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THE

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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.

Panchayets:

The Hon. Minister in charge of Local Administration has, in a Conference, announced the lines on which he proposes to introduce Panchayet Raj. We have more than once indicated the lines on which the panchayets should be constituted and worked. The Advisers' regime published a Bill in 1941 for the reorganisation of panchayets. After a great deal of cogitation and hesitation they enacted the Bill into law in 1946 just on the eve of the re-inauguration of popular Government. In doing so, they did not accept all the recommendations of the *ad hoc* Committee which they constituted to consider the provisions of the 1941 Bill. However, it must be conceded, the provisions of the 1946 Act did mark a definite step in the direction of reform. Those who have a knowledge of the working of the panchayets know what a retrograde step was taken when the panchayets were brought within the ambit of the Local Boards Act. It was felt that the first reform necessary was to remove the panchayets from the purview of the Local Boards Act and this the 1946 Act accomplished. But, in certain respects, the 1946 Act was not sufficiently progressive. Compulsory constitution of panchayets for each village, either singly or in combination with contiguous villages, was not provided for. Nor was adult franchise granted. Too much importance was given to village officers virtually enabling them to control the affairs of the village. If we study past history, it will be seen the village officers were the servants of the panchayets. Though they may not be relegated to that position, no provision should be made for them to exercise undue influence. The moot point raised time and again is that the collection of taxes, including land revenue, should be left to the panchayets and in the capacity of collecting agents the village officers should be real village servants. Whatever might have been in the hoary past, some doubt if it is safe to entrust the collection of taxes other than those they are empowered to levy, to the panchayets. The repercussions on the provincial finances in case of remissness may prove disastrous. Then, again, the question of exercising judicial functions is also beset with many difficulties. The combination of judicial and executive functions, be it in the village or town or district, in the same body, is not considered desirable, and its introduction in the village panchayet may jeopardise their bifurcation in later stages. This is also a matter which needs careful consideration. As far as works of public utility which affect the interests of the village as such the panchayets should exercise control and where those works affect more than one village, joint committees may be set up to look after them. There is a school of thought which seems to believe that panchayets can as well perform the functions of the co-operatives. It may be remembered we had occasion to refer to such a proposal in the United Provinces and we were glad to notice later, that such an attempt was given up realising co-operation is essentially a voluntary movement and compulsion is wholly foreign to its conception. Co-operatives and panchayets can be complementary to each other with functions definitely demarcated. As our readers are aware, in the 1946 Act, elementary education was not transferred to panchayets. To associate local people to ensure proper working of elementary schools is the best method calculated to promote village education. There is the proposal to allocate a portion of the land revenue. While we are in favour of such method of augmenting the resources of the panchayets, we doubt very much if sufficient help can be depended upon in view of the proposed land reform administration which will reduce land revenue to a precarious source. Instead, it has been suggested in some quarters that the entire land cess should be made over to the panchayet and in addition an increase of cess by 3 pies per rupee may be permitted. Besides, the panchayets should levy house-tax, and taxes on vehicles, animals and advertisements. They may also

be empowered to impose such other taxes which may be suitably and conveniently levied. As regards control, the provisions in Section 37 of the 1946 Act by which the Registrar-General of Panchayets is appointed appear to be eminently reasonable. He may be assisted by Regional Deputy Registrars and the District Panchayet Officers. The status and emoluments of these officers, especially the District Panchayet Officers, should be raised. We have ventured to offer these tentative suggestions more to provoke discussion in view of the importance of the subject.

Co-operative Education:

The Madras Provincial Co-operative Union has expressed the view that no separate Co-operative College is necessary and has also made suggestions for the improvement of arrangements for education and propaganda. The following is the scheme which we produce *in extenso* :—

Scheme for Education and Propaganda.

1. General:

The Provincial Co-operative Union is to be in charge of all Co-operative Education and Propaganda. The Registrar or, in his absence, the Joint Registrar, is to be an ex-officio member of the Executive Committee and the Education Sub-Committee. The entire allotment for education and propaganda should be placed by the Government at the disposal of the Provincial Co-operative Union.

2. Education:

A. (*a*) There shall be an Education Sub-Committee consisting of the President of the Provincial Co-operative Union, the President of the Provincial Co-operative Bank, the Registrar of Co-operative Societies, one representative each of the four training institutes at Rajahmundry, Anantapur, Coimbatore and Tanjore, two persons elected by the Executive Committee from among its members, one representative each of the Andhra and Tamil Nadu Federations, a Professor of Economics and one other person nominated by the Registrar and the General Secretary of the Provincial Co-operative Union, who shall also be the convener of the Committee.

(*b*) The Central Co-operative Training Institute shall be placed under the direct control of the Education Committee. The four training institutes of Rajahmundry, Anantapur, Coimbatore and Tanjore shall work under the supervision of the Education Committee. The Education Committee will coordinate their working, conduct examinations, prescribe syllabus, etc.

(c) An Officer on a pay of Rs. 250—25—450 may be appointed to be in charge of Education and Propaganda and act as Manager of the Office of the Union and Editor of the *Madras Journal of Co-operation.*

(d) Co-operative Education shall be imparted in the four moffusil Institutes for a period of ten months which will be distributed as follows :—

(i) Eight months—general tuition as per the existing syllabus (subject to modifications if need be) in Co-operation—Historical and General—Co-operative Law, Banking, Book-keeping, Auditing, Rural Economics and Rural propaganda, omitting village panchayats and inclusive of practical training.

(ii) two months training in one of the following optional subjects which will have to be compulsorily selected by the candidate :

Stores, Credit Marketing, Weaving, Cottage Industries and Milk supply.

Examination will be held after the 10 months' course.

(iii) The Central Co-operative Institute shall continue to impart education on the existing lines for higher grade employees, but will be open to official as well as non-official employees.

(iv) There shall be a short-term course for four months for training employees of stores, weavers' societies, credit societies, etc., who are not S.S.L.C. qualified persons and who are either in employment or eligible for appointment as salesmen, godown-keepers, etc.

N.B.—There is no need for a Co-operative College.

3. Propaganda :

(i) The Provincial Co-operative Union is to be in general charge of Co-operative propaganda in the villages which will be carried out by a District Committee of propaganda.

(ii) The Supervision Committee of the District Banks shall be enlarged to represent in addition to credit societies, stores, Marketing societies, weavers and cottage industries societies. The Deputy Registrar of the district shall be an ex-officio member of the Committee. The Secretary or the Executive Officer of the Bank shall be the Secretary of this Committee which shall function as the District Committee of Propaganda.

(iii) The Regional Language Federations will be in charge of regional coordination and the conduct of vernacular journals, conferences, preparation of propaganda literatures, etc.

4. Funds :

(i) Grants by the Government for education and propaganda are to be made over to the Provincial Co-operative Union.

(ii) All the Provincial institutions should be asked to give a portion of their Common Good Fund to the Provincial Co-operative Union.

(iii) A portion of the Common Good Fund of the District Societies should be similarly made over to the District Propaganda Committee.

Bombay has just started the Co-operative Training College and a regional co-operative school, both at Poona. The Hon. Mr. V. L. Mehta made a few significant remarks on the occasion in which he emphasised two aspects of higher education in co-operation, namely, understanding the spirit of co-operation and spreading it in the country with something of the missionary zeal. Mr. Mehta emphasised the need to give stimulus to research and the need for translating the growing co-operative literature into regional languages. Need we say we heartily endorse these suggestions. The Provincial Co-operative Union is eminently competent to stimulate research while the regional federations may arrange for the translation of a large amount of co-operative literature in their languages for the benefit of the rural population under the guidance of the Provincial Co-operative Union.

