipend given was not at all sufficient. It may be necessary to reduce the period of training and also increase the stipend.

(F) 'International Co-operative Day:

As usual, the International Co-operative Day was celebrated in the first week of November 1944. Mrs. K. Satthianadhan, M.A., M.B.E., presided and prominent co-operators took part.

(G) Representation to Government:

A deputation of the members of the Executive Committee waited on the Adviser and pressed on the Government the acceptance of the resolutions passed at the 25th Co-operative Conference. The Adviser promised sympathetic consideration.

Funds

The working of the Union for the year under review shows an income of Rs. 47,915-12-0 and an expenditure of Rs. 38,614-13-0, showing a surplus of Rs. 9,300-15-0.

Thanks

The Union tenders its grateful thanks to the Madras Provincial Co-operative Bank for the generous grant of Rs. 8,500 and an additional grant of Rs. 6,000 for Panchayatdars' Training Classes. The Union realises its activities in various directions are largely dependent on the Bank's support.

It is gratifying to state that in response to our appeal for contribution many stores societies have sent contributions. The Union tenders its thanks to all those institutions and trusts that similar donations will be forthcoming next year. In fact a portion of the common good fund of all co-operative institutions should be earmarked for co-operative education and propaganda and given to the Provincial Co-operative Union.

The Union also tenders its grateful thanks to the Government of Madras for the support and encouragement they have given to the Madras Provincial Co-operative Union to conduct the Panchayatdars' Training Classes.

Our thanks are also due to the Registrar Mr. W. R. S. Satthianathan and the Joint Registrar Mr. J. C. Ryan, and to the Additional Joint Registrar Mr. K. Subrahmanyam Naidu, for the interest they have taken in the working of the Union and the advice they have readily given to the Union.

AUDIT REVIEW

OF THE ACCOUNTS OF THE

Madras Provincial Co-operative Union, No. 1130,

for the year ended 30-6-45.

The accounts of the Madras Provincial Co-operative Union for the year ended 30-6-45 as audited by Sri D. S. Venkataveeraraghvan, Junior Inspector of Co-operative Societies, Madras, are passed. The statements of receipt and charges, funds available and obligations to be fulfilled and income and expenditure accounts as furnished by him are appended.

2. **Membership**:—The number of member as on 30-6-45 was 637.

	Name of Institution.		As on 30-6-44	As on 30-6-45.
1	Provincial Institutions	...	6	7
2	Central Banks	...	31	31
3	Language Federations	...	2	2
4	Urban Banks	...	116	120
5	Audit Union	...	1	1
6	Land Mortgage Banks	...	48	50
7	Local Supervising Unions	...	161	170
8	Training Institutes	...	4	4
9	Honorary Members	...	20	15
10	Stores	...	185	176
11	Marketing Societies	...	5	11
12	Loan & Sale Societies	...	22	21
13	Weavers' Societies	...	6	8
14	Milk Supply Unions	...	4	4
15	Building Societies and Banks	...	6	8
16	Agricultural Societies	...	4	8
17	Other Societies	...	1	1
	Total	...	572	637

3. **Funds**:—The funds of the Union are composed mainly of:—

(i) Contribution from member societies.

(ii) Subscription to *the Madras Journal of Co-operation.*

(iii) Subsidies and other miscellaneous receipts.

The demand, collection and balance statements for items (i) and (ii) are given below :—

	Demand.	Collection	Balance.	Advance collection.
Coutribution ...	5,375	4,864	511	24
Subscription ...	1,741	1,621	120	729

Activities of the Union :—

(a) *Madras Journal of Co-operation* :—The Journal was published every month. The cost of publication amounted to Rs. 2,358-0-0 Against this Rs. 5,513-0-0 was realised by subscription and contribution.

(b) *Library* :—The value of books on hand amounted to Rs. 2,400.

(c) *Subsidies* :—Journals were published in the languages. Subsidies paid to the institutions are noted below :—

		Rs.
1	Tamil Nadu Co-op. Federation ...	1,000
2	Andhradesa Co-op. Union ...	1,000
3	Malabar Dt. Central Bank, Ltd ...	250
4	S. Kanara Central Bank, Ltd. ...	250
5	Training Institutes (Four) ...	1,000

Panchayat Training Classes :—A sum of Rs. 21,800 was received as subsidy (from Government Rs. 15,800 and Rs. 6,000 from the M.P.C. Bank) out of which Rs. 20,800 was distributed to various Institutes towards conduct of the training classes for panchayatdars.

Meetings :—One meeting of the General Body was held in the year. Three Board Meetings and six Executive Committee meetings were held in the year.

