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THE
Madras Journal of Co-operation

EACH FOR ALL AND ALL FOR EACH

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

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The Shape of Things.

Whither Malabar :

It may be remembered we had occasion to criticise the hasty formation of producers' co-operatives in Malabar without sufficient propaganda in the principles and practice of co-operation. The phenomenal success achieved in collecting share capital is quoted as an answer to doubting Thomases and we have been told we have been unnecessarily apprehensive. We believe we have no reason to alter the course we adopted and putting in an emphatic demurrer. Share capital is easily collected because of the easy conditions in the market and on account of official auspices under which these co-operatives have been brought into existence. We do not know if other attractive promises have been made which may prove difficult of fulfilment. However, we must regretfully enter our protest and cry halt for this hasty organisation.

We are informed that the organisers of these co-operatives do not wish to have them affiliated to the District Central Bank and if at all they do so they impose certain conditions to be accepted prior to affiliation. They seem to threaten even to set up an independent financial organisation of their own or seek financial assistance from the scheduled banks. This attitude is wholly un-co-operative and must not be allowed to exist. Is there anything really wrong with the District Central Bank? Does the Registrar of Co-operative Societies or the Apex Bank, which has lent large sums of money and has perhaps also allowed cash credit, have anything to say against the present management? Simply because a few new enthusiasts for

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co-operation have ungrounded fears and scent something wrong, is it wise and proper to allow these co-operatives to remain outside the co-operative structure? However, to allay the fears, however ill-founded they may be, the Apex Bank can step into the breach and undertake to take the place of the District Central Bank so far as these co-operatives are concerned and open a branch or branches of its organisation. There is nothing intrinsically wrong in this arrangement. Nor is it un-co-operative. There are instances elsewhere in India where both the branches of the Apex Bank and the District Central Banks are located in the same place and their working has been harmonious. As long as the functions are well demarcated and there is no overlapping, this arrangement should prove satisfactory. We would commend this step in preference to all other steps proposed by which either the present management is to be superseded for no fault of its own or it is to be swamped by the representatives of the newly formed co-operatives. In co-operation it is not the amount of share capital that matters as the principle of one man one vote is consistent with the motto of the movement, "Each for all and all for each." We hope and trust wiser counsels will prevail and co-operative enthusiasts will not allow their enthusiasm to outrun their discretion.

Cloth Distribution :

In the Government Order dealing with the new scheme for distribution of mill cloth, we regret to note that co-operative stores who are quota-holders have no place at all. It is recognised on all hands that the consumers' co-operatives have played and are playing a notable part in the distribution of foodstuffs. Their record of work has received unstinted admiration of co-operators all over the world. We have reason to believe that, in the distribution of mill cloth allotted to them, they have also done well. If they have not been able to put down black markets it is more because the quota of mill cloth allotted to them was very small, hardly enough even to meet the regular needs of their members. But, member or no member, they have done equitable distribution on the lines followed in regard to foodstuffs. To exclude them in any scheme for the distribution of cloth is to say the least uncharitable. In fact, we feel much of the

entitled not only to representation on the committees to be ~~formed~~ into existence to regulate the distribution of mill cloth but they should also be recognised as the primary agencies for its distribution. As these committees have also been entrusted with the task of enforcing textile control measures, these consumers' co-operatives can best represent the interests of consumers. If it is remembered that service motive governs the working of these co-operatives, our point of view will be appreciated.

Handloom Cloth :

The latest issue of the *Fort St. George Gazette* gives the Madras Handloom Cloth (Price Control) Order, 1946. It is evidently designed to prevent abnormal rise in the prices of handloom cloth for which there is every scope owing to scarcity of cloth. On principle no one can take exception to the proposal to control prices of handloom cloth which especially put a break on the ravages committed by middlemen. But the point for consideration is whether how the army of middlemen existing between the producer and the consumer is sought to be reduced, if not eliminated altogether. The Order says that a wholesale dealer shall not sell cloth to another wholesale dealer but shall sell only to a retail dealer. While the general term *dealer* has been defined in the order, no definitions of *wholesale dealer* and *retail dealer* exist and so a wholesale dealer can easily pass off as a retail dealer under a different name. Is not that happening in respect of dealers of mill cloth? How will this be prevented? Under the Order the following percentages are permitted :—

Producer's price	=	Cost of production <i>plus</i> 15 per cent.
Wholesale price	=	Producer's price <i>plus</i> 4 per cent.
Retail price	=	{ Producer's price <i>plus</i> 14 per cent. or wholesale price <i>plus</i> 10 per cent.

It is not known on what basis these percentages were arrived at. Moreover, ignorant as the producer is, he would understand more easily the percentage in its relation to a rupee. Fractions are ununderstandable and will cause him no end of confusion. The percentage could have been in terms of annas, say three annas per rupee, half-anna per rupee and two and half annas per rupee instead of 15 per cent, 4 per cent and 14 per cent respectively as in the statement given above. It will be seen the consumer's price will be the cost of production plus 29 per cent thereof, whether or not the cloth passes through a wholesale dealer and a retail dealer. We

wish in respect of sales direct to consumers by producers the percentage of profit allowed could have been less. However, as the profit goes direct to the producer, the consumer may not mind the extra payment.

On the advisability of controlling the prices of handloom cloth, there is naturally a keen difference of opinion. The dealers in mill cloth feel that favoured treatment is accorded to handloom cloth and they, more than the consumers, wish for this control. But this vociferous section does not realise that the handloom industry, depending as it does on mills for yarn, suffers from serious disabilities. The Provincial Textile Commissioner has himself confessed more than once that the supply of yarn to the handlooms is not sufficient to keep them at work for more than ten to twelve days. So what will be the repercussions on the handloom industry of this price control? Will the 15 per cent over the cost of production provided be enough to enable the weaver to maintain himself and his family for the rest of the month? What quantity of cloth should he produce to secure sufficient margin for maintenance throughout the month? Will he have enough yarn to reach that target of production? We wish all these aspects had been gone into carefully before introducing control of prices and fixing the percentage of margin provided. What are the steps proposed to ensure regular supply of yarn enough at least for ten or twelve days? Has the possibility of increasing yarn supply been examined and, if so, what is the scheme for that purpose? The Hon'ble the Prime Minister mentioned in the Council that he proposes to prevent black marketing in yarn so that all the yarn available may be given to the handlooms. We await with interest his scheme for yarn supply and distribution.

Compost Manure:

How unconsciously even a popular Government can smother the enthusiasm of co-operatives in a good cause is evident from the stoppage of subsidy for compost manure. We have perused with interest and surprise the correspondence between the Tanjore Agricultural Co-operative Society and the Government. The Co-operatives were encouraged to undertake the preparation and distribution of compost manure by inducements of subsidies. It now transpires that they will not be entitled to subsidy for distribution made after 31st August 1945 and in respect of distribution made before that date the subsidy has yet to be sanctioned. Fixation of dates

is all right when normal conditions exist. When schemes such as these have to be carried out under abnormal conditions, it is difficult to work according to a time-table. Some latitude is called for taking all circumstances into account. Application of rules strictly would damp enthusiasm when delay, such as that which has occurred, is due to circumstances beyond the control of the co-operatives. We appeal to Government to be a little more indulgent and encourage the co-operatives to undertake and carry out work of this kind with jest.

Co-operative Employees:

We welcome the move to hold a Conference of co-operative non-official employees to consider and formulate their legitimate grievances. It is regrettable, like other employers of labour, even co-operative institutions have to be coerced to redress the grievances of their employees only by threats of direct action. We have time and again received complaints of treatment accorded to them by the co-operative institutions. The latest one is from the employees of the Salem Co-operative Central Bank. We cull a few of the grievances at least below as some of them are typical and common to most of the co-operative institutions:

1. Confirmation to be made on completion of probation.
2. Service to count for increment including the period of probation.
3. Increase in the P. F. contribution.
4. Scales of pay to be revised.
5. Fixed travelling allowance to be enhanced.
6. Vacancies in higher grades to be filled up by promotion instead of resorting to direct recruitment.
7. Gratuity paid to be dependent on the period of service.
8. Improvement in service conditions.

Consolidation of Holdings:

Bombay is going ahead with a measure for the promotion of consolidation of holdings. It is a preventive as well as a curative measure. We give below the main features of the Bill as summarised in the absence of a copy of the Bill and comments on the same in the INDIAN FINANCE.

The measure aims at providing for several steps to be taken to prevent subdivision and fragmentation of agricultural holdings. The

Government can, under the Bill proposed either on its own initiative or in the application of two or more owners holding an aggregate of not less than the prescribed area of land, by a Notification in the Gazette, declare its intention to initiate a scheme for the consolidation of holdings for any village, mahal or taluq. Those who have any objections to the scheme should submit their cases before the Consolidation Officer within thirty days of the Notification. It is also stated that if objections are received from less than 33 per cent of the owners and owning less than 33 per cent of the land situated in the area concerned, the Consolidation Officer can proceed to prepare the consolidation schemes. Otherwise, he will have to forward the objections realised to the Government. The consolidation scheme prepared by the officer will, doubtless, provide for compensation for those who are allotted holdings of less value than that of the original holding. The draft of the consolidation scheme will then be published and objections will be invited. If no objections are received, the scheme will be confirmed by the Settlement Commissioner. When objections stand and cannot be removed by the Consolidation Officer, they will be forwarded to the Government for final orders. If the scheme is confirmed, the owners will be put in possession of their holdings as revised.

The object of the Bill is, no doubt, quite praiseworthy. Indian agriculture has paid heavily owing to the sub-division and fragmentation of agricultural holdings. There is a clear case for consolidation of the fragmented holdings into economic blocks wherever possible, but the question arises as to the best method of achieving the object.