Education and propaganda will be wholly under the guidance of the Bombay Provincial Co-operative Institute. The Co-operative College, which has been provided by generous grants, will be under the guidance of the Institute. Official help and guidance are always welcome as distinguished from official pressure and undue interference which will have the effect of stifling free and independent research. The Government of Bombay will accord special treatment to those who take courses of studies provided by the Institute in making new appointments and ordering promotions. We trust the scheme of the Madras Provincial Co-operative Union which seeks to provide similar courses of studies will secure due recognition from Government.

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

EXAMINATION RESULTS.

The following is the list of candidates with their Registered Numbers **(Civilians)** who have come out successful in the Co-operative Institutes' Examination held in the month of March 1947 at Coimbatore, Tanjore, Rajahmundry and Anantapur Centres.

(* Denotes supplementary candidates.)

FIRST CLASS.

Coimbatore Centre.

S. No.	Name of Candidate.	Regd. No.
1	Chinnannan, V. P.	2246

Tanjore Centre.

S. No.	Name of Candidate.	Regd. No.
2	Pitchaia, S. M.	2367

Rajahmundry Centre.

S. No.	Name of Candidate.	Regd. No.
3	Kameswara Rao, M. B.	2411
4	Krishnam Raju, D.S.S.V.	2421

Anantapur Centre.

S. No.	Name of Candidate.	Regd. No.
5	Gopalakrishnamoorthy, M.	2461
6	Sundara Rao, P.	2483

SECOND CLASS.

Coimbatore Centre.

S. No.	Name of Candidate.	Regd. No.
1	Anantanarayanan, K. L.	2237
2	Arumugam, R. S.	2239
3	Ayyannan, K.	2241
4	Chinnaswamy, K. A.	2247
5	Doraiswamy, K.	2248
6	Krishnan, K.	2264
7	Krishnan, K. K.	2265
8	Krishna Rao, N.	2268
9	Krishnaswamy, K. C.	2269
10	Kumaraswamy, N.	2270
11	Menon, K. V. H.	2274
12	Nachimuthu, S.	2277
13	Namasivayam, S.	2281
14	Palaniswami, M.	2289
15	Patrao, J.	2290
16	Ramalingam, A. P.	2292
17	Solomon, C.	2304
18	Somasundaram, C. R.	2305
19	Subramanian, K. C.	2306
20	Sreekantiah, N.	2308
21	Srinivasan, M. S.	2309
22	Swamy, O. S. V.	2310
23	Velayudhan, E.	2317
24	Venkatachalapathi, K.V.	2318
25	Venkatapathy, K. V.	2319
26	Viswanatha Rao, R.	2323

Tanjore Centre.

S. No.	Name of Candidate.	Regd. No.
27	Ambu, T.	2325
28	Aiyathurai, S. M.	2326
29	Chakravarthi, J.	2328
30	Chandrasekaran, R.	2329
31	Chinnaswamy, T. K.	2330
32	Dason Fernando, C. M.	2331
33	Deivanayagam, R.	2332
34	Durai Rajan, A.	2336
35	Gnanamuthu, R.	2337
36	Gopalaswamy, N.	2338
37	Ismail, K. S.	2339
38	Kanniah, S.	2343
39	Kameswaran, S.	2346
40	Kasim, M.	2347
41	Kumaraguruparan, R.	2348
42	Madhavan, S.	2349
43	Mohamed Ibrahim, K.	2350
44	Motha, C.	2351
45	Murugan, S.	2353
46	Muthukkannu, A.	2354
47	Nadimuthu, C. R.	2355
48	Narayanaswami, G.	2356

Tanjore Centre.

S. No.	Name of Candidate.	Regd. No.
49	Narayanaswamy, V.	2357
50	Natarajan, A.	2358
51	Navaneethakrishnan, R.	2360
52	Palaniappan, S.	2361
53	Panchapakesan, S.	2362
54	Periyaswamy, K. R.	2363
55	Periyathambi, M.	2364
56	Pichai, T.	2366
57	Pichumani, V.	2368
58	Rajabathar, C. M.	2369
59	Raju, S.	2372
60	Ramakrishnan, P.	2374
61	Ramaswamy, B.	2376
62	Ramanujam, N.	2377
63	Rangarajan, G.	2378
64	Renganathan, R.	2379
65	Sathiamoorthi, N.	2383
66	Savari Muthu, M.	2384
67	Seetharaman, S.	2385
68	Seshadri, R.	2386
69	Shanmuga Sundaram, T. N.	2387
70	Srinivasan, V.	2393
71	Sundaram, V,	2394
72	Suryanarayanan, S.	2395
73	Swamy, P. K.	2396
74	Thirunavukkarasu, G.	2397
75	Vaidhianathaswamy, V.	2398
76	Varadachari, K. R.	2399
77	Venkatachalam, P.	2402
78	Venkatanageswaran, M.	2403
79	Venkataraman, N.	*2503

Rajahmundry Centre.

S. No.	Name of Candidate.	Regd. No.
80	Balaramadas, M. V.	2408
81	Bamgara Rao, M.	2409
82	Bharata Raju, S.	2410
83	Bhaskara Rao, M.	2412
84	Bhuvaneswer Rao, K.	2413
85	Chiranjeevi Naidu, B.	2414
86	Ganga Raju, P.	2416
87	Hanumanulu, K. V.	2417
88	Jagannadham, M.	2418
89	Janaki Ramiah, M.	2419
90	Krishnamurty, N.	2423
91	Nageswara Rao, V.	2427
92	Narasimha Murty, P. L.	2428
93	Prasada Rao, Bh. V. S.	2431
94	Prasada Rao, K. R.	2432
95	Radhakrishna Sarma, M.	2434
96	Ramachandra Rao, T.	2435
97	Ramakistniah, K V.	2436
98	Venkataramaniah, B.	2437
99	Rangarao, C. V.	2439
100	Sambamurty, B.	2440
101	Satyanarayana, D.	2441
102	Seetaramaswamy, M.	2444
103	Subbarao, G. Ch. V.	2445
104	Subrahmanyam, M.	2447
105	Suryanarayana, M.	2449
106	Venkata Rao, M.	2453

Anantapur Centre.

S. No.	Name of Candidate.	Regd. No.
107	Adinarayanan, G.	2455
108	Amaresh, K.	2456
109	Aswathanarayana Rao, K. R.	2457
110	Balaramiah, C.	2458
111	Barmappa, I	2459
112	Daniah, H. S.	2460
113	Hanumantharao, Y.	2462
114	Jammisetty, E,	2463
115	Krishnamurthy, K.V.G.	2465
116	Krishna Rao, G.	2467
117	Lakshmi Narasiah, G.	2468
118	Pompanna, A.	2472
119	Prahlada Rao, M.	2473
120	Ramachandrarao, A.	2475
121	Rathnagupta, M. V.	2477
122	Sreenivasamoorthy, R.	2478
123	Subbaiah, B.	2479
124	Subrahmanyam, S.	2480
125	Subrahmanyam, S. V.	2481
126	Subbaraya Chowdary, J.	2482
127	Suryanarayana, P.	2484
128	Thulaja Ram, R. B.	2486
129	Vasudevan, V.	2487
130	Venkatachalapathi, D.	2488

PASSED IN PARTS I AND II.