Conference :—The 25th Madras Provincial Co-operative Conference was held during the year. A sum of Rs. 4,234 was collected and a sum of Rs. 2,244-6-0 was spent for the conference leaving a balance of Rs. 1,989-10-0 as surplus.

Miscellaneous :—The training classes for Supervisors were conducted in the four Training Institutes at Rajahmundry, Anantapur, Coimbatore and Tanjore. The Union received a sum of Rs. 1,658 by way of examination fees etc., against an expenditure of Rs. 622-8-0.

Food Situation and the role of Co-operatives

BY THE REGISTRAR OF CO-OPERATIVE SOCIETIES, MADRAS.

The Deputy Registrars are aware that this Province is facing a serious situation due to shortage of food grains brought about by the havoc of the recent cyclone in the Godavari and Kistna delta areas and the failure of the North-East monsoon in the other parts of the province, particularly in the Central districts. The cyclone alone is estimated to have cost the province over 1,70,000 tons of rice. Though the "grow more food" campaign brought an additional extent of over 1,80,000 acres under the plough and a considerable area was converted from non-food to food crops, the unfavourable season has prevented these efforts from bearing fruit this year. For the whole population the requirements of the Province would be nearly seven million tons of cereals whereas the quantity available for consumption is rather less than six million tons, even allowing for the allotment of cereals made by the Government of India to this Province. Outside the Province also, the outlook does not appear to be much better because of a failure of the winter rains in the wheat lands of the North. The country as a whole has thus to depend upon other countries for the import of food grains if the crisis has to be tided over but then the world shortage is a reality. It is obvious, therefore, that the utmost economy in food grains has to be observed even from now if a further deterioration in the food position has to be arrested and the crisis faced with equanimity and courage. As the Adviser to H. E. the Governor has put it, "though I still hope that something will be forthcoming both from the West and the East, it is obviously only ordinary prudence, while hoping for the best, to take precautions to meet the worst." We have got to do our utmost to help ourselves.

2. The Government have, therefore, been obliged to cut the rations to 12 oz., with effect from 17-2-46. The idea behind this cut in rations is to make sure that our deficit is spread over the whole year and over the whole country. It is true that this may be and is "an inadequate ration, but it is all that our present resources will allow". All other provinces are following suit. H. E. the Viceroy has appealed in his broadcast on the 16th instant for the co-operation of the public and has indicated the directions in which they could help the Government.

3. Government also consider that a mere cut in the areas already rationed would neither be sufficiently effective to reduce consumption to the required limits nor would it be fair to that part of the population who happen to live in the rationed areas. In order, therefore, that the burden may in equity be shared equally by all, Government propose to extend rationing throughout the province.

All the district and subordinate officers are requested to press into service all co-operative stores and such of the credit societies as can undertake the job, in the scheme of province-wide rationing and to advise them to carry out the revised instructions regarding rationing, most faithfully.

4. As the Officers are aware, procurement operations have been undertaken or introduced in most districts in order that all surplus food grains are gathered and made available for equitable distribution to all classes of the community. Government consider that rationing cannot by itself be effective, nor would it be fair to all, unless there goes with it procurement of the producers' surplus and that as rationing is to be universal,

procurement must also be universal. They have, therefore, decided to extend procurement measures thoughout the province. This is the third measure the Government are taking to meet the situation. Deputy Registrars are aware that a number of co-operative stores have already been utilised for procurement of food grains. They are requested to see that in the other districts where procurement is proposed to be undertaken, all good and efficient primary co-operative stores and all the district wholesale stores are fully utilised for procurement operations.

5. The Registrar wishes to emphasise that all the co-operatives which have a part to play in the food economy of the Province, should rise to the occasion and discharge their heavy responsibilities most efficiently and satisfactorily. The Registrar is aware that during the War they rendered great services to the community in the equitable distribution of food grains and other essential commodities and earned the gratitude of the community and the appreciation of the authorities. The Registrar appeals that during the very difficult times ahead. they will play an equally useful role and spare no efforts to make the best of the job of procurement and distribution entrusted to them. Co-operative stores, primary and wholesale, are being extensively utilised in procurement and rationing schemes. The Deputy Registrars should ensure that such co-operative stores carry out their work in a most business-like and efficient manner. They are requested to be constantly in touch with the Collectors and other Revenue authorities and District Rationing or Supply Officers and render them all the help they can through co-operative agencies. The co-operative stores and credit societies that have undertaken distribution, should be instructed strictly to adhere to the instructions issued by the Rationing Officers with regard to the cut in rations, etc. Those thrt have taken up procurement, should move briskly and procure every grain that can be gathered. The Registrar has, under the powers vested in him, been relaxing the maximum credit limits of co-operative stores entrusted with procurement work to enable them to raise large funds to finance the large scale purchase of cereals and in some deserving cases, lending departmental officers to assit them in carrying out their increased responsibilities. The Registrar will most sympathetically consider applications for relaxation of credit limits in all deserving cases. Only with sustained effort, zeal, determination and a sense of the realisation of the gravity of the situation on the part of the co-operative institutions and the help of the Revenue Officers, they can expect to carry out their responsibilities.