A Bill of the type proposed by the Bombay Government is not likely to achieve it because the problem of consolidation of holdings should be tackled first, by a close examination of the factors that lead to excessive fragmentation, and, then, measures must be devised to arrest these fundamental factors. Experience during the past three decades in respect of consolidation schemes has pointed out that consolidation can be achieved and should be achieved only by voluntary move on the part of holders and permissive legislation, of course, can go a long way in accelerating the movement. But it is doubtful whether the Government, on its own initiative, can push through a scheme of consolidation when 32 per cent of the owners, owning about 32 per cent of the land situated in the area concerned, are against the measure. In fact, any legislation which proposes to reorganise the land tenure or rearrange the agricultural plots usually gives birth to a score of legal issues affecting different communities in different ways. The excessive weight of population on the villages and the agricultural land in this country cause excessive fragmentation and this can be arrested by an active plan for more industries and is mainly due to lack of a planned drive on the part of the Government to increase the standard of living of the people.

Since land is a social economic problem, and not merely the economic question is to be tackled but the necessity of satisfying the different classes and different communities cannot be overlooked. In the absence of co-operative farms the consolidation scheme can do something to improve agriculture but the social framework in India is such that permissive legislation and voluntary efforts on the part of the holders alone can achieve something tangible.

(*"Indian Finance"* March 16, 1946.)

Stop Press :

Since the above was written, we have secured a summary of the Bombay Bill which we reproduce below :

Objects and Reasons of the Bombay Bill :

The Statement of Objects and Reasons of the Fragmentation (Prevention) and Consolidation of Holdings Bill, which will be introduced shortly by the Bombay Government, says that agriculture in this province suffers seriously from evils of excessive fragmentation and sub-division of holdings.

This Bill proposes to remedy these evils as far as possible by preventing further fragmentation and by providing for consolidation of sub-divided holdings.

Under part one, provision has been made for the prohibition of transfer of registered fragments except to the holders of contiguous plots and of creation of fragments in future. With regard to the partition of an estate, it is stated in the Bill that, if in making the partition it is found that a sharer is entitled to any specific acreage according to his share of the entirety and he cannot be given that full acreage without creating a fragment, the sharer shall be compensated in money for such deficiency as may occur in his share.

Under part two, the Government have laid down the procedure for consolidation, whereby Government may of its own accord or on application declare its intention to make a scheme for consolidation of holdings in any village, mahal or taluka. The scheme would embody provision for compensation or amalgamation, if necessary, of roads, streets, etc.

The Government will also introduce a Bill to amend the Transfer of Property Act, 1882, the Hindu Disposition of Property Act, 1916, and the Indian Succession Act, 1925, in their application to the Province of Bombay. Under this Bill, it is proposed to repeal

certain sections of these Acts with retrospective effect, but not so as to affect or prejudice rights already acquired for valuable consideration. It is also proposed to apply the Act to all immoveable property wherever the documents may be executed and to moveable, wherever situated, when documents are executed in the Bombay Province.

The Statement of Objects and Reasons says that relying on certain judicial dicta, the legal profession in Bombay has, for a long time past, acted on the view that there was nothing in the sections proposed now to be amended, to preclude, for instance, a trust which gave a life interest to the settler's son and on the son's death to such of his sons as may survive him (although they may not be in existence at the time of transfer), and, if the son left no sons, to the other sons of the settler.

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

EXAMINATION RESULTS.

The following is the supplementary list of candidates with their Registered Numbers who have come out successful in the Co-operative Institutes Examination held in the month of March 1946 at Coimbatore, Tanjore, Anantapur and Rajahmundry centres.

SECOND CLASS.

COIMBATORE CENTRE.

S. No.	Name of Candidate.	Regd. No.
1	Dhandapani, S.	1996

ANANTAPUR CENTRE.

2	Narayan, J.	2165
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TANJORE CENTRE.

3	Alangarasamy, R.	2201
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"A Provincial Wholesale for Madras".¹

BY S. V. SUBRAHMANYA SARMA, B. COM. (HONS.),

Anahra University.

Remarkable as the development of the consumers' movement is in our province, complicated are the problems that it has brought in its train and grave are the consequences attending on an improper, untimely or unplanned action of those responsible for the direction of the movement. People are apt to be a little bit more optimistic, more or less not so very calculating about either the present circumstances or future prospects, somewhat more facile or less careful than the situation demands when events take a sudden turn in their favour quite unexpectedly, but a slight reflection will show that that is the time when people should take more care about details, control and direct development in proper channels, co-ordinate their activities with those of their comrades in the line, plan their future goal ahead and proceed with unflinching determination to its achievement. The spectacular development of the consumers' movement in Ceylon has shown the world what planning ahead and intensive propaganda can achieve; we only wish the movement in Madras will not show the world what slipshod and unplanned development on imperfectly prepared ground will lead to.

The number of our primary stores is large enough for us to be proud of; but the number of our wholesales is so inconveniently large as to make us pessimistic about their future. Some of them are unable to function as anything better than depots for the sale of Government controlled articles and foodstuffs in which they are given a sort of monopoly by the Government; and, even when they are in such a privileged position, many of them are unable to pay their way. The Department and the non-official co-operators have, no doubt, recognised the troublesome times ahead and met in a conference but achieved a grand little. Circumstances demanded from them important decisions regarding the methods of consolidation, the lines of future progress and the relationship with producers' societies, etc. But four months after the conference matters are as chaotic as they were, if not worse; and, had it not been for the gravity of the food situation which made the Government grant a

¹ This article may be read along with my article in the "Indian Co-operative Review" (July—September 1945), and the proceedings of the Business Conference of the Representatives of the District Wholesales who met at Madras on 9th and 10th February 1946.

large number of privileges to the co-operative wholesales thus giving them a new lease of life, most probably, the Department would have had plenty of 'work'!"

II

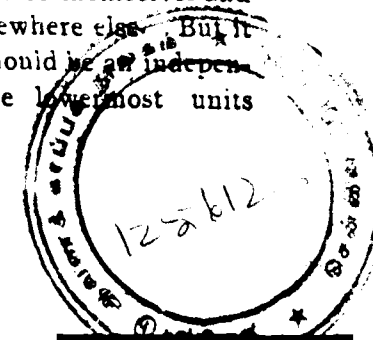
The average membership of a wholesale is about 410 of which less than a seventh are primary stores. The average owned capital will be about Rs. 2 lakhs; but as against this the average working capital is Rs. 10.55 lakhs and this shows that the wholesales are financed by loans to a very undesirable extent. The Department may fix any credit limit but it will be difficult to find banks willing to finance, in normal times, upto four or five times the owned capital to such small trading concerns. The average turnover is about Rs. 43.62 lakhs and shows the rapidity with which goods are sold on receipt and we cannot expect such a favourable ratio of working capital to sales in future.

It is calculated that a wholesale must have at least a sales of Rs. 35 lakhs to pay its way in the post-war period. But nearly half the wholesales failed to achieve this position and there is no prospect of their ever reaching that limit under present circumstances. It may also be noted that only two wholesales have sales over Rs. 35 lakhs, to their primaries. Even now three wholesales are running at a loss and if sales to non members are disallowed many of the wholesales will not be able to pay their way. The Conference itself noted that "with a marked drop in their (wholesales) turnover and lack of ties of strong loyalty on the part of a possibly dwindling number of primaries and a keen post-war competition from powerful rivals in private wholesale trade, it is feared that the District wholesales can hardly expect to face the future with confidence." Indeed that some of the wholesales would have collapsed by this time but for the food situation was realised by many co-operators. As an alternative, regional wholesales for two or more contiguous districts were proposed; but a resolution on the subject was deferred. Can the amalgamation of two or more district wholesales into one wholesale strengthen the movement in districts? The regional wholesale may be able to show a larger turnover but its establishment charges will also go up. Will it not be necessary for the regional wholesale to maintain branches and depots throughout the districts? If not, the transport charges will be prohibitive and will lead the primaries away from the wholesales. If one feels that the amalgamation of

two or more wholesales into a regional wholesale will make them stronger, cannot one see that a single provincial wholesale amalgamating all the 21 wholesales will be the strongest possible unit and will be able to do maximum amount of service through its branches, depots, godowns, productive works, etc. which none of the regional wholesales can be expected to possess?

Looking at this problem from another angle, has the development of the movement in the province reached "the saturation point" that no further expansion in the districts is possible? Are all the societies—at least a majority of them—able to show a reasonable amount of business that can be expected of them considering the favourable times and unrestricted sales to non-members? Have we undertaken any large scale propaganda to promote the loyalty of members to their stores or to "tie" down members to their stores for all their requirements, as they did in Ceylon? When one considers the results achieved in Ceylon with an extensive propaganda to carry through the "Stores Drive" and the intensive propaganda in all the stores thus created to promote the loyalty of members to their stores and thus consolidate their working, one will be forced to admit that, with the necessary amount of propaganda, the movement can be expanded still to a very large extent. But, unfortunately, none of these possibilities were taken note of by the Conference.

Another proposal discussed at the Conference to strengthen the district wholesales is the expansion of their business by opening many retail branches. It is proposed to open retail branches only where there are no successful stores already working. It is claimed that by undertaking retail distribution the wholesales will be able to fill up the gaps left off by the primaries; secure popularity in the district and, of course, expand its business. The retail branches will have local advisory councils elected from the members in that branch; but an advisory council cannot be as responsible as an independent Board of Directors. If one feels that consumers should take a lively interest and keen responsibility in the affairs of their stores, one will be inclined to accept that an independent primary stores is better than a retail branch of the wholesale. The foundation store of the co-operative edifice should be an independent and responsible society directed entirely by the members themselves and not a branch of a wholesale directed from somewhere else. But it does not mean that every unit in the movement should be an independent society by itself. The topmost and the lowermost units



should be independent societies, and we think, for reasons of economy and efficiency, it is better that all the other intermediary units be branches directed by the topmost society. If this arrangement be deemed desirable, the retail branches of regional or district wholesale will be out of the picture; there will be any number of independent primary stores and one provincial wholesale with a sufficiently large number of branches to carry on its work efficiently.

At the same time we do not want that all primary stores should be small and weak. The territorial limits of a primary stores should be fixed and it can have any number of branches in its locality. There should be only one stores for a town whatever its size and in rural areas, as far as possible, one stores for every village, of course, as many of the families in the villages as possible should be persuaded to become members of the stores. We must recognise the difference between a branch operated from a distant place by a district wholesale and a branch operated from the same locality, under the guidance of and for the convenience of the members themselves.