Coimbatore Centre.

S. No.	Name of Candidate.	Regd. No.	S. No.	Name of Candidate.	Regd. No.
1	Balan Nair, K. C.	2242	6	Sankaran Kutty, K.	2296
2	Balasubramanian, T.	2243	7	Selvaraj Pakkianathan, D.	2298
3	Nagarathnam, S.	2280	8	Anantakrishnan, K. V.	*2491
4	Natarajan, K.	2286			
5	Raman Kutty Menon, K. V.	2294			

Rajahmundry Centre.

9	Krishnam Raju, P. V.	2422	11	Kameswara Rao, M.	*2524
10	Satyanarayanamurthy, S.	2442	12	Subramanyam, G. V. S.	*2525

Anantapur Centre.

13 Narayanamurthy, V. 2470

PASSED IN PARTS I AND III.

Coimbatore Centre.

1	Joseph, A.	2255	3	Mathappen, C. C. (Rural Economics only).	*2501
2	Krishnan, G.	2263			

Tanjore Centre.

4	Kalyanasundaram, R.	2341	7	Srinivasan, K. A.	2391
5	Ramaswamy, M. S.	2375	8	Sethuraman, G.	*2509
6	Srinivasalu, P.	2390	9	Panchanatham.	*2510

PASSED IN PARTS II AND III

Tanjore Centre.

1 Santanam, K. R. 2382

PASSED IN PART I.

Coimbatore Centre.

1	Abbu Naidu, C.	2235	9	Palaniappan, U. P.	2288
2	Aravamudhan, S. R.	2238	10	Ramalingam, A.	2291
3	Basith Mulk, S.	2244	11	Shamanna, K. V.	2299
4	Chathu, P.	2245	12	Valiakunhunny Raja, K. C.	2314
5	Gopalakrishnan, K. V.	2250	13	Venkataraman, R.	2321
6	Gopalan Nambiyar, C. H.	2252	14	Venkatapathy, N. V.	*2493
7	Karuppannan, M.	2262	15	Velayutham, S.	*2495
8	Kunju Warrior, T. V.	2273			

Tanjore Centre.

16	Karuppa Thevar, A. K.	2344	17	Sri Chandra Doss, B.	2389

PASSED IN PART I.

Rajahmundry Centre.

S. No.	Name of Candidate.	Regd. No.	S. No.	Name of Candidate.	Regd. No.
18	Devadoss, M.	2415	25	Krishna Rao, V. V. S. R. R.	*2516
19	Krishna Murty Patnaik, V.	2424	26	Prasada Rao, C. D.	*2517
20	Lakshminarayana, A.	2425	27	Seshagirirao, T.	*2518
21	Madhusudhana Rao, M.	2426	28	Krishnamurty, P. V.	*2519
22	Prasada Rao, S.S.P.	2433	29	Purnayya Sastry, Ch.	*2520
23	Suryanarayana Sastry, R.	2451	30	Prakasarao, G.	*2523
24	Sreeramulu, V.	*2513			

Anantapur Centre.

31 Syed Basha 2485

PASSED IN PARTS I AND II.

Coimbatore Centre.

1	Nagarajan, R.	2279	2	Sankaran Kutty, P.	2297

Rajahmundry Centre.

3 Subrahmanya Sarma, G. 2448

Anantapur Centre.

4	Krishna Rao, D. V.	2466	5	Raghavendra Rao, D.	2474

PASSED IN PART III.

Coimbatore Centre.

1 Muthukumaraswamy, S.S. 2276

Tanjore Centre.

2	Dhandapani, S.	2333	5	Veeraswamy, G.	2400
3	Dorai Rajan, P.	2335	6	Venkatesan, M.	2404
4	Rengaswami, M.	2380	7	Venugopalan, S.	2405

Rajahmundry Centre.

8 Narasimharao, L. V. L. *2526 (Rural Economics only).

Ex-Service Candidates.

FIRST CLASS.

Coimbatore Centre.

1	Nair, M. P.	51	5	Sitaraman, K. G.	65
2	Padmanabhan, P. K.	55	6	Subramanyam, K.	67
3	Rama Iyangar, G. S.	58	7	Victor, M. A.	74
4	Ramakrishnan, N. S.	60			

Anantapur Centre.

S. No.	Name of Candidate.	Regd. No.	S. No.	Name of Candidate.	Regd. No.
8	Cheryian Chacko, P.	152	13	Kuttappan Pillay, K.	169
9	Eapen, P. P.	154	14	Melongton, P. S.	172
10	Gopalakrishnan, N.	158	15	Raghavan Nair, V. K.	181
11	Jeldi John Kanthaiah	162	16	Varkey, E. C.	193
12	Krishnamurthy, B. R.	165			

SECOND CLASS.

Coimbatore Centre.

1	Achuthan Nambiar, P.	29	14	Natarajan, A. S.	53
2	Archibald, P. L. T.	30	15	Palanimuthu, A.	56
3	Balasubramaniam, M.	32	16	Ramakrishnan, K. R.	59
4	Bhaskaran, K. K.	33	17	Ramanathan, V.	61
5	Chacko, C. P.	34	18	Ramasubramanian, V.	62
6	Damodaran Nair, K.	36	19	Rangaswamy, P. S.	64
7	Gopalan Nair, P.	39	20	Sivaramakrishnan, S.	66
8	Karnavar, N. R.	41	21	Subramanian, P. V.	69
9	Kalifulla, P. B.	42	22	Somasundaram, A. P.	70
10	Lakshmiah Naidu, M. N.	45	23	Srinivasan, V.	71
11	Muthuraj, R.	49	24	Thiru Thomas, K.	73
12	Mutyala Naidu, J.	50	25	Waller, P. E. S.	75
13	Nair, P. K.	52			

Tanjore Centre.

26	Arumugham, N.	77	41	Sebastian, A,	101
27	Bhavani Shanker, T. R.	78	42	Sreenivasan, R.	102
28	Doss, P. R. S.	79	43	Srinivasan, J.	104
29	Govindan Kutty Kurup, M.	80	44	Srinivasan, K.	105
30	Govindarajau, T. M.	81	45	Srinivasan, R.	106
31	Haran, T. R. P.	82	46	Srinivasan, T. R.	107
32	Kannan Nair, E.	83	47	Srinivasan, T. R.	108
33	Karunanidhy, S.	84	48	Subramanian, K.	109
34	Kunchithapatham, C.	86	49	Subramanian, N.	110
35	Manickam, V. N.	87	50	Sundaram, N.	111
36	Raghavan, A. U.	93	51	Susai Asirvatham, S.	112
37	Ramachandran, G.	95	52	Thangavelu, P.	114
38	Ramanujam, E. V.	96	53	Thomson, D.	115
39	Raru Nair, K.	98	54	Veliappan, S.	116
40	Savari Raj, S.	100			

Rajahmundry Centre.