6. No time should be lost by co-operative societies as every minute is precious and delay may be taken advantage of by hoarders and blackmarketeers to corner food grains much to the detriment of public interests. Co-operative marketing societies and federations can be of great service in the matter of procurement and storage of food grains and the Registrar trusts that they will rise to the occasion. The Deputy Registrars and their subordinate officers should advise members of sale or marketing societies to make all their surplus paddy or millets readily available for sale to the agents appointed by Government whenever asked to do so, and not to overestimate their requirements or resort to anti-social practices such as hoarding, black-marketing, etc. During their tours, they should carry on propaganda and advise people that they should not get panicky and resort to selfish concealment of foodgrains,—which would defeat the whole object

of the measures designed to conserve all available resources and to ensure that what we have, little as it is, is shared equally by all—, that the authorities are keeping the situation well in hand and that they should whole-heartedly and willingly help the authorities in all matters connected with food distribution.

7. Finally, in all efforts and schemes designed to promote the "grow-more food" campaign, co-operative institutions can as hitherto, be of great service and help. Co-operative sale or marketing societies and agricultural improvement societies can, in consultation with and with the help of the officers of the Agricultural Department, ensure supplies of seed, manure, etc., to their members on an extended scale, and village credit societies can in an increasing measure supply funds to their members for cultivation expenses. The supervising staff of co-operative central banks and the departmental Territorial Inspectors should be asked to a vigorous propaganda in this matter. The central banks can hasten the disposal of loan applications and make money available as quickly as possible. Co-operative institutions can do a great deal to encourage vegetable cultivation through supply of seeds and small loans, if necessary, and provide the necessary stimulus by arranging exhibition of vegetables produced by their members and awarding them prizes. The bigger co-operative societies in urban areas can also organise study circles and promote a widespread knowledge and discussions on matters concerning food conservation, nutrition, balanced diets, alternative foods etc. They may obtain a copy of "Nutrition" published by the Department of Food, Government of India, New Delhi. This bulletin contains very useful hints on all matters concerning food.

8. The cut in rations may have repercussions upon the demand for milk and milk products. Co-operative milk supply societies and unions have for the last 4 or 5 years been doing their very best in the matter of increasing milk supply to the urban population, and have, in some degree, afforded relief to the people. The demand for milk and milk products, particularly from the upper middle classes, may considerably increase in the coming months. The coming summer too, may possibly contribute to a shortage in the total milk production. The Deputy Registrars are requested to take urgent steps not only to keep up the present level of supplies of milk hut also to stimulate increased production. As the officers are aware, the Government have been generous to sanction interest-free loans to members of milk supply societies and unions for the purchase of milch cattle, and every endeavour should be made to encourage the grant of loans to members of these institutions and stimulate increased production of milk. The societies and unions should also make every effort to ensure adequate supply of oil cakes and other items of cattle fodder to their members. Arrangements are being made for supply of oil cakes to members of milk supply societies and others in big towns like Madura, Coimbatore, Vellore and the city of Madras, and it is likely that Government may issue orders shortly.

9. The Registrar hopes that all the officers and co-operative institutions will rise equal to the occasion, wholeheartedly co-operate with the authorities in the enforcement of all the measures described above and play their part as successfully as they did during the years of the war. The Registrar would like the officers to refer in their monthly narrative reports to their efforts in the several directions indicated.

Education and Propaganda.

Pdl. 13/45—N. Dated : 5-1-1945.

[Review of the Training Classes for Panchayatdars and Members of co-operative societies held by the Co-operative Institutes at Tanjore, Coimbatore, Anantapur and Rajahmundry—1944-45.]

BY THE REGISTRAR OF CO-OPERATIVE SOCIETIES.

1. The scneme of Training Classes for the training of Panchayatdars and members of rural co-operative societies sanctioned in G. O. No. 1277 dated 22nd March, 1944 was introduced in the year 1944-45. The first set of training classes was conducted during the period 1st April, 1945 to 30th June, 1945.