Another question which deserves careful consideration is sales to non-members. The one thing that distinguishes a co-operative stores from a joint-stock company is dealing with members only and returning the "surplus" to members *pro rata* their purchases. If a co-operative stores is allowed to sell to non-members also and keep the profit for itself, we cannot understand how it is different from a private trading limited company. And how can such stores ask for any preference over the private trader? It is true that the stores did and are still doing a lot to check the black-market but that is no reason why a small number of people, trading with a very large number of people keeping all the profits for themselves, be allowed to pass on as co-operative traders. And after all are the co-operative stores selling to non-member customers making any attempts to enlist them as members? We can understand the Government insisting on co-operative stores to distribute goods without distinction in these difficult times, but how can a Government, pledged to safeguard the interests of all the sections of the community, continue to let co-operative stores carry on un-co-operative trade? It is high time that our co-operators stop asking for the continuance of the privilege and instead try to increase the membership of their stores and promote loyalty amongst the members which alone can make the stores strong.

III

Co-operative Stores are intended not only to distribute the goods that their members require but also to produce the goods that they distribute. We had already an occasion to note some of the more important principles governing the productive activities of federations of co-operative stores.¹ It is true that our wholesales are also undertaking some productive activities but, of course, the list cannot be expected to make an impressive reading considering the age, capital and technical equipment of the wholesales, the times in which they were created, the immediate services which they had to render and the way they developed, etc. The productive and processing activities undertaken by the wholesales at present may briefly be given as follows:—Conversion of paddy into rice by 14 wholesales; conversion of gram into dhal by 12 wholesales; conversion of wheat into flour by two wholesales; conversion of soapnuts into soapnut powder by three wholesales; conversion of chillies into chilly powder by one wholesale; extraction of oil from gingelly seeds by two wholesales and the manufacture of inks, hats and cigars by the Rajahmundry wholesale. But for the last one we can see that all the others are simple processing activities which can well be undertaken by many primary stores in every district. The real difficulty is that our wholesales are not strong enough to undertake any productive activity worth the name and the list of productive activities drawn up for the consideration of the Conference is such that many items are beyond the capacity of any one wholesale and the Conference, while recognising the desirability of co-operatively producing these goods, failed to explore and suggest the ways by which it can be achieved.

The relationship between the producers' co-operative societies and the consumers' stores is a knotty problem, the unsatisfactory solution of which resulted in the division of the movement into two almost warring camps, in many countries. The problem is all the more grave and a satisfactory solution of the problem is all the more urgent if not inevitable for the progress of the movement as a whole, in a province like Madras where the producers' societies are at least as strong as the consumers' societies. The Conference, no doubt, discussed the problem, but, as in many other cases, could not decide anything definitely.

Three suggestions are made to coordinate the work of the producers' societies and the consumers' stores. Firstly, an advisory council

¹. My article in the "Indian Co-operative Review" July—Sept. 1945.

of the consumers may assist the marketing federations in fixing selling prices which may be equitable both from the point of view of the consumer and the producer. Secondly, the proposed Provincial Trading Organisation may keep the producers' societies and marketing federations informed of the wholesale market prices from time to time and deal with them when the prices quoted by the federations are competitive. In the case of manufactured articles, it is suggested that district co-operative wholesales should inform the producers' societies of the particular varieties of goods which find a sale in their area together with the prevailing market prices so that producers' societies may regulate their production to meet demand. Thirdly, it is also thought possible to constitute joint committees of representatives of major producers' societies and co-operative wholesales to ensure a closer link up between the two types of societies. While this was suggested in the Notes prepared for the Conference, the resolution actually passed by the conference runs:—"The Conference considers that suggestions (i) and (iii) in the note are acceptable. It is also of the opinion that the constitution of a joint committee of representatives of major producers' co-operative societies and co-operative wholesale societies is very desirable and that details should be worked out."

A closer examination will disclose that these proposals contribute nothing towards the solution of such an important problem. Taking the first proposal, we doubt whether any producers' society will tolerate the intrusion of altogether an unrelated society into its price policy. Assuming such an Advisory Council as proposed is set up, what will its exact functions be? Which is the consumers' organisation that is going to set up the council? Will the stores purchase all the goods produced by the producers' societies at the prices so fixed? How will the council fix prices when the cost of production in a producers' society exceeds the market price of the commodity? When the price of a commodity is fixed by the council, will it be obligatory on the part of all the stores to purchase all their requirements of that commodity from the producers' societies only or will they be allowed to bargain again and secure supplies from private traders who may offer at lower prices to ruin the producers' societies? Will stores be able to give any financial assistance to the producers' societies while work is in progress? So long as satisfactory answers cannot be given to all these and a host of other questions that will crop up from both the sides, the constitution of such an advisory council will, of course, remain a theoretical possibility. The second suggestion

which at best makes the district wholesales and the Provincial Trading Organisation, the information bureaus for the producers' societies assumes that producers' societies are such blindmen's societies as not to be able to know their own prospects (and, incidentally, is not the Provincial Marketing Society already giving them this information?) or guard their own interests and even the Conference rejected the proposal. The joint committee contemplated in the third proposal works as efficiently as the advisory council already noted but with the addition of some deadlocks in the meetings, possible evasion of important questions, threats of withdrawal on many occasions, recommendations which will more often than not be ignored, etc.

IV

Most probably, the only subject about which the Conference could arrive at a decision was the necessity for the organisation of a Provincial Trading Organisation and the representatives who attended the Conference must have noted with regret that the consideration of their only proposal was deferred. The portion of the Notes prepared for the Conference in which the case for a Provincial Trading Organisation was argued makes an interesting reading. It states that the 21 central co-operative stores in the province do not at present have proper agencies for the purchase of articles from outside the province and India, such as pulses, wheat and wheat products, millers, condiments, Burma rice and consumer goods. On the other hand private wholesalers in the districts have their own agents at several important trading centres like Bombay, Calcutta, Karachi, Lahore and in Burma and other foreign countries. At present the central stores have to depend on these private merchants for getting their requirements. They are thereby faced with the double difficulty of not getting all that they want and of having to pay a higher cost than would be the case if they were to get them direct. Further it is not economical for each central store to send its agents to trading centres for purchasing its requirements.

How are the 21 central stores able to get on for at least six years without a proper agency for the purchase of their requirements? To our knowledge, the Provincial Marketing Society has taken up agencies for various articles on behalf of all the co-operative stores in the province and is doing that business for the last nearly six years. Were its business dealings unsatisfactory or improper? If the Provincial Marketing Society is not the proper agency for the

purchase of goods on behalf of the stores, why was it allowed for nearly six years? Will it be in the general interests of the movement to ignore a society which has already got some business experience and start a brand new society? After all, is the constitution of the Provincial Marketing Society so rigid that it cannot be reorganised and made a proper agency for purchases on behalf of the consumers' stores? If a Central Stores is so small that it cannot organise a purchases department for itself, what is the meaning in allowing it to continue as an independent unit? After all, if the Central Stores are so small, how can they be expected, in normal times, to face successfully the competition of the private wholesalers who are big enough to have agencies not only all over the country but all over the world also? Do those co-operators who believe that a branch of a wholesale can be a good substitute for a retail stores—where personal touch with customers and a lively interest of all the members is highly essential—really believe that there should be independent units functioning as wholesales—where such personal touch with consumers is not necessary? If there is one provincial wholesale instead of 21 district wholesales will it not be able to maintain all the necessary departments and thus ensure quick, efficient and economic service to all the primary stores? What special advantages the district wholesales as independent societies command in preference to branches of a provincial wholesale where all controls are lifted and the food situation becomes favourable? Even now, even in the matter of foodstuffs, will not the services of a single provincial wholesale which can be responsible for all the province, be more efficient than those of 21 district wholesales—including the procurement business with the help of non-official committees as proposed by the Provincial Government? What are the additional advantages that we can derive by having a Provincial Trading Organisation as a loose federation of all the district wholesales in preference to a provincial wholesale which is formed by amalgamation of all the district wholesales? What is going to be the fate of the Provincial Trading Organisation if a number of district wholesalers go into liquidation? What will be the help that the Provincial Trading Organisation—with a capital of Rs. 10 lakhs—can give to a district wholesale in troubles?

Of course, that there is a necessity for a Provincial Trading Organisation nobody denies; and if we want that the co-operatives should play an honorable role in the commercial organisation of our

province and take over direct from the Government step by step the purchasing and distribution of foodgrains, instead of waiting for the Government to relax all the controls and then competing with the private traders who can easily outwit the co-operatives for control on trade, the present time is the most propitious one for us to organise a wholesale which can legitimately be expected to achieve our ends.¹ The capital of such a Provincial Trading Organisation should not be Rs. 10 lakhs but at least 10 times that. We do not understand how the department can make a society strong by artificially fixing its borrowing capacity at ten times owned capital—why not 20 times? No sensible banker can ever be persuaded to loan ten times the amount of owned capital to any society unless the Government stands a guarantee to the loan. Of course, the society can secure any amount of loan on the pledge of goods stored in godowns, the keys of which are in the possession of the banker and here the artificial barrier can only be detrimental to the interests of the society. From any point of view, it is unnecessary to fix the borrowing capacity of the proposed Provincial Trading Organisation. Similar is the case with the limit placed on outright purchases. The society may use its owned capital as it pleases but it cannot get other people's money to be used as it pleases unless, of course, the goods are again placed in a godown pledged with the banker which procedure will not permit the Provincial Trading Organisation to function as efficiently as it can.

We may note in passing that there need be no restriction on the number of individuals so long as their strength on the Board is fixed and trading is confined only to co-operative stores. The individuals will be an interested body, subscribing large amount of capital and always guarding the interests of the society from outside.

Considering their inability to achieve anything tangible at their previous conference, we hope that the representatives of the wholesales will again meet in a conference and think over the major problems of the day with genuine interest of the stores at heart and arrive at such decisions on all the points as will make our movement strong enough to face the troublesome times ahead.

¹ Compare with the editorial notes of the Indian Co-operative Review—Jan.—March 1946 issue on the subject.

Construction Co-operatives in Italy.