55	Benjamin, N,	119	63	Ramakrishnayya, P.	136
56	Hanumantha Rao, C.	122	64	Shaik Amir	139
57	James, B.	124	65	Subba Rao, S.	140
58	Krishna Rao, A. B.	127	66	Sundara Rao, Ch.	141
59	Mrutyunjaya Rao, V.	131	67	Sundara Rao, G. P.	142
60	Narasimha Rao, P.	132	68	Venkatarao, T.	144
61	Ramachandra Rao, D.	134	69	Venkateswara Rao, Ch.	146
62	Ramanatha Sarma, P.	135	70	William, B.	147

Anantapur Centre.

S. No.	Name of Candidate.	Regd. No.	S. No.	Name of Candidate.	Regd. No.
71	Alexander, V. A.	149	87	Menon, K. U. K.	173
72	Anthoni Muthu, A.	150	88	Mathews, M. N.	174
73	Chandrasekhar, J.	151	89	Naga Rajan, N. S.	175
74	Damodaran, K. M.	153	90	Nageswara Rao, G	176
75	Ebenezer, K. S.	155	91	Naidu, P. V. R.	177
76	Gangadharan Nair, M.	156	92	Padmanabhan, K. S. K.	178
77	Gopalakrishnan Nair, E. T.	157	93	Parameswaran Nair, L. K.	179
			94	Raghava Kurup, N.	180
78	Govindan Kutty Nair, V.	159	95	Ramanujan, T. A.	183
79	Itty Panikar, K.	160	96	Seshadri, E. S.	184
80	Jayaraman, P.	161	97	Sreedharan Nayar, M. R.	185
81	Joseph, A. C.	163	98	Sreeramulu Chowdary, M.	186
82	Krishnamurty, B. R.	164			
83	Krishna Varier, D. A.	166	99	Thomas, M.	189
84	Kumaraswamy, R.	167	100	Unni, K. P. K.	190
85	Kurian, K. T.	168	101	Venkatarama Raju, A.	192
86	Mahalingam, P.	170	102	Verghese, I. M.	194

PASSED IN PARTS I AND II.

Rajahmundry Centre.

1 Devanandam, M. 121

PASSED IN PART I.

Coimbatore Centre.

1 Mudavacat, G. 47

Rajahmundry Centre.

2	Parankusam, A,	133	4	Veerraju, K.	143
3	Sankara Rao, K.	138	5	Mohaboob Ali Khan	148

Anantapur Centre.

6	Sundaram, K.	187	7	Thirumalai Swamy, S.	188

Madras Centre.

8 Balakrishnan, K. •195

PASSED IN PART II.

Coimbatore Centre.

1 Ramaswamy, V. 63

PASSED IN PART III.

Coimbatore Centre.

1 Mathew, T. W. 47

Tanjore Centre.

2	Rao R. K.	97	4	Sreenivasan, A. V.	103
3	Rethinasamy, K.	99			

Anantapur Centre.

5 Mathai, M. C. 171

NOTICE.

Volume No. XXXIX Madras Journal of Co-operation.

With this issue the **Madras Journal of Co-operation** completes Vol. XXXVIII. Subscribers are requested to remit their subscription for the next **Volume, i. e., No. XXXIX** commencing from July 1947 and ending with June 1948 **in advance** so as to reach this office **before the 25th July 1947.** If for any reason remittance is not received before that date, the July issue will be sent by V.P.P. which means an additional avoidable expense of annas three to themselves and some unnecessary work to the office.

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

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

Notice to Non-members.

Sub: MADRAS JOURNAL OF CO-OPERATION—Subscription rate—increase of.

This is to inform the Non-members of this Union, in view of high cost of printing and paper, the Executive Committee of this Union has been obliged to increase the rate of annual subscription from Rs. 4 to 6. Hence the Non-members are requested to remit the revised rate of subscription for Volume XXXIX (July 1947 to June 1948).

MADRAS,
15th March 1947.

V. VIYYANNA,
General Secretary and Publisher,
The Madras Provincial Co-op. Union, Madras.

Co-operative Farming & Credit Society.

BY RAO BAHADUR A. VEDACHALAM IYER.

Agriculture is an industry by itself and it does not rank as the highest as it yields only a steady return leisurely and does not give quick profit. Unlike commercial industry, any expenditure beyond a standard rate is capable of producing only a diminishing return. In commercial enterprises, multiplicity of appliances might give heavy production and profit.

Capital and labour are the two requisites for the successful carrying on the agricultural industry. You want land, labour and working capital for conducting the several operations connected with agriculture. You want cattle of a proper type. You want improved seeds. You require proper irrigation. Even if you have all these, you are bound to fail if there is any violent alterations in the seasonal conditions. It is a misnomer to think that the agriculturists have no work for 6 months. The labour's undivided attention is required throughout the year in conducting operations connected with cropping and ploughing. When the labour gets insufficient produce, it neglects its legitimate work and runs after casual labour outside agriculture. Labour in agriculture has to contend with many difficulties, when ploughing has to be carried on in a few days, cooly ploughers have to be employed. When seedlings have to be transplanted in a day or two, a large number of women coolies have to be recruited. So, also, when weeds are to be pulled out and when harvest operations are conducted.

The pattadar-agriculturist who employs labour has his own difficulties. His first drain from his income is cattle, the maintenance of which has now become a very costly job. His next difficulty is to secure honest labour and industrious partner to carry on the operations. The present political atmosphere and social revolution has made it impossible to secure contented labour at a reasonable dividing of a proportion of produce. The next hurdle is Government kist which represents 50 per cent of the net yield after deducting expenditure as ascertained in 1860 and which was raised at each Settlement on account of rise in price of the produce without any one taking note of the increase in cost of manure and labour, cattle-feed and the feeding of cooly labour. The agriculturist has to part with his produce soon after harvest to meet the money demand of Government, labour and other charges.

Thus, it is important that land pattadars should be charged very much less as Government assessment and labour must be paid by him generously to secure contented labour. The agriculturist and labour should combine and act jointly to secure running credit or working capital for various cash payments and to arrange for distribution at proper time and for fair price. Hence, it is necessary that the agriculturists and labour should join together in a farming association for revising the required credit and for other purposes connected with production and distribution.

It was for this purpose that co-operative enterprise was brought into the field on the initiative of Government. But the Co-operative Department, which gradually assumed a dictatorial tone and submerged the non-official co-operators, felt it not desirable or necessary to expand co-operative activity by taking such steps as were necessary for successful carrying on the agricultural industry. I am sorry to note that we have had few men of original ideas in the co-operative movement who would have made the co-operative village society a real association of agriculturists and labourers. While being thankful to Government for what it has done in the past, the popular Government has to find out ways and means whereby agricultural industry will be placed on a proper footing.

The Registrar of Co-operative Societies has formulated a scheme of creating rural banks covering an area of 3 to 5 miles by grouping them in one bank, securing a share capital of Rs. 25,000 and carrying on activities in all directions as regards production and distribution. The co-operative societies now working have very little capitals, small turn-over, and have brought into the fold less than 5 per cent of the agriculturists. I do not raise objection to the scheme of the Registrar who is to experiment it in one place in each district but I should bring to his notice that the existing societies may be empowered so as to cover all the agriculturists and all their activities for production and distribution. This can be done simultaneously with this scheme; without waiting for the move of the Department in this direction, non-official co-operators, especially the Directorate in the Central Banks, ought to take steps in the matter. They

should not be satisfied with the rise in transactions by other forms of activities such as trade which, under the controlled system of food grains, pulses and cloth, gives them high transactions and huge profit. This latter course was introduced by Government to stop the black-market. It is for the public to decide how far the black-market has been in . , . .