2. *Centres* :—The following centres were chosen for the conduct of these training classes by the Co-operative Institutes situated at Tanjore, Coimbatore, Rajahmundry and Anantapur. The classes were held in each of the centres for a period of 15 days.

Tanjore :	Coimbatore :
(i) Madras	(i) Coimbatore
(ii) Conjeevaram	(ii) Gobichettipalayam
(iii) Vriddhachalam	(iii) Ootacamund
(iv) Kalladaikurichi	(iv) Manjeri
(v) Tanjore	(v) Cannannore
(vi) Kumbakonam	(vi) Mangalore
(vii) Manaparai	(vii) Puttur
(viii) Perambalur	(viii) Rasipuram
(ix) Teni	(ix) Krishnagiri
(x) Aruppukottai	(x) Arani
(xi) Tinnevelly	(xi) Palligonda
(xii) Koilpetti	

Rajahmundry :	Anantapur :
(i) Vizianagaram	(i) Anantapur
(ii) Chicacole	(ii) Hindupur
(iii) Rajahmundry	(iii) Tadpatri
(iv) Amalapuram	(iv) Proddutoor
(v) Nidadavole	(v) Cuddapah
(vi) Maruteru	(vi) Rajampet
(vii) Masulipatam	(vii) Kurnool
(viii) Bezwada	(viii) Nandyal
(ix) Tenali	(ix) Bellary
(x) Bapatla	(x) Hospet
(xi) Gudur	(xi) Palamner
(xii) Kandukuru	(xii) Nagiri

3. *Staff* :—The classes were conducted by the staff of the Institutes whose names are given below :—

Tanjore.	Coimbatore.
Superintendent:—	
Sri T. L. Srinivasa Ayyangar, B.A. (Co-operative Sub-Registrar.)	Sri V. Vedantachari, B.A.,B.L., (Co-operative Sub-Registrar.)
Lecturers:—	
Sri R. Santhanam, B.A., (Senior Inspector.)	Sri P. Balakrishna Menon, (Senior Inspector.)
Sri R. Srinivasan	Sri C. Balasubramaniam.

Rajahmundry.	Anantapur.
Superintendent:—	
Sri S. Ramachandra Rao, B.A., L.T. (Co-operative Sub-Registrar).	Sri G. Venkatesiah, B.A., (Co-operative Sub-Registrar).
Lecturers:—	
Sri D. Venkata Rao	Sri C. Kameswara Rao, M.A.
„ V. Ramachandramurthy	„ K. R. Rama Rao, M.A.

4. *Non-Official Lecturers*:—The staff of the Institute who conducted the training classes were assisted by non-official lecturers recognised under the scheme such as :—

1. Sri N. Subramania Ayyar	7. Sri K. Achayya. B.A., B.L.
2. „ K. Kumaran Nair, B.A., B.L.	8. „ R. Venkataramiah
3. „ P. R. Doraisami	9. „ N. Rama Rao
4. „ K. Bharathan, B.A., B.L.	10. „ T. Appala Narasayya
5. „ N. Lakshmana Mudaliar	11. „ T. N. Umapathiah
6. „ T. N. Rajagopala Rao, B.A., B.L.	13. „ K. Seetharamiah
	12. „ R. Venkataramiah.

5. *Lectures of the Co-operative Department.*—At some of the centres, officers of the Co-operative Department like the Deputy Registrars, Co-operative Sub-Registrars and Senior Inspectors assisted the Institutes' staff in the conduct of the classes. Prominent non-official co-operators also helped the classes with talks on Co-operation and allied subjects. The Dairy Expert of the Co-operative Department visited four centres in Anantapur area, three centres in the Tanjore area, two in Coimbatore area and five in Rajahmundry area and gave magic lantern shows on dairying and other co-operative subjects.

6. *Lecturers of other Departments*:—The staff of the Institutes were also assisted in the conduct of the classes by officers of other departments such as Revenue, Agriculture, Industries, Veterinary, Public Health, Education, and the National War Front. The Physical Instructors in many districts took an active part by organising rural sports.