BY DR. A. S. CARBONE,

Architect and Engineer (Naples-Rome-Berlin).

The post-war development plans of the Central and Provincial Governments in India include vast schemes for the construction of highways, hydro-electric and irrigation plants, dams, buildings, etc. The common aim of these schemes is not only to develop the resources of the country, raising in such a way the standard of living of huge masses of workmen, but more particularly to provide adequate opportunities for the full employment of the demobilised service personnel and discharged war-workers, helping their resettlement in civil life.

These schemes will act as anti-slump measures and will increase the national wealth giving at the same time opportunities for the investment of private and public funds on projects of national interest. Apart from their values as productive undertakings, their benefits can be shared not only by the beneficiaries, but also by the workers engaged in the construction, if suitable measures are allotted in order to give the proceeds and profits of the works to the men employed therein. It is here that the examples of the Construction Co-operatives in Italy have a great lesson for India.

Of all countries in Europe it fell to the special genius of the Italian people to promote and organise this type of co-operative enterprise. As an Italian and an Engineer by profession I am proud of the achievements of my country in the line of Architecture and Engineering, but my countrymen not only planned and executed great projects but also planned the Human aspect of Engineering, namely, the organization of man-power. The twenty years of Fascist rule could not destroy the work of the pioneers of co-operative movement in Italy, so deeply the idea of co-operation is rooted in the mind of every workman.

My association with the Construction Co-operatives began early in my career as an Engineer. I must remind readers that the Co-operatives in Italy have always an Engineer who manages their affairs paid on percent basis, and, if the Co-operative has not its own Engineer, the Federation, that is the association of all the Co-operatives of Production and Labour of a region, dispatches one of its own engineers to assist and direct the works. In Italy it is the

CONSTRUCTION CO-OPERATIVES IN ITALY

contracting agencies who are responsible for the execution of public works; and any contractor, if he is not an Engineer himself, has to employ one. The co-operatives are treated on the same footing as ordinary contractors, such as, exemption for the first ten years from payment of deposit money and from tax on business and profit; excepting certain financial concessions and so they too must have an Engineer who is responsible for the technical side of the contract. It is not like India where the contractors are for the majority merely suppliers of labour and materials, while the P.W.D. provides all the technical direction and supervision.

About the end of the last war, 25 mechanical workmen, employed in Engineering firms in Naples, decided to quit their service under capitalist employees and bind themselves as a co-operatives* and a well-organized Federation, but this co-operative that remained till the last a stronghold against Fascism, is worthy of mention for its achievements and because I had there my first contact with the co-operative movement and with a great social worker, Bruno Buoizzi.

Bruno Buoizzi, who later became General Secretary of the Federation of Italian Mechanical workmen and member of Italian Parliament, before it was dissolved by Mussolini, was a continuous example of selfless service and active organization of Co-operatives and of Industrial workers. Concentration camps and prisons could not bend his will or his noble soul. Being freedom-loving, he was killed by the Nazis a few days before the liberation of Rome. But his teaching and, more, his example remains in the heart of every man that had the good fortune to be associated with him.

The 25 workers gave to their organization the name "Avanti" which in English means "Forward". They were all highly skilled workmen but 'under the capitalist system' they had very little opportunity, being more cogs in the wheels of the factory machine.

The early history of the "Avanti" Co-operatives is one of continuous struggle against the opposition of big industrialists. These 25 members, without cash, had only their skill and Buoizzi's organizing brains. The first lathe that was installed in a local rented to them by the Trade Union of Mechanical workmen, was an old one in very bad condition, given as a sarcastic present by an Industrialist. And that lathe as well as an old drill and a plane did

* There were of course at that time in Naples, other co-operative.

miracles. When new and modern machinery was installed, the committee decided to keep in their places these three machines as souvenirs and there they remained till when, by order of Mussolini, a squad of Black-shirts set fire to the building and destroyed all the machinery.

By dint of devoted perseverance the "Avanti" Co-operative established itself in the hearts of the people. The worker of the "Avanti" started making autocar spare parts and selling them at cheap prices since their overheads were small and they were content with it taking only half the usual wages, giving the other half to the reserve fund of the Co-operative. Soon the market was won, because the articles manufactured by "Avanti" were decidedly better than those of other manufacturers and its members being all highly skilled workmen. They also worked overtime in order to increase the output. The spirit which inspired this movement affected also the ordinary workmen in other industrial concerns. They saw in this movement a hope for their own liberation from the thralldom of capitalist employees who exploited their labour, and freely they gave their evening hours in the service of the co-operative.

All these factors helped the "Avanti" to get established in the course of a few months. Then the men not only got their normal wages but also a third more as bonus. All the taxi-drivers in the town as a class patronised the products of the co-operatives and to them, as fellow workmen, the facility of credit was extended. In course of time the "Avanti" had a membership of 300 skilled workmen. Each member could subscribe from one to 10 shares of 50 liras each (Rs. 10) by instalments from out of their wages. Soon the premises became insufficient to provide work for all the members and the Committee opened a new branch for repairs of ships and steam-boats. That branch gave new ideas to the management who started a new business, purchasing condemned and salvaged ships at a cheap price and instead of sending all the parts to the melting furnace, they turned the majority into useful articles such as shovels, tools, horse-shoes, etc.

The "Avanti" Co-operative started evening classes in order to give technical education to the workers. The classes were open to everybody and to this school came a number of masons from Pozzuoli, a town near Naples. These masons got interested in Co-operative organization and asked to be united in a Co-operative. The Mayor of Pozzuoli, Signor Grobert, belonged to the Labour

Party. He had prepared a plan for the construction of a new housing colony in order to give good houses to the industrial and railway workmen living in the town. The Municipal Engineers and I worked out the details of the plan, the municipality gave the land, and the Government a loan. But the estimate was too low according to the ideas of the contractors and nobody sent offers for the tender. The newly formed masons co-operative then came out offering to do the work at the rates fixed by the municipal engineers. The Mayor accepted their proposal, and the building of the colony started. In order to save money, all the timber work was entrusted to the "Aurora" (Dawn) carpenters co-operative, that had very good machinery to work timber; all the steel and sanitary fittings was entrusted to the "Avanti" co-operative and the power-driven machinery such as compressors, mortar and concrete mixers, cranes, etc., were all secured from the Federation of Co-operatives (Consorzio delle co-operative di prednzione Lavoro) on payment of hire.

The basic unit in the Italian Co-operative system is the co-operative itself whose membership ranges from ten to three hundred members. Two or more co-operatives of the same or akin trade form an union, two or more unions a federation. The union controls and co-ordinates the work of the co-operatives and helps them with technical assistance; the federation controls and coordinates the unions' work, assisting them financially, technically; undertakes big contracts, works quarries, through co-operatives at its direct dependence; owns big building machinery; represents the co-operatives in the board of the "Banca Nazionale del Lavoro", that finances practically all the co-operatives in Italy.

While in Pozzuoli the colony was being built, the masons organized a scheme for a colony for themselves which they completed during their leisure hours. The land for their own colony was bought from the municipality at a nominal fee, and so these workers not only built a model colony for their towns people, but also houses for themselves, where for the first time was studied the project of the minimum houses with sliding walls in order to make more rooms for party's feast, receptions. What a difference between contractors' coolies and co-operative free workers!

The metal for the construction of the roads, the stone for door steps, lintels and pillars were furnished by the "Stone Workers' Co-operative"—La Fiorente—(The Blossoming).

In the past these articles were sold by contractors organized in strong concerns in the villages situated at the foot of Mount Vesuvius. The solidified lava provided and provides a special type of grey-blue stone which yields to good finish. From the lava are made reefs for breakwater and other maritime works, big stones for a special type of payment called "Basolato", used from the Roman times, in a word, the Vesuvius lava is very good, every kind of work where strong stone is required resisting to wear and tear.

The village workmen for centuries prepared these articles for merchants and contractors, themselves earning miserably low wages. The struggle against the capitalists facilitated the spread of co-operative spirit in their surroundings. A new life was born amongst them, and amongst the workmen in the province of Campania, whose capital is Naples, when they banded themselves in a co-operative.

The quarry workmen all the world over live under very depressed conditions and are sweated by their employers who are mostly middle men merchants. Not being able to bear any more low wages, the workmen of the Vesuvius lava went on strike. The industrialist declared a lock-out, thus trying to cow the workmen by hunger. But the men began to feel that they could secure all the profits of this industry to themselves organizing a co-operative along with the stone-workers. At that time an Engineer by name D'Ambrosio, gave them the necessary assistance and leadership. As already mentioned according to the Italian law no payment of earnest money is necessary for the first ten years of the life of a co-operative, and so the newly formed quarrymen co-operative was able to bid and secure quarrying rights from the Government. Not possessing costly machinery in the initial stages, the quarry and stone-workers' co-operative prepared such articles like pillars, door-steps, gargoyles, etc., which required workmanship by hand for shaping and polishing and which also fetched a good price in the market.

The quarry men and stone-workers' co-operatives were the first nucleus around which the "Consorzio delle Co-operative disproduzione a Lavoro della Campania" was formed.

After completing the *case popolari* (houses for the people) the mason co-operative of Pozzuoli took a big contract for the construction of a flying boat base. Wherever required this co-operative admitted additional workmen as non-members but these were

also given the same advantage as members in the matter of wages, bonus, etc.

The technical skill required for carrying out such undertakings was possible because, as already pointed out, the co-operatives employed expert engineers as managers and secured machinery from the federation of co-operatives which kept a pool and supplied the required machinery along with technical personnel to operate them. This personnel forms a special co-operative under the direct control of the federation.

The federation also helped the construction co-operatives by bulk purchase of materials. Small tools and implements for daily work were bought and owned by the men themselves and these tools were for the majority manufactured by the "Avanti co-operative."

It will thus be observed how from very small beginnings the organisation has been built in different directions and with an inter-linking of service and responsibility.