I may note that this was not attempted in the earlier stages for two reasons. Agriculturist-producers are not trained in the art of distribution. They could not command the necessary capital and they are not experienced in the art of collecting produce outside their areas at the proper time and in the cheapest manner. I may also note that the co-operative credit society aimed at reducing the rate of interest and curbing the activities of the money-lenders. Unfortunately, the rural credit society had not enough circulating capital to buy the requirements of its members at the proper time and from the proper place. I would, therefore, advocate decentralisation of store activities. The rural co-operators may be trained to manage their business in the direction of the distribution of their requirements. In short, each village society can be converted into a multi-purpose society if the agency for regulating the work is imbued with enthusiasm to do the work efficiently and for amelioration of the rural population. If this arrangement works well, they can combine and keep a wholesale stores in the taluk centres as well as district centres.

It seems to me that the work already done by the department and the movement can be profitably improved of some steps like the one proposed or any other scheme in a similar direction can be introduced by the Registrar and his department or by the Provincial Co-operative Union aided by central banks and local unions.

I would place stress on de-officialisation and on the people employing the Government staff as expert staff if they deserve to be entertained by the non-officials.

I append a note on what I want—done in a rural co-operative society—and how it can be organised and carried out.

I am sure that the experienced officers of the Department and the experiments non-officials will be able to put forward, a good scheme modifying mine as they choose suitable to the existing condition of the country.

May I request the Provincial Co-operative Union and all central banks to consider this matter and evolve a method to pull up the existing co-operative activity to a state of efficiency, as such a course will lead to the proper village administration and to the rehabilitation of the agricultural industry.

Rural Co-operative Farming and Credit Society.

The objects are:

1. To aid cultivators in farming by the most up to date method.

2. To raise credit for all agricultural purposes connected with (agricultural farm, maintaining cattle, keeping up *bandies*, ploughing other agricultural implements, building and maintenance of houses, and cattle-sheds, procurement of all domestic and agricultural supplies) and for all purposes connected with production and distribution.

3. To stand as guarantor to landholders on behalf of tenants and labourers who get leases from land-owners and for those who enter into contract with others for purposes connected with production and distribution.

4. To settle disputes between labour and capital if both parties agree to arbitration.

5. To attend to and aid all matters relating to subsidiary occupation, education (adult), land revenue assessment, irrigation, etc.

Membership.—All land-owners—tillers of the soil, casual labourers, artisans, barbers, washerman and all consumers above the age of 18 are eligible to become members. Non-resident landholders owning lands in the village may also become members. Non-resident people other than landholders may take preference shares if and when available. They will not get any loan from the society.

Share Value.—The value per share will be:

"A" class...Rs. 5 landholders,
"B" class...Rs. 2½ others

No one shall be allowed to take more than 100 shares of "A" class or "B" class.

Preference shareholders of the value of Rs. 100 each when such shares are floated or made available. Ordinary shares are withdrawable after 4 years.

Loan.—"A" class shareholders may get loan for the maximum of Rs. 50 per each share. "B" class, Rs. 25 per each share. Maximum loan admissible Rs. 750. Money-lenders can lend to members through the society. They should deposit such loan amount at 4½ p. c. The society will lend at 5 per cent as short-term loan for a year or two. Loan rate of interest will be:—

Deposit: 2½ p. c. for 1 year
4½ p. c. for 3 years
4 p. c. for 7 years
3 p. c. for 10 year
1 p. c. current.

Share Capital.—The capital of the Bank will for the present be fixed at Rs. 25,000 composed of 2,000 "A" class shares and 2,000 "B" class shares and 100 preference shareholders.

Profit & Reserve fund.—Reserve fund—25 p. c. of the net profits. Preferential shareholders—preferential dividend of 4 p. c.

No dividend for shareholders for 7 years—the unused dividend to be used for purchase of preference shareholders after a period of 5 years.

A dividend of 3 p. c. will be allowed after 7 years on paid up share capital.

Election.—The general body will elect a President and a Secretary. Each may be paid any honorarium to be fixed by the general body. The general body will elect a managing committee composed of 9 members besides the President, 2 Secretaries. The managing committee will consist of 4 land-owners, 4 labourers and 1 out of non-agricultural members.

The general body may fix a rate of fees to be charged on each application at certain pies per rupee to meet establishment charges. The general body may secure the honorary service of any one if available when he will exercise the powers of the President and the elected President will be the Vice-President exercising the same powers. The general body meeting will be held once in 2 months for reviewing the work done till then within 7 days after of the period is over. It will also meet once in a half year. It will also meet when 40 members call for it by written requisition to the Secretary and President.

T. U. C. S. DAY.*

*   *   *

Progress of the T. U. C. S. during 1946.

2. The T. U. C. S. has completed another year of useful service to the citizens of Madras and has entered on the 44th year of its existence. From the report presented to you just now, I can well see that the year under review has been one of all round satisfactory progress. I may, however, refer to a few salient features in the working of the institution during the last year. First, the emergency depots 33 in number organised during the years of the war when your society worked the emergency food supply scheme for the city on behalf of Government, have continued to function, besides the 31 regular branches even though the war was over and the emergency scheme was wound up. I hope that in due course each of these depots will be converted into a full-fledged branch thus enabling the institution to strike its roots far and wide in the City of Madras. Secondly, the business turnover has continued to maintain the upward trend and has, during the last year, reached the remarkable figures of three-quarter of a crore of rupees. This is, indeed, an achievement on which you can well be proud but, as I know, the management will not rest content with their laurels but continue to strive hard to expand the services and the range of the activities of the institution so that ere long the T. U. C. S. will have to its credit a normal annual business turnover of a crore of rupees. This is no impossible target and I am confident that the Directors of the society will certainly make it an accomplished fact before the next anniversary. The success of the T. U. C. S. is in no small measure due to the success able office-bearers it has been able to secure who could give of their best to it, and is it too much to expect that the present Board will try to break the record of turnover very soon? A third striking feature is that the society, with its 64 branches and depots and with a monthly sales exceeding Rs. 6 lakhs, has been able to carry on its business without recourse to borrowing from any financing bank but with its own capital and deposits which it has been able to attract from its members. More praiseworthy and indicative of the inherent financial stability of the institution is the fact that the owned capital of the society, *viz.*, share capital and the reserve fund, constituted a little more than 50 per cent of its total working capital on the last day of 1946, *i.e.*, Rs. 8.70 lakhs. It is also gratifying to observe that the investments, mostly of short-term nature, like deposits in banks, debentures, etc., exceed Rs. 5

* Speech delivered by Sri Rao Saheb Palaniappa Mudaliar, M.A., Additional Joint Registrar of Co-operative Societies

lakhs, thus placing the institution in a very advantageous position from the point of view of its ability to take up new lines of business and the expansion of existing lines of its trade without any financial strain being imposed thereby. Fourthly, the important role you play in the food distribution in the city is evident from the fact that merely 31,000 rice ration card-holders and 40,000 sugar ration card-holders are attached to your branches and depots and that the monthly offtake of rice is about 12,700 bags and sugar 1,200 bags. The percentage of rice ration cards attached to the T. U. C. S. works for roughly to 9.5. The year under report was indeed a very critical period from the point of view of food supply and, as you all know, Government have been taking from time to time suitable measures to avert any possible food crisis in the Province.