7. *Attendance at each centre*:—The following are the particulars of panchayatdars and members of rural credit societies who attended each centre:

Tanjore:		**Coimbatore:**	
Madras	31	Manjeri	25
Conjeevaram	21	Arani	25
Kallakurichi	31	Palligonda	25
Vriddhachalam	17	Rasipuram	25
Kumbakonam	11	Krishnagiri	12
Tanjore	41	Kannanore	25
Manaparai	17	Mangalore	25
Perambalur	27	Puttur	25
Teni	19	Coimbatore	22
Aruppukottai	20	Ootacamund	24
Koilpatti	25	Gobichettipalayam	25
Tinnevelly	7		
Rajahmundry:		**Anantapur:**	
Vizianagaram	24	Anantapur	12
Chicacole	29	Tadpatri	16
Rajahmundry	16	Prodatur	24
Amalapuram	49	Hindupur	25
Nidadavole	25	Kurnool	20
Maruteru	25	Nandyal	22
Bezwada	16	Hospet	18
Masulipatam	24	Bellary	17
Tenali	23	Cuddapah	25
Bapatla	22	Rajampet	25
Gudur	17	Palamnar	25
Kandakuru	25	Nagiri	25

8. *Subject Taught*:—The subjects taught in all these centres related to rural credit societies, Supervising Unions, Insurance Societies, Central Banks, Sale Societies, Co-operative Stores, Co-operative Milk Supply Unions, Fruit Growers' Co-operative Societies. Land Colonisation Societies, Cottage Industries Societies, Weavers' Co-operative Societies, Land Mortgage Banks, the Grow More Food Campaign and the problems of Post-war Reconstruction as detailed in the syllabus prepared by the Madras Provincial Co-operative Union.

9. *Amusements*.—In order to make the training clauses attractive amusements were a normal feature at every centre, and lecturers imparted instructions in the midst of amusements like Kalachepams, Harikathas, Dramas, Rural games, Folk dances, etc. The trainees learnt the principles, methods and advantages of co-operation as they amused themselves.

10. *Villages visited*:—The trainees were also taken to villages adjacent to the centres so that they might see for themselves the activities of co-operative societies situated there and learn by seeing. Thus, the Anantapur Institute arranged for visits to 11 villages, the Tanjore Institute to about 3 villages, the Coimbatore Institute to 15 villages and the Rajahmundry Institute to 5 villages, some places of interest like the Hydro-electric Project at Papanasam, the Rural Reconstruction Centre at Mangalagiri, the Agricultural Farm at Koilpatti, the Sugar Cane Research Station and the Agricultural College at Coimbatore, the P.S.G. Institute at Coimbatore, and the Andhra Scientific Company were visited by students undergoing training in the neighbouring centres.

11. *Good Results attained at Centres*:—Generally speaking, the Panchayatdars' Training Classes have been successful in most of the centres Some of them were remarkably successful. The classes at Perambalur Centres attracted good candidates; attendance was large; enthusiasm was great! and the competition for the silver cup at an elocution contest on "which particular aspect of co-operation appeals to you and how far are you going to utilise for rural uplift" was keen. The classes at Rajampet were a great success. Not only the students selected for the classes, but even outsiders attended them and benefitted by the instructions imparted. The popularity of this centre was due in large measure to the multiplicity of the amusements provided including a drama in which the trainees participated. The same was the case with the Ooty centre, which put on the boards a drama on Nandanar in which the panchayatdars of the training classes appeared on the stage and explained in Canarese the object of the training class. The Badaga co-operators are reported to have enjoyed the correlation of dance drama with co-operation and rural reconstruction. Many interesting reports of this kind have been received regarding other centres which need not be included in this Review for lack of space. Generally speaking, at most centres, the objective of these classes has been attained to a considerable extent. They have served to fill rural co-operators with a greater faith in co-operation and a larger enthusiasm for co-operation. They have advertised the benefit of co-operation to people who have not yet joined the co-operative movement. They have served to show that Co-operation is not a dull business involving loans and overdues, but that it is an exhilarating method of helping oneself and helping others in various constructive ways.

12. *Poor Centres* :—It must. however, be admitted that some centres were not as successful as others. The following are some of the centres where adequate success was not achieved :—

Tanjore.	Coimbatore.	Rajahmundry.	Anantapur:
Conjeevaram	Majeri	Gudur	Nandyal.
Aruppukottai	Mangalore		Hospet.
	Rasipuram		Cuddapah.
	Krishnagiri		Nagiri.
	Palligonda		

It is not necessary that the classes during the year 1945-46 should be repeated in the same centres. In the original scheme for the classes, it has been stated that where the response is not adequate, the centres should be changed. This does not, however, mean that successful centres should be given up. The training classes might with advantage be repeated in successful centres, so that in due course of time these successful centres may develop into permanent auxiliaries of the co-operative institute from where the light of co-operation may spread. While all the centres except those mentioned in para 12 may be said to be good, the following deserve special mention :—

(i) Coimbatore
(ii) Arani
(iii) Manaparai
(iv) Vriddhachalam
(v) Kallakurichi
(vi) Anantapur
(vii) Kurnool
(viii) Perambalur
(ix) Bapatla

13. *Finance* :—As regards finances of these training classes, a separate review will be issued in due course.

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