The Federation of Co-operatives Consorzio plays a considerable part in the promotion and development of the affiliated co-operatives. Finding a suitable market for their products at advantageous prices, securing financial assistance, providing technical experts for supervision and as mentioned before hiring out heavy machinery and some light equipment are the principal objects of the federation, who also undertakes big contracts that technically and financially could not be taken by a single co-operative. The federation also maintains hospital benefits and provides insurance in the field not covered by the Government. Co-operative stores are also organized by the federation. Such Federations are formed practically for each region and for the whole country there is a confederation of federations.

To assist financially the co-operative movement in Italy, Luazatti, in the second half of the last century, founded the Banca della Co-operazione (Bank of Co-operation) that later on became Banca del Lavoro (Bank of Labour).

This bank has been of great assistance in financing the operations of different types of co-operatives. In its central committee sits a representative of the confederation of the co-operatives; in each regional branch sits a representative of the local federation, and vice versa, in the confederation of co-operatives sits a representative

of the bank as well as in every federation. In this way the financial aspect of each contract proposed to be taken up by the federation or its auxiliaries is examined from the business point of view.

There is a great movement for the education of the members of the co-operatives both in technical and general lines. Training classes are also held for apprentices and for those taking higher technical studies.

A special branch of the federation is the Building Co-operatives Union whose aim is to build houses for the members with payment by instalments in 25, 30, 40 years, combined with a special insurance policy. As a result, the monthly payment has been in the average 40 per cent less than the ordinary rent for a similar type of house.

Before I conclude this article a word should be said on the attitude of the State towards the co-operative movement in general and the construction co-operative in particular. This movement among the workmen has had a spontaneous growth and the labourites and socialist leaders gave all assistance to the organization. There was all round sympathy for the co-operatives; but during the early part of Mussolini's rise to power, he crushed the co-operatives by his inveterate opposition to the founders of the movement and by his general fear that the existence of any democratic organization, such as the co-operatives, would stand against his building the totalitarian State. However when he felt that the big industrialists might overthrow him, in order to balance their power, he assisted the so-called fascist co-operatives to establish themselves under State auspices framing decrees to help them and giving them priority for the execution of public works.

But contrary to the fundamental principles of co-operation, namely,

- (1) open membership, (2) one vote for each member, and
- (3) political and religious neutrality,

the Fascist co-operatives had close membership, no vote, carrying only the orders of the local Fascist chief, and no political and religious neutrality.

Anyway, the construction co-operatives in Italy have done a great good job and to them credit is due for several monuments of public works, such as land reclamation, irrigation, town planning, housing colonies, houses for the people, industrial workshop and even a big pharmaceutical concern, etc.

There is a great deal for India of the future to learn from Italian co-operatives. If post-war planning is really to benefit the masses and the large body of unskilled and skilled labourers, co-operation is the only way; otherwise the sweating of labour as in pre-war and wartime periods will continue in post-war period also and the men to benefit will be the middlemen, contractors and capitalists, and all political talk of the coming era of peace and prosperity under any scheme of National Government will be only a mirage.

Co-operative Department.

BY RAO BAHADUR A. VEDACHALA AIYAR.

I have worked in the Co-operative Department for ten years and I have also since been following the progress of the co-operative movement from time to time. At the initial stage the Government with its officers were starting organisations and attempting their best in educating the rural and urban people how they can help themselves by their united action and how credit can be raised on the strength of their unity. The Government Department undertook organisation, inspection and audit of all primary banks and financing agencies. The next step taken was to organise co-operative organisations to join together and run the financing agencies. Here also the Government undertook organisation, inspection and audit of all co-operative institutions.

The succeeding stage was to bring the responsibility for organisation, supervision and financing under the financing agencies. Hence local unions composed of primary co-operative societies were organised for self-supervision. The Government were undertaking audit and gave advice to all co-operative institutions.

The next step was to spread the credit co-operative movement to a larger area than before and Government gave a very large establishment to get the expansion done not only by financing agencies but also by the departmental officers. There was a somewhat enthusiastic display of expansion without the necessary knowledge of co-operative principles on the part of co-operators. It was once said that money bags were held at markets and whoever wanted money or credit had it by joining a co-operative society made to order without any preparation or knowledge. This hurried expansion proved too much for the staff of Government and non-official agencies and the quality of working deteriorated to a large extent.

The fifth step was to take stock of the bad situation into which co-operative institutions got plunged and to halt expansion carelessly and to weed out the hopeless organisations. Intensive work in this direction seems to have redeemed some of the institutions. It is no use to find out how far such deterioration worked its way and who was responsible, whether financing agencies or Government or both. But it must be noted that co-operators managing financing institutions and financing agencies were under the leading strings

of Government Department, so much so that they secured or had to secure as loan the services of officers and subordinates who may have had good training theoretically but whose practical knowledge was more or less low. Rules and regulations were issued by Government and the Registrar had to post his men into non-official institutions to carry them out.

The non-officials quietly shoved the responsibility on Government. The Government blamed the non-officials for their slackness and incompetence. Party politics entered into the working of co-operative institutions. Such a state of affairs requires remedial measures to be taken both by-officials and non-officials. The non-officials must understand that the movement is theirs, that they should secure for themselves trained personnel under them and carry on the entire work efficiently, profitably and successfully with their own funds and that the request for Government help in any direction should cease. Of course, they can go to Government for amendment of any rules or regulations which are obstacles for efficient working. The non-officials must organise themselves in such a way that they will undertake organisation, supervision and audit and get the necessary finance on the strength of their own security. The day of complete success is the day when the co-operative movement is not dependent on any single officer of Government department or any political party coming to power. Such a day is not very far off. Every effort should be made to secure this result since, in future, the popular Government is wielding the destinies of the province. The Government will invite the help of the co-operative movement in all cases where Government agencies are unable or seem unfit to do the work. The co-operative movement should pay attention to all rural industries, inclusive of agriculture and will promote the happiness of the rural population in all aspects of economic freedom and of political rights and responsibilities. The co-operative movement and its agencies should not assume dictatorial tone. It should not exhibit a sense of superior complex over the masses. The agencies should feel that they are for service of the co-operators, their institutions and their administrations. They are there to learn so much of worldly experience from the rural and urban masses that their real reward is the confidence reposed by the masses in the personnel of the agency. The movement must instruct its staff to deal personally with human beings and not to deal with them through mere correspondence and accounts. Co-operation

is a business transaction and not philanthropy. Hence, business principles must be continuously taught to the co-operators of co-operative institutions. The co-operative movement is a real self-government machinery and must be worked as such.

As regards non-credit societies, the Department is exerting its best to start stores, small industries, to foster handloom weaving, etc., and the Government are giving very liberal aid to put such institutions on their feet. But the co-operators as a body, inclusive of financing agencies, should work the institutions in such a way that, sooner or later, they would push on with such activities relying on their strength and without any help from Government as subsidy either in men or money. The non-officials should understand that they should pay the staff adequately according to their qualifications without stinting expenditure and run the institutions without corruption and without superior complex. This evil seems to be rampant in a large number of institutions.

The Government, no doubt, pay their staff adequately but many of them have not yet realised that they are servants of the co-operators, consumers and, in fact, the whole public. It is this which has brought to some extent deterioration in the public appreciation of the Co-operative Department which, in the language of the masses, is described as the twin brother of the Revenue Department. I wish to note below what steps may be taken to make the co-operative movement to apply its principles to the everyday life of the rural and urban population as far as is practicable:—

- (1) Every village or a group of two or three villages (small) should have a co-operative society on limited or unlimited basis as the people desire.
- (2) The co-operative society should undertake to stock food grains required for the inhabitants for six months or a year and should get its funds from the Co-operative District Central Bank or Government as the case may be.
- (3) The co-operative society will maintain a store for supplying the various needs of the public for domestic and agricultural purposes.

The funds required will be obtained from Government or the Central Bank as the case may be:—

- (3-A) The co-operative credit society will issue credit and all borrowers alone will have to bear unlimited liability. Trade purposes need only be on limited liability basis.
- (4) The co-operative society will eventually arrange for collection of revenue if Government are pleased to allow it in specified cases.
- (5) Co-operative societies can undertake duties connected with irrigation, public works, distribution of water, sanitary works, which may be asked by Government or Local Bodies to undertake.
- (6) Rural industries can be undertaken.

Urban areas—

- (1) Stores, wholesale or retail, should be undertaken
- (2) Minor industries can be undertaken.
- (3) Banking should be undertaken by co-operative arrangement.

Special institutions might be started for each enterprise or a multiple purpose arrangement can be made in each institution on limited liability basis.

The real defect in the movement is the want of selfless, honest, efficient and capable men and not want of money. Due to the 'black-market' system, money rolls on indiscriminately in rural and urban areas. These accumulations should be canalised and made productive of good to the people and the owners of capital.

An all-comprehensive plan must be worked out to absorb the surplus money available and to work up small industries and to put the co-operative movement on an all-round useful basis.

Scheduled Classes Co-operative Societies

By THE REGISTRAR OF CO-OPERATIVE SOCIETIES, MADRAS.

Out of the 11,114 societies affiliated to the Madras Christian Co-operative Central Bank, on the date of its liquidation, 548 societies have been affiliated to the District Central Banks. The registration of 300 societies was cancelled and 222 societies remain to be affiliated to the District Central Banks as on 31-12-45. Ever since the liquidation of the Madras Christian Co-operative Central Bank, every effort has been and is being made to transfer those societies, which were originally financed by the Madras Christian Co-operative Central Bank, to the District Central Banks and, if it has not yet been possible to complete this process of transfer, this was because of the various difficulties that had to be met with. The financial condition of most of these societies deteriorated consequent on the liquidation of the Madras Christian Co-operative Central Bank and, in such a condition, naturally, the District Banks were reluctant to take over these societies. Where the societies were beyond redemption, the affairs of such societies had to be wound up. In other cases a good deal of persuasion was necessary before the banks could be prevailed upon to take over these societies also. Steps in this direction have not yet been relaxed and I am watching the progress by calling for periodical reports from my Deputy Registrars.