The gravity of the situation led to a cut in the basic ration from 12 oz. to 8 oz. and the distribution of alternative cereals, like maize cholam, etc. This would have entailed a very great strain on your distribution depots and it is a matter for satisfaction that the society coped with the unprecedented situation and did its best to satisfy its customers. As a result of the steps taken by Government and the co-operation of the people, we have turned the corner and better days are drawing. It is, perhaps, a good augury that happily your anniversary coincides with a week in which the rice ration has been restored to 12 oz.

Services of Consumers' Co-operatives to the Public.

3. An occasion like the celebration of the anniversary of the premier consumers' stores in the Province—nay, in the whole of India—has a wider import and a greater significance in that it constitutes a solemn reaffirmation of the faith of the consuming public in the essential social justice inherent in the co-operative distribution and an acknowledgment of the superiority of the co-operative principles and methods over the system of private trade. It may not, therefore, be out of place to refer briefly to the services rendered by the consumers' co-operatives to the public, in general. I will be carrying coal to Newcastle if I were to describe in detail the many services rendered by the consumers' societies in the most difficult years of the war and the post-war period, particularly, to this audience which has amongst it a gallant band of valiant workers who struck to their posts in the midst of danger and unflinchingly carried on the noble work of the society, as the sole supplier of the essential commodities to the public in Madras during the evacuation period of April to July 1942. That achievement of yours is already a matter of history and has elicited appreciation not only from all over India but also from foreign countries. The efficient manner with which the T.U.C.S. worked the emergency scheme of food supply has been suitably

recognized by Government in their making an *ex-gratia* grant of a lakh of rupees to the society out of the Government's share of profits in the emergency trading. Your sister institutions all over the Province number over fourteen hundreds with a large number of depots and branches are exercising a most salutary effect on the private trade in the Province. The sales of the retail and wholesale stores exceeded 25 crores during the last co-operative year. In the field of production and distribution of food-grains including rationing, the co-operative stores have done a most praiseworthy and splendid piece of social service. The benefits of co-operative distribution societies have reached the industrial labourers also. There are about 70 stores for the benefit of industrial workers—textile mills, factories and workshops—and they have done not a little to ensure to them the distribution of the necessaries of life at cheap and economic prices. It is now recognised on all hands that Co-operative Stores have, subject to their limitations, endeavoured successfully to check profiteering, bring down prices and maintain them at reasonable levels, prevent hoarding and put down black-marketing. Their existence side by side with private shops as an alternative source of supply has exerted a most salutary effect on the system of private trade. It is very difficult to visualise what would have been the fate of our province and the suffering of the public in the last few years but for the network of co-operative stores functioning in every nook and corner, serving as a wholesome check over the predatory human urges which do not hesitate to victimise the fellow-beings placed at a disadvantage.

Bird's eye view of the progress on date.

4. Madras stands foremost in the field of consumers' co-operation as compared to the other provinces. 1,346 primary stores societies out of 4,080 in all the 11 British-India Provinces are working in Madras and their annual sales turn-over are 13½ crores which constitute 60 per cent of the total for all Provinces. The primary stores have as many as nearly 1,000 depots or branches and function in towns, semi-urban centres and in villages. Their membership is 4·6 lakhs and their capital Rs. 67 lakhs. There are 21 district co-operative wholesale stores with 9,400 members and a capital of Rs. 29.18 lakhs. Their business in 1945-46 amounted to Rs. 12 crores as against Rs. 9.6 crores in 1944-45. Primary as well as wholesale stores, thanks to the policy of encouragement by Government, play a vital role in the food economy of the Province. The magnitude of their services can be realised, when it is remembered, that 20 per cent of the number of ration shops in all the municipal towns where statutory rationing is in force, is run by Co-operative Societies. In procurement of foodgrains also, their role is nonetheless important. Since the beginning of the year, 18 district co-operative wholesale stores, 95 primary stores, 2 marketing federations and 106

producers'-cum-consumers' societies in Malabar have procured foodgrains to the value of Rs. 384.25 lakhs.

Future of the consumers' movement.

5. The future of the consumers' movement can hardly be divorced from that of the co-operative movement in general; and the role of consumers' societies in the world of to-morrow will partly depend on the extent to which the common man and the State make use of co-operative principles and method in ordering their way of life. At no time was the saying that we are living in a changing world more true than it is to-day. The world is inexorably moving away from the concepts of capitalism and a new order of society in which the State assumes enlarged functions in spheres like education, health, agriculture, trade, etc., for the benefits of the common man—generally called "State Socialism"—is gradually emerging. No country or people can escape this change. Between capitalism which tends to accumulate wealth in the hands of a few with consequent clevage between capital and labour and State Socialism which does not tend to encourage private incentive, co-operation marks a *via media*. "Co-operation may, therefore, be regarded as the possible middle way between laissez faire liberalism and rigid planning on a compulsory basis and, in this respect, it has a strong claim to the allegiance of all those who believe that some form of economic planning is necessary in the interest of order and justice and who dislike the element of co-operation in other systems which are offered for their approval". Considered in this light, co-operation has a great and noble role to play in the world of tomorrow. Recently the Government of India appointed a Committee to draw up a plan of co-operative development and its report has been published. If its major recommendations are given effect to, co-operation will have come to be recognised as the suitable medium for the democratization of economic planning and will have an important role to play in all schemes of socio-economic development.

Viewed against this background, the future of the consumers' movement as developing into an integral part of the distributive system in our province is not gloomy. But even the most sanguine optimist among co-operators cannot say that all the 1,500 odd co-operative stores that exist to-day will survive the period of controlled trade and blossom into well-established stores in normal times. It has to be remembered that the conditions created by the war, State patronage, and absence of competition have mainly been responsible for the phenomenal success of the working of stores. With the removal of State control of trade and the emergence of competition, the working of some of the stores is bound to receive a set-back. It is even possible that a considerable number of stores, especially rural stores, may wither away. Considering the fact that these societies came into existence only at the insistence of public demand and have so far served admirably the purpose for which they were set up, one need not be unduly concerned or perturbed over their future which largely depends upon the attitude of the public. If the public consider that the system of co-operative distribution is superior to private trade and continue to patronise the societies, then competition or no competition stores are bound to succeed. The future of co-operative stores in this province is a challenge to co-operators and the public. If past is a guide to the future, it has certainly to be expected that nothing will be wanting on the part of co-operators to capitalise the war-given gain and make the co-operative stores a permanent feature of the normal distributive system. Government are anxious to give full effect to the policy of utilising co-operative institutions in all schemes of food procurement and distribution.

Steps to be taken for the stabilisation of the stores movement.

6. The best form of protection against post-war reactions will be for the societies to prepare themselves from now on for the future conditions and to reorganise and plan their business methods and trading practices to meet the changing conditions. I think I will not be encroaching upon your patience too much if I indicate a few of the measures that may be taken by all stores societies to ensure their future stability.