There are no figures to show how many new societies of the type financed by the Madras Christian Co-operative Central Bank were actually registered during the years since the liquidation of the Madras Christian Co-operative Central Bank. The Madras Christian Co-operative Central Bank was liquidated during 1938-39. There were 2,647 scheduled caste societies (including Fishermen and Kallar societies) on 30-6-39 while there were 2,246 on 30-6-40. The cancellation of the registration of as many as 300 societies that were affiliated to the Christian Central Bank accounts for the heavy fall in the number of societies. Apparently not many new societies were registered. The reason probably is that members of the scheduled classes prefer to join the caste societies in their localities rather than form themselves into separate co-operative societies. So much so there must have been in recent years an increase in the number of scheduled caste people in rural co-operative credit societies. I have however no figures to indicate if this has been so. While calling for the annual statistics, my Deputy Registrars will be asked to report specifically on this point also and I shall embody any useful information collected in this respect in the annual report of this year and in subsequent years also.

Regarding the adequacy or otherwise of the staff for the supervision of these scheduled caste societies one Inspector is appointed for every 30 societies of this type and this standard has been found to be adequate. There has been no complaint from any quarter, that this is

inadequate. The requirements as regards staff are examined every year, with reference to the number of societies and sanction is accorded to the continuance of the staff according to the standard prescribed. The retention of 29 junior inspectors has been sanctioned for a period of one year from 1-4-46 to look after scheduled caste societies in the districts of Coimbatore, Trichinopoly, Chingleput, Kurnool, South Arcot, Kistna, North Arcot, Salem, Nellore, West Godavari and South Kanara. In addition to this staff, the posts of 11 junior inspectors for supervision of Kallar societies in Madura district, 2 junior inspectors for supervision of fishermen societies in Malabar district, and one junior inspector for supervision of fishermen societies in South Kanara district, have also been sanctioned by the Government temporarily for one year from 1-4-46. There is also one senior inspector attending to the non-credit work in the Kallar Societies in the Madura district and there is one junior inspector assisting the Co-operative Sub-Registrar who is looking after the fishermen societies in the West Coast.

About the question of issue of an annual review on this aspect, I feel there is no necessity for such a separate review since the position of the scheduled caste societies is shown every year in the annual administration report of this department. Now, that the war is over, I hope the Government will renew the publication and release the report to the public. Even now copies of the report are being sent to the Provincial Co-operative Union and other important Co-operative Institutions.

Regarding exemption to the members of scheduled caste societies from payment of registration fees the Government have extended this concession for a further period of 2 years from 1-2-45, i.e., upto 31-3-47.

Available for Sale.

MARKET INTELLIGENCE—1945

For the establishment of the Consumers' Movement on a permanent basis, it is necessary that Co-operative Stores should have up-to-date market intelligence. The booklet now published by the Union aims at this object and may be of immense use to Co-operative Store. It contains useful information as to the centres of production or marketing and seasons for bulk purchase, etc., of important agricultural products, such as food grains, pulses and grains, fruits, household requirements, clothing and other essential commodities.

Price per copy is Rs. 0-5-0. Postage Extra.

For 50 copies and above Rs. 0-4-0 a copy.

Copies can be had from : The General Secretary,
The Madras Provincial Co-operative Union,
Esplanade, Madras.

Threat of Famine.*

NUTRITIONAL STATE IN DIFFERENT PHASES.

BY THE DIRECTOR OF PUBLIC HEALTH.

Your attention is directed to this office circular No. 11058-Epi/46-7, dated 18-2-46, in which you have been advised against the impending threat of food scarcity in the various districts of this Province and the possible serious repercussions on the health of the people.

2. The purpose of these instructions is to give you more detailed information regarding nutritional changes which may take place amongst the population in the various stages of food scarcity. It is hoped that this will enable you to gauge the nutritional state of the population from time to time and take such preventive action as may be possible.

3. It is a well-known fact that famine generally develops in distinct stages. It occurs gradually among a population enjoying normal health, but it may be abrupt when super-imposed on a background of malnutrition or when complicated by epidemic affections like malaria, hook-worm, etc., in special areas.

4. It is important to remember that, under conditions of general shortage of food in a country, there is a tendency to migrate in search of foodstuffs. This tendency should be carefully watched and discouraged as soon as it is met with. This is of first importance, since disorderly migration, instead of helping matters, makes remedial measures more difficult. It has also a possibility of disseminating widespread epidemics. It will also be necessary, in this connection, to allay public alarm by informing the public on as wide a basis as possible of the steps taken by Government to avert food scarcity conditions. They may, therefore, be informed that no purpose would be served by any frantic move from place to place in search of food.

5. During the early phases of food scarcity conditions, the obvious features are those of starvation associated with apathy and with or without coincident diseases. At a later stage, epidemics of one kind or another generally supervene and mask the underlying causal factor. Later, when the food situation improves, the picture of starvation gradually fades, whilst that of the epidemics usually dominates the field, in spite of preventive measures taken. In all phases, the provision of adequate nourishment is the chief weapon of defence.

6. Conditions associated with famine :—

(i) *Famine diarrhoea* :—This is a usual feature of all famines in all stages. It often arises out of use of unsuitable or unaccustomed foods, impairment of digestive function or coincident infection with

* A circular issued.

dysenteric organisms. Dysentery and diarrhoea invariably are lined together and usually form one of the chief problems for medical relief and public health work. It is one of the chief causes of mortality until epidemics appear in the field.

(ii) *Famine oedema, Nutritional anemias, Scabies, Tropical Ulcers, etc.*

(a) Famine oedema and dropsy arise out of protein starvation and are another invariable feature during all phases of famine.

(b) Nutritional anaemias—These arise from prolonged malnutrition with or without inter-current affections like malaria, and constitute another dominating feature arising during food shortage. Extreme cases of anaemia are very common during different phases of famine. These may be the result of pre-existing malaria, hookworm, etc., aggravated by under nutrition. Anaemia is often associated with famine oedema, and dropsy which may tend to mask the underlying gross emaciation. Nutritional anaemias have to be treated in the preventive sphere by the consumption of food specifically rich in iron.

(c) Scabies complicated by impetigo, localised septic infections, tropical ulcers and such other skin affections tend to become a serious problem. In the Bengal Famine, it has been suggested that lack of oil for accustomed inunction of the skin was an important factor in the causation of such skin affections. The important thing in these conditions is to ensure that the cases receive treatment at the earliest possible moment, with a view particularly to the prevention of scabies epidemics.

(d) It may be generally stated that the treatment of these famine conditions is essentially one of administration of nourishing food in acceptable forms, e.g., gruels starting with small quantities, and increasing gradually until complete recovery. Health Officers should remember this, if asked to advise at famine relief centres, etc.

7. Deficiency Diseases (Vitamin A).

(a) These are generally seen in populations subjected to prolonged mal-nutrition and subsisting on diets poor in protective foods. They may not be conspicuous during famines of abrupt origin. In conditions such as the present, one should anticipate the occurrence of widespread deficiency conditions, looking particularly for incipient conditions amongst children and other vulnerable groups. Most of the common deficiencies admit of easy correction, if they are detected early. Thus vitamin A deficiency could easily be controlled or even averted by liberal distribution of shark liver oil or larger consumption of eggs, wholesome milk, ghee, green leafy vegetables, and fruits such as ripe mangoes, papaya, tomatoes, carrots, oranges, etc.

(b) Vitamin B.

Infantile or adult beriberi generally arises as a result of long use of over-polished machine-milled raw rice. Par-boiling, home pounding, and proper cooking of rice will ensure safety against B1 deficiency. Prevalence of soreness at the angles of the mouth, glossitis, eczema of scrotum, superficial keratitis, etc., are signs of malnutrition in respect of vitamin B2. Larger consumption of green leafy vegetables, milk, and meat is the usual remedy. The administration of yeast, if available, provides a quick answer to the deficiencies of all vitamins of the B group. In addition yeast is very rich in proteins of high biological value. Food yeast can easily be incorporated into diets without any noticeable distaste. (*Vide* 'Balanced Food Recipes' issued from this office under this Office No. 16026-2N-46, dated 12-3-1946.)

(c) Vitamin C :

The deficiency of vitamin C often presents a problem under famine conditions. Pre-scorbutic conditions, such as bleeding from the gums, mucous membranes, gingivitis, swelling of the joints may be looked for as premonitory signs. The prevention of these scorbutic conditions is simple enough. In connection the value of sprouted grams, grains and pulses, fresh fruits (especially Amla) and green leafy vegetables should be made widely known as easy remedies for these defects.

(ii) *Germination of grams, grains and pulses* :—Unsplit dhal gram of any grains may be soaked in water for 12 to 24 hours in sufficiently big containers. Then drain, remove the dhal grain or gram and spread this on a wetted gunny or blanket, allowing for access of air, and cover with another wetted gunny or blanket. The blanket should be kept damp by occasional sprinkling of water. In a few hours, germination will begin and small shoots will appear. When these shoots are $\frac{1}{2}$ to 1 inch long, the process of germination is complete, but the vitamin C content is at a maximum after about 30 hours of commencing germination. The sprouted grain should be eaten raw, but may be cooked for not more than 5 minutes. These sprouted grains contain as much as 10-15 mg. of vitamin C per 100 grammes weight.

(iii) *Fresh Amla or Nellikai (or Indian Gooseberry)*.—This is considered to be the richest natural source of vitamin C. It can be minced and sun dried and the dried pulp powdered and preserved in a cool and dry place. Amla has special properties, compared with other fruits and retains sufficiently large amounts of Vitamin C in such dehydrated forms for long periods. The powder contains 10-16-mg. of vitamin C per gramme weight approximately. Amla fruits can also be long preserved in concentrated salt solution after a brief immersion in hot water. These may be eaten without further cooking to obtain the full benefit of vitamin C in them. Fresh amla juice contains 20 times

as much vitamin C as orange juice, and therefore, the popularisation of its use as a source of anti-scorbutic vitamin during famines requires considerable emphasis.

(iv) Multi-vitamin tablets are of considerable value in the prophylaxis of the deficiency diseases, when the normal requirements of vitamins cannot be obtained, from fresh foods during food emergencies.

8. *Guidance for Health Officers during nutritional emergencies.*

(i) Avoid panic where possible. All Health Officers should publicise the steps taken by Government to mitigate the effects of food shortage. This will inspire confidence and possibly prevent migration leading to epidemics.