First and foremost is the need for a strong, powerful and wellmanaged co-operative stores organisation on a provincial level which would give support to the smaller units in the districts—either wholesale or primaries—and thereby make it possible for the province to have a sound distributive system on a co-operative basis. I have already referred to the fact that in order to complete the distributive system a provincial organisation is necessary. The question of the formation of a provincial society has been under consideration for some time past. Such a provincial wholesale trading agency will assist the district wholesale co-operative stores and the primary units in the procurement of commodities from outside the province and the import of consumers' goods from other parts of India and abroad. As it is. the district wholesales have not been able to get a reasonable quota of the imported consumers goods from private wholesalers or importing firms, much less can they arrange to import them direct from countries like the United Kingdom or the U.S.A. There are, of course, difficulties which institutions like the one proposed will have to face, *viz.*, import controls, exchange difficulties, etc., but a beginning has to be made and the sooner it is made the better. Preliminaries in connection with the formation of a society such as drawing up of its constitution, framing of the by-laws, etc., have been completed and the views of the wholesale stores and a few of the primaries

on the proposals are being obtained. It is the desire of the Registrar that this organisation should be ushered into existence as early as possible and without any loss of time. The provincial wholesale can, in the course of a few years, become a great directing force and a powerful instrument for the development of the co-operative movement in the province. It will be a Madras Co-operative Wholesale Stores. The present opportunity should be seized and we should not let slip the occasion by vague fears or theoretical objections. Only by doing so we will not have neglected the consumers' movement; in fact, it would be doing a great service to the co-operative movement.

Emphasis on non-food lines of trades.

7. At present, nearly 75 per cent of the business of stores societies relates to food-grains. Though food-grains are bound to predominate the stock-in-trade of stores societies, there is risk in concentrating on food articles to the exclusion of other equally essential commodities. With the easing of the food situation and the withdrawal of rationing—the both statutory and informal—the business of stores in foodgrains will considerably diminish. Unless they develop trade in non-food lines and develop in all round business, even now it will be too late for them to do so and to command adequate business.

The most important item of work is to enlarge the *range of consumer* services so as to embrace all the normal requirements of the customers giving them the facilities of purchasing most of their requirements in one shop. No store can be considered to be complete in its range of trade services to its customers unless it has the following departments, *viz.*, foodgrains, groceries, cloth, crockery and utensils, drugs and medicines, toilet, stationery, confectionery, and miscellaneous consumer goods.

Development of urban and semi urban stores into multiple stores.

8. As urban and semi-urban stores have greater chances of stabilising themselves than village stores which are flourishing as a result of the abnormal conditions created by the war and food shortage concentrate, efforts are called for to strengthen them. A possible line of development for them will be to open branches or depots in their neighbourhood so that they may in due course function as multiple shops, filling up any gap in the network of primary stores. What is suggested is that bigger stores in important centres should function like the T. U. C. S. with a number of branches or chain stores serving over a radius of 3 to 5 miles so that they may enjoy the advantages inherent in the system of multiple shops such as processing and standardisation of goods, transfer of stocks from one depot to another, speedy turnover, resulting in

lower cost of management, better capacity to withstand competition, central direction of policy, uniform purchases, transfer of employees from one branch to another, etc.

In addition to the above, if stores societies strive to strengthen their membership and share capital, to undertake processing activities with reference to local conditions, to impart a greater degree of rural bias to the trade of village societies to organise their purchasing departments efficiently and to bring about a greater degree of co-ordination with producers' co-operative societies such as agricultural marketing societies, weavers' societies and other industrial co-operative societies, it will go a long way to ensure their stability in the post-transition period.

The future role of the T.U.C.S.

9. So far as the T.U.C.S. is concerned, it is well-established for any one to worry about its future. I am sure that in the coming years, it will grow from strength to strength and continue to maintain its position as the premier consumers' society in the whole of India. I may, however, make a few observations regarding the immediate needs of the society, the fulfilment of which will help to expand its role as the Premier Co-operative Distributive Society.

Developing of processing activities.

10. Another field in which an institution like the T.U.C.S. which functions on the lines of a multiple shop can make adequate headway is the processing of the articles commonly required by the members in the city. At present, the society is crushing gingellyoil. It can also prepare butter and ghee from cream that may be collected either in the villages in Chingleput district or from outside. There is a proposal to start Co-operative Creamery Societies and T.U.C.S. can undertake the conversion of cream into butter or ghee and for its sale. There is a vast scope for expanding this line of business. The society may prepare its own dhall, flour, and when conditions permit, set up its own rice-hullers as it used to have at Nellore in the pre-war days.

Need for up-to-date and spacious buildings.

11. Anyone who goes round the head office of the society will be convinced of the immediate need for enlarged and more up-to-date quarters for housing the society. I understand that the question of acquiring the adjoining sites and remodelling the buildings is engaging the attention of the Board of Directors. If the sites in Triplicane are very costly as to render their acquisition at market prices uneconomic, the society may consider the feasibility of putting up its buildings in

other suitable area. This is, however, a matter for the Board of Directors and the general body to decide. The Government grant of one lakh of rupees cannot, however, be put to better use than the construction of a suitable building.

Association of women with the working of the T.U.C.S.

12. Another thing that strikes me is the absence of any woman member on the Board of Management. The consumers' movement is of particular interest to the women as it enables them to make substantial economies in domestic expenditure. You may be aware that in England and in other Western countries women take a keen interest in the working of the consumers' co-operative societies. They also serve on the Committees as directors and, in some cases, as their presidents or secretaries. After all, women are better equipped than men to gauge the needs of a household. They can instinctively pick out good materials from bad. They are the experts for the running of the home and, especially of the kitchens which is their particular province. One would expect a fairly large number of women to be members of the T U.C.S. and at least a few as directors. I must confess my sense of disappointment that at present the society has no woman-director. A consumers' society provides a unique scope for women's efforts as they are in a better position than men to determine the quality, variety and the prices of the goods required for the home. Will it, therefore, be too much if I should urge on you that women should be encouraged to participate in the management of the society by reserving at least one seat in each panchayat and one or more seats in the Board of Management for women ?

Greater co-ordination with Milk Supply Union.

13. The T.U.C.S., it seems to me, can play a very useful part in tackling the problem of milk supply in the City of Madras. This, it can do in two ways. Firstly, by undertaking distribution of milk and, secondly, by distributing cattle-feed to the milkmen in the city. As regards distribution of milk, the T.U.C.S. has been interesting itself in the work, as at one time 12 of its depots and branches were permitted to be used by the Madras Co-operative Milk Supply Union. Now, the T.U.C.S. is distributing through 20 of its depots reconstituted milk obtained from the Government Factory. The task of supplying milk to the urban consumers could be shared between producers' milk supply unions and consumers' societies, the former collecting milk and transporting it and the latter purchasing and distributing it to the consumers. For, the problem of milk supply is not one of production alone ; but of distribution as well. Co-operative stores in Great Britain have been selling milk and milk products along with other foodstuffs. The T.U.C.S. may arrange for the sale of pure milk obtained from the Madras Co-operative

Milk Supply Union through its several branches in the city. This, again, will be another line of co-ordination of activities between the producers and the consumers' societies. I suggest the T. U. C. S. may arrange for the putting up of suitable partitions at the branches of the T.U.C.S. for the sale of milk and any expenditure incurred on that account would be justified.

Distribution of Cattle feed.