(ii) Give advice on substitutes of staple foods in short supply. The circular on Balanced Food Recipes will enable you to give authoritative information and the fullest possible use should be made of it in your district or area. It should be remembered that a mixed diet is more wholesome than the poor rice diet, but this truth is not realised and it requires to be more and more publicised.

Wherever possible, cooking demonstrations and exhibitions should be arranged as per Balanced Food Recipes throughout your area. Full advantage should be taken in this respect of the facilities offered by child welfare centres and voluntary agencies. This may be done in consultation with the Collector of your district.

(iii) Promote as far as possible the "Grow More Food" campaign by stimulating the manufacture of compost in towns and villages. Such compost forms a valuable manure, and its value in growing foodstuffs in rural areas is not properly realised.

(iv) Avoidance of waste and conservation of foodstuffs:—Do not be in a hurry to condemn foodstuffs as unfit for human consumption. If you are in doubt, send samples in an airtight receptacle to the Nutrition Officer of this department, who will give you an expert opinion. Where the condemnation of large quantities of foodstuffs are under consideration, Health Officers are requested to obtain the advice and assistance of the Nutrition Officer of this department before issuing orders.

(v) Keep a vigilant watch in your area for early signs of food deficiencies either in quantity or quality and bring it to the notice of the Collector for remedial measures. In this connection, it is emphasised that women and children are most likely to be hit by the food scarcity conditions and frequent inspection of nutritional conditions of these population groups should be made during your visits to the villages.

(vi) Be ready to meet epidemics of cholera, malaria, dysentery, diarrhoea which often follow in the wake of food shortage.

(vii) Work in the closest possible co-operation with the officials and non-officials of your area, particularly with the Collector and the District Medical Officer and other medical officers.

(viii) Keep this office informed when any abnormal incidence of nutritional defects are noticed by you or brought to your notice. Remember that early intelligence in these matters may well lead to the prevention of epidemics.

Dairying in India To-morrow¹

JAMES N. WARNER, M.Sc.

Allahabad Agricultural Institute, Allahabad

India possesses 200 million heads of cattle of which one-fifth are buffaloes. The zebu is used principally for draft purposes while the buffalo is maintained primarily for the production of milk. There are three facts which confirm this. Firstly, in most parts of the country, the male zebu is better cared for than the female, while the female buffalo calf is given better care than the male. Secondly, whereas four out of five of our cattle are zebus, the buffaloes produce a little more than one-half of our milk. According to the *Report on the Marketing of Milk in India and Burma*, issued in 1943 by the Central Agricultural Marketing Department, Government of India, the average annual milk production of the buffalo is 1,529 lb., while that of the zebu cow is only 787 lb.; in each case these figures include about 300 lb. consumed by the calf. Thirdly, the buffalo not only produces more milk, but milk containing about 7 per cent of butterfat while only about 5 per cent is found in that of the zebu; furthermore, about 57 per cent of our milk is used for making *ghee* which is practically pure butterfat. The sole purpose of one sex of each of these animals, therefore, seems to be to assist in the reproduction of the species. Nature might have been a little more thoughtful and given us one species of which the male could be used for draft purposes and the female for producing milk. We have two species, however, either of which is potentially capable of serving both purposes to a greater extent than has yet been demonstrated.

Agreement with domesticated animals.

Dr. Sam Higginbottom has said that when man domesticates an animal species he enters into a bond whereby he will provide adequate feed, water and protection from enemies and diseases in return for a useful product or a useful service. It is my opinion that we have not only failed to fulfil this bond in our relationship with many of our domesticated animals, but have, by our methods of management, made it impossible for them to fulfil their part of the agreement. Denmark has, I believe, shown what can be expected in a short time if man does his part. The average annual production of milk per cow was increased in that country from 4,322 lb. to 7,260 lb. in 40 years. What can be done in India in increasing the average production of milk per cow, without sacrificing draft ability, is unknown. The results obtained in such places as Karnal and Patna with the Tharparkar breed and at Muttra with the Haryana indicates that yields of up to 5,000 to 6,000 lb. of

¹ Broadcast from All-India Radio, Lucknow (Reproduced from *Indian Farming*, April, 1946.)

milk or more a year do not necessarily reduce the draft ability of our animals.

Feed and production of milk.

Dr. N. D. Kehar, of the Imperial Veterinary Research Institute, and Dr. Norman C. Wright, of the Hannah Dairy Research Institute, Ayrshire, Scotland, give us figures which show that all the digestible nutrients available for our cattle is less than one-half enough to properly maintain them, exclusive of that required for growth, for reproduction or for the production of draft power or milk. Whereas a 500lb. bovine requires 3'9lb. of digestible nutrients daily, we can at best provide only 1'6lb. They also show us that while such an animal requires 10 to 11lb. of dry matter daily in its feed solely for maintenance, we can provide only 3'4lb. at the present time. This is a sad state of affairs. Obviously we cannot expect our cows to produce more milk until they are much better fed.

It is frequently stated that village cows will give up to 50 per cent more milk on an average if properly fed and cared for. It would appear, therefore, that adequate feed alone would make it possible to increase our production of milk from 900 million to 1,200 million maunds yearly. Village zebu cows are reported to have produced as much as 6,000lb. of milk, and village buffaloes as much as 10,110lb. in about one year. It is known that the producing capacity of a cow is, on an average, approximately halfway between the producing capacity of its mother and the producing potentiality of its father. If cows which are capable of producing only 1,000lb. of milk are bred to bulls with a producing potentiality of 6,000lb., their daughters may be expected to produce an average of 3,500lb. under the same environmental conditions. Our cows are inherently capable of producing more milk; their food supply, among other possible factors, prevents them from doing so. The same may be true of draft power as well.

More feed for cattle.

Any reduction in the proportion of our land now used for producing grain and other crops for our people in order that greater quantities of feed might be provided for our cattle would only make matters worse than they now are. Better tillage practices, irrigation, the use of more fertilizer and the use of higher yielding varieties of existing or of completely new crops must be relied upon to give us the required feed for our cattle. The development of new farm implements or the redesigning of those now in use may, apart from better feeding, make the zebu a more useful draft animal. No one has yet undertaken to design implements particularly suited to the buffalo. Is it not reasonable to suspect that there are some possibilities in this? Why not use our

cows for draft purposes? They do so in Europe and still get more milk than we do. Where horses are used as a beast of burden, mares which are used for breeding purposes, are regularly worked. The practice of using breeding bulls for hauling feed and manure about a dairy farm is considered a good management practice. We might investigate the possibility of working our cows, particularly those which produce very small quantities of milk and produce a calf only every 20 months or so. They might prove particularly useful in providing draft power at those seasons when it is most needed in the operations of the farm.

The number of male calves born equals the number of female calves. For breeding purposes, however, one bull can serve from 30 to 70 cows. Consequently, only a small proportion, that is one in thirty or so, of the male calves need be kept specifically for breeding purposes; the remainder may be used as bullocks. If those to be used for reproducing our milk stock were selected carefully on the basis of the production of their mothers, the average production of milk could, it would seem, be rapidly increased. That this can be done is indicated by the progress made in Denmark.

Cattle for to-morrow.

One only dependable source of cattle for to-morrow is those we have to-day. If we are to provide the milk stock we will need in the new India, we must provide more and better feed for them and we must control their breeding. The control of diseases is by no means unimportant because it is not discussed here. It will play an even greater part in the future than it has in the past, and it has been extremely important so far. If we are to ignore the needs of our cattle, allow them to find their own feed—if they can, provide them no special protection against disease, and allow them to breed in their own way, we cannot justify their domestication upon which the economy of our country so greatly depends. It is estimated, for example, that the market value of the milk produced each year is roughly equal to that of all rice, or three or four times that of all wheat. Dr. Wright, who gives us these estimates, states also that the value of cattle labour is about one-fourth of the total for all agricultural income.

Increase in milk production and decrease in cost.

According to those who study human nutritional needs, each person should have 15 to 20oz. of whole milk or its equivalent in the form of milk products daily. We now produce only about five to six ounces or one-third enough. The average farm cow in England or America produces from 4,800 to 5,500lb. of milk each year. Surely it is not unreasonable to set as our goal for the India of to-morrow the production of three times the milk we now produce. This would give every person 16 to 17oz. a day; it would involve a yield of 2,500lb. a year by our zebu cows and 4,500lb. by our buffalo cows. The cost of producing this milk cannot possibly be as high as that we now produce. If higher yielding fodder and grain crops are grown, feed costs will certainly be less than they now are; if higher producing cows are developed, a proportionately lower cost per maund of milk for maintaining the bodies of the producing animals will result; if much more milk is handled by distributing and processing establishments, surely the costs involved will be reduced.

Distribution of milk.

One reason for the present high cost of distributing milk is the fact that the consumer is not equipped to prevent the spoilage of milk without repeatedly boiling it, which is detrimental to its food value and to its palatability. It is necessary, therefore, that deliveries be made twice a day instead of only once. This practically doubles the expenses for labour and the equipment involved in transporting milk. If it were possible for the consumer to own a small household refrigerator in which to keep perishable foods, the cost of distributing milk might be only a fraction of what it now is. Incidentally, if milk were on hand in the home at all times more of it would be consumed.

Milk produced within our urban areas is expensive mainly because of the cost of the fodder consumed by the producing animals. Fodder purchased at the rates prevailing in the city bazaar will constitute 30 to 50 per cent of the cost of the milk. Such bazaar rates are commonly twice as high as the actual cost of producing that fodder in the village areas, sometimes more. If those cows now maintained in our cities were moved to rural areas where fodder is less expensive, not only would milk costs go down but our cities would be more healthful. There are many milk producers living just outside our cities who handle very small quantities of milk upon which they depend for a livelihood. One may commonly see a man or a woman carrying a small head load of milk from distances as great as three or four miles. The return trip requires as much as four hours. If the trip is made twice a day, no time is left, after caring for the producing animals, in which the person may increase his or her income from other sources. Either the milk must sell at a price sufficiently high to provide that person adequate income or it is not provided.

Because the customer is unable to keep milk in his home it must be delivered just at the time it is required for the morning or evening meal. Since most people have their meals at about the same time there is only a small period, perhaps two hours at the most, in the morning and in the evening when most of the milk must be delivered. The small producer finds that he cannot satisfactorily handle a quantity of milk that requires more than that short time to deliver. Consequently he produces only that much, perhaps a maund or two a day. The dairy which distributes large quantities of milk commonly finds it necessary for this same reason, to hire one delivery man for every two maunds of milk handled daily. The handling of larger volumes on each trip made by the distributor and the making of fewer trips would bring about a noticeable reduction in the costs involved.

There are many other points that could be mentioned. Two of these are the selling of milk through retail shops from which the customers must take delivery themselves, and the transportation of milk from the rural producing areas to the markets by lorries, thereby increasing the amount of milk handled per man. Apart from certain countries where the value of milk as a human food is unknown or unrecognized, I know of no greater promise of development in dairy farming and the dairy industry than in India to-morrow.

News and Notes.

The Madras Co-operative Motor Vehicles Insurance Society Ltd.

The above Society was registered 15-5-46 and the G.O. permitting the Society to transact the business of insurance of motor vehicles as an authorised insurer was received on 28-6-46. So far the Society has issued over 400 policies. The share-capital of the Society shall, for the present, be Rs. 2,50,000 made of 2,500 shares of Rs. 100 each. The President of the Society is Sri T. S. Santhanam, Managing Director of the Madras Autor Service Co., Ltd., and the Secretary is Mr. A. N. S. Raghavan, G.D.A., R.A. F.C.I.I. (Lond.) Secretary of Messrs. T. V. Sundaram Iyengar & Sons, Ltd., Madurai.

The Co-operative Fire and General Insurance Society, Ltd., Madras—1945.

This is the fifth year of the Society's working. There were 171 members with a paid up share capital of Rs. 3,38,900 at the beginning of the year. 32 members with a paid up share capital of Rs. 82,500 were admitted during the period under review, and a sum of Rs. 1,00,000 was refunded in part to one member during the year. There were thus 203 members with a paid up share capital of Rs. 3,21,400 at the end of the year. The total policies issued during the year under review is 4,030 and the insured value is Rs. 6,52,66,367-5-0 as against Rs. 4,06,41,666 for 1944. The Fire Premium income for the year amounted to Rs. 2,10,944-10-0 as against Rs. 1,58,551-4-11 earned in 1944. After duly deducting the premium for Re-insurance and refunds the net premium came to Rs. 1,31,640 as against Rs. 1,17,544-0-11 in 1944. The Society undertook Fidelity Guarantee Business with effect from 1st January 1945. The number of policies issued during the year is 52 and the insured value amounted to Rs. 68,600, the premium earned being Rs. 661-4-0. The Institution has deposited a sum of Rs. 2,53,939-6-0 in the shape of Government Securities and Central Land Mortgage Bank Debentures with the Reserve Bank of India, in accordance with the provisions of the Insurance Act. The Society earned a profit of Rs. 51,584-2-7 during the year. The Board of Management and the Secretary, Mr. P. Shunmugam, B.A., deserve congratulation for having completed another year of successful working of the society.

The Chandrasekharapuram Co-operative Stores, Ltd., Tanjore District.

The above stores was registered on 4-12-44 and started on 27-1-45. The number of members on the date of starting was 101 and the number of members as on 30-6-46 was 378. About 15 villages are served by this stores. The authorised capital is Rs. 10,000 made up of 2,000 shares of Rs. 5 each, payable in full at the time of allotment and the subscribed capital till 30-6-46 was Rs. 6,130. This stores commenced business at the outset to deal only in provisions, oil and oilcakes practically all the necessities of the villagers and business in cloth, mill,

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made and hand-loom, was started on 1-9-45 after obtaining the necessary licence. The following table will reveal the purchases and sales made during 1945-46 by the Stores:

Purchases.	Rs.	Sales.	Rs.
Provisions ...	82,807	Provisions ...	80,628
Mill cloth ...	14,796	Mill and ... }	44,418
Hand-loom ...	32,749	Hand-loom ... }	
	<u>1,30,352</u>		<u>1,25,046</u>

Average sales daily work out at Rs. 343. The Stores earned a net profit of Rs. 4,228-12-0 (the figure is subject to audit). The stores is dealing in ration articles like rice, kerosene and sugar also. "The Stores is located in a spacious building specially constructed for the purpose with 3 rat-and-rain-proof godowns. It is accessible to all classes of communities. The accommodation is sufficient and shop-keeping neat and attractive. The cloth section is located in a separate hall fitted with a counter. Purchasers can inspect the cloth they desire to buy easily and transact business" thus remarks the Co-operative Sub-Registrar in his inspection report. The Directors, in general, and the Secretary and Mr. C. S. Ramachandran, in particular, are taking keen interest in the affairs of the stores and are anxious to enlarge the range of service of the stores. They deserve every encouragement.

The Indian Journal of Agricultural Economics.

The above Journal is the official organ of the Indian Society of Agricultural Economics whose aims and objects are to promote the investigation, study and improvement of the economic and social conditions of agriculture and rural life through periodical conferences for the discussion of problems; (b) the publication of papers or summaries of papers, etc., and (c) co-operation with other institutions having similar objects, such as the International Conference of Agricultural Economists and the Indian Economic Association, etc. With the publication of this Journal, the Indian Society of Agricultural Economics takes a step forward towards the implementation of its programme of work. The Journal is expected to publish contributions on problems of agricultural economics in India based on scientific research, investigation and first-hand experience. The Journal is intended to provide a forum for scientific discussions among specialists in the varied topics related to Indian agriculture and rural life conditions. The Editorial Board consists of economists and statesmen like Sir Manilal B. Nanavati, M. S. D. R. Gadgil, Gyan Chandi, V. L. Mehta, K. C. Ramakrishnan, S. Kartar Singh, L. C. Jain, B. K. Madam and J. J. Anjaria, as Managing Editor. May we hope the Journal will grow from strength to strength and carve out for itself an honoured place among the academic journals in the country, seeking primarily to pursue light, but with an eye also on practical issues of development and policy. Copy of the Journal can be had from the Honorary Secretary, the Indian Society of Agricultural Economics, Esplanade Mansions, 3rd Floor, Mahatma Gaudhi Road, Fort, Bombay.

Registrar's Circular.

**Sub:—Co-operative Wholesale Stores—Custody of and other properties
—Responsibility of office-bearers—Amendment of bylaws.**

The Registrar has been considering for sometime past the need to modify the existing bylaws of Co-operative Wholesale Stores regarding the custody of cash, stocks and other properties in order to bring them into conformity with the practice obtaining in the institutions; for, in actual practice, the bylaws as they stand at present have been found to be unworkable. Wholesale stores have also been consulted in the matter, and all of them are of opinion that bylaws require to be altered so as to correspond to the actual conditions prevailing. The subject was also discussed at the recent business conference of the representatives of the Co-operative Wholesale Stores and the Triplicane Urban Co-operative Society held in February, 1946, (*vide* subject No. 16 and the note on it at pages 24 and 25 of the proceedings). The conference agreed to the proposal contained in the note and the draft bylaw suggested.

2. A copy of the proposed bylaw is extracted below for ready reference:—

"The president shall, with the approval of the Board of Directors, make the necessary arrangements for the safe custody of cash, stocks and other properties of the stores and frame suitable subsidiary bylaws for the purpose." In framing suitable subsidiary bylaws, the Board may take into consideration the following suggestions:—

(i) **Cash:—**The cashier, who actually handles money, should be made responsible for it. At the end of each day's transactions cash should be verified by a responsible officer of the stores and secured under double lock, one key being with the cashier and the other with the Secretary or, in his absence, the manager. The principle of securing cash under double lock may also be followed in cash of the branches. Adequate securities should be obtained from the cashier.

(ii) **Cheques:—**The Secretary may be authorised by the Board to draw cheques upto a limited amount (Rs. 1,000 or Rs. 2,000 or Rs. 3,000 according to the circumstances) on his own signature. Cheques exceeding this limit shall be drawn jointly by the Secretary and President or vice-president or any other Director or office-bearer who will be readily available at headquarters and who may be specifically authorised in this behalf by the Board.

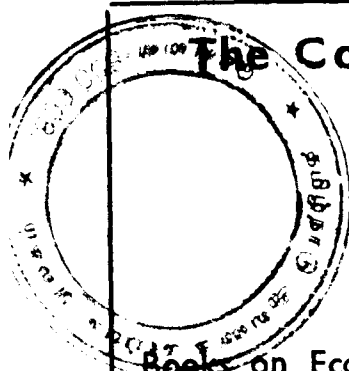
(iii) **Stocks:—**Godown-keepers should be responsible for the stocks entrusted to them. At the end of a day's transactions, the

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godowns should be secured under double locks, and one key should be with the godown-keeper and the other with a separate employee authorised in this behalf. Adequate securities should be taken from godown keepers.

(iv) *Other properties* :—Special arrangements should be made to make one clerk responsible for furniture etc. An inventory register should be maintained and all the articles verified by a responsible officer or director once a year or half year and a certificate recorded to this effect.

All Deputy Registrars are requested to bring these suggestions to the notice of the district co-operative wholesale stores and request them to adopt the amendment suggested and frame suitable subsidiary bylaws at an early date with due regard to the points noted above and the local conditions of the wholesale stores. The subsidiary bylaws should be framed with care, and the Deputy Registrars will be pleased to help the wholesale stores in drawing up the subsidiary bylaws. The Deputy Registrars are requested to submit the subsidiary bylaws when adopted by the co-operative wholesale stores for Registrar's approval before registering them.



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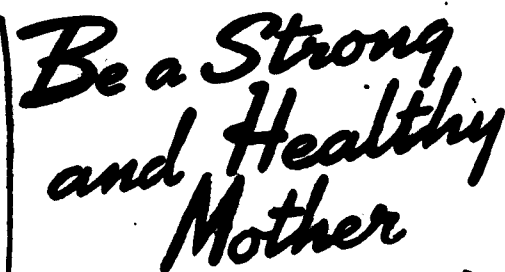


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