14. As regards cattle-feed, that their prices have gone high and difficulty is experienced in getting adequate quantities of cattle-feed at economic rates. This is one of the reasons for the recent shortage of milk. Expert opinion is that through proper feeding and management, it would be possible to double the yield of the animals. The supply of cattle-feed at controlled rates would be a most effective short-range policy to relieve any shortage. The Madras Milk Supply Union and the T.U.C.S. are already doing something to ease the situation. The Milk Supply Union has opened a few depots on its own account for selling cattlefeed to its members. The T.U.C.S. is also supplying oilcakes to the milkmen. The T.U.C.S. can make a distinct contribution to the problem of milk supply in the city if it expands its activities in the direction of large-scale distribution of cattle feed along with the other agencies such as the Madras Milk Supply Union. Government have just constituted a committee for formulating concrete proposals for the procurement and distribution of cattle-feed for the Madras city on Government account and the T.U.C.S. is also represented in the committee. I sincerely hope that the Committee would make suitable recommendations with a view to relieve the present scarcity of cattle-feed in the city.

15. In your report you have expressed a fear of the forces operating to undermine the stability of the co-operative distributive agencies. I sincerely hope that your fears will prove groundless. We are co-operators, not competitors. We believe in service, not in profit. We believe in the protection of the weak, not in the survival of the fittest. We believe in just distribution, and not in exploitation. The consumers' co-operative movement is a reaction against the inequities of the private distributive system, and is inspired and stimulated by the consciousness of a social purpose, practical idealism and faith in the economic justice which it endeavours, to deal out and ensure. Its superiority lies in the fact that it seeks to eliminate from the economic sphere anti-social influences, that it is democratic in form and action, that it affords abundant opportunities to members to make themselves heard, to take a share in the management and to criticise and make the management sensitive to their collective opinion and will. So long as the co-operative organisations carry on their work with business efficiency

and integrity, so long as the directors bring to bear on their working a spirit of service, and are zealous of the interests of the members and are responsive to constructive criticism, they may justifiably expect the support and encouragement of Government and of the people and they need not feel apprehensive of their future. These are people's organisations and it is on the loyalty, determination, zeal and watchfulness of the people, the future of the co-operative stores depends. And these qualities are available among the members of the T. U. C. S. in ample measure. If any assurance of Government support is necessary, we have it in the presence of the Hon'ble Minister for Food on this occasion.

Future of Rural Co-operative Stores.

ADDRESS

By Rao Bahadur K. Subrahmanyam,
Joint Registrar of Co-operative Societies.

I am most grateful to the President of the Kistna District Co-operative Central Stores for having given me an opportunity to address the representatives of the primary co-operative stores in Kistna district, who have assembled at this Business Conference. The Conference is unique in more than one sense. It has the honour of being opened by the Hon'ble Minister-in-charge of Co-operation. It has been convened at a momentous period in the history of consumers' co-operation in this Province. The anxious years of the War, which were characterised by very close State control of trade, are behind us. The future which may once again see the return of free competitive trade is before us. We stand, as it were, on the threshold of a new era. One cannot visualise the exact conditions of trade and commerce that will soon emerge. But to me it appears that one thing is certain and that is the future will see less of controlled trade and more of free enterprise. Planning there will be ; but it is doubtful if the system of licences, controls and quotas will long persist. This will naturally reaction, aud call for, a reorientation in the trading policies and practices of our stores societies which, in some measure have had a hot-house treatment all along. With the gradual removal of controls, State patronage will also go, and stores will have to stand on their own legs. I am sure all of you realise the gravity of the issues and will give them your most serious consideration and thought. I consider it fortunate that the Hon'ble Minister, who is the guardian of the movement, should open this Conference. Need I hardly say that our hopes for the future of the movement lie in his sympathetic understanding of our problems and the plans formulated for tackling them. Knowing him as we do, we may rest content that the future of the movement is safe in his hands, provided everyone of us discharges our share of the duty.

2. Consumers' co-operatiou, as you all know, has gained momentum during the last few years as a result of the abnormal conditions created by the war. Partly, as a reaction against the inequities and anti-social features of the system of private retail trade, and partly, as a result of people's faith in the system of democratic or co-operative distribution, a large number of consumers' co-operative stores have sprung up all over the Province, not only in urban centres but also in semi-urban and rural areas. Many leading and enthusiastic gentlemen have come forward in large numbers to

manage them in a spirit of social service. The rapid growth of the movement can be judged from the fact that as against 198 primary co-operative stores with a membership of 35,000 and a paid up share capital of Rs. 3.39 lakhs in 1940 there are to-day nearly 1,600 stores—primary and wholesale—with 5 lakhs of members on rolls, who have contributed a share capital of over a crore of rupees. The business turnover of the primaries and the wholesales has also registered a corresponding increase from about Rs. 35 lakhs in 1940 to Rs. 26 crores in 1945-46 ! In the current year, their trade may reach Rs. 30 crores. The role of the stores—both wholesale and primary—in the distribution of foodgrains and other essential commodities, in the statutory and informal rationing schemes and procurement of foodgrains is remarkable, and I need worry you with detailed figures in this regard.

3. Your district had 61 co-operative stores on 30-6-1946 with about 13,000 members on rolls and Rs. 2½ lakhs of share capital This gives an average membership and share capital of about 210 and Rs. 4,100 per stores as against the average membership and share capital of 330 and Rs. 5,000 per stores for the Province. The average sales per stores in your district work out to Rs. 36,500 as against the average of more than a lakh of rupees per stores in the Province. It is sad to note that as many as 43 stores, two-thirds of the total uumber in the district, worked at a loss exceeding half a lakh of rupees during 1945-46. The "loss stores" have been steadily increasing from year to year. There were 23 such stores in 1943-44 with a total loss of Rs. 12,600. The number rose to 30 in 1944-45 with a loss of Rs. 35 000. During the last co-operative year 43 stores worked at a loss of over Rs. 50,000 ! What the trading results of the stores will be for the current year will be known only after June 1947.

4. It is impossible for me now to deal with all aspects of consumers' co-operation ; nor is it proper for me to take much of the time of the Business Conference. My purpose just now is very limitcd, and that is to request you to concentrate your deliberations specially on the future of our rural stores which, as you know, constitute more than two-thirds of the total number of stores in the Province. In your district particularly 41 out of 58 stores are rural stores. In the past it has been held by expert committees that consumers' co-operation can thrive only in urban centres which provide the suitable clientele and environment for their progress. The Townsend Committee (1927) was of the opinion that there was little likelihood of co-operative stores being established successfully in villages or even in small towns as the ordinary villager finds no need to join an organisation of this kind. Though those views, based as they were on the conditions obtaining before the outbreak of the last great war, were not without justification, the limiting factors which lent support to the orthodox views on rural stores either largely disappeared or were rendered innocuous

by the conditions created by the war. The scarcity of foodgrains, even in many rural areas, the system of controlled trade, State patronage and preferential treatment of co-operative stores, sale to non-members, monetary inflation, increase in their standard of living, the assistance rendered by district wholesale stores in the matter of purchases and the provision of a special staff by Government for supervision of stores, are primarily responsible for the rapid development of rural stores.

The future of these stores presents a grave problem to co-operators; it is almost a challenge to us. Some of the rural stores in the deficit districts are doing business on a fairly large scale, and if these stores at least so reorganise their business as to give a large rural bias to their trade, there is no reason why they should not survive the transition period. But the vast majority of rural stores in the *surplus* districts have not yet established themselves. They function more or less as *ad hoc* bodies for the distribution of controlled articles and show no signs of permanence. For instance, only 7 of the 41 rural stores in the Kistna district worked at a net profit for the co-operative year ended 30th June 1946 while the remaining seven worked at a net loss I am not sure if the position has since deteriorated further.

5. The reasons for this are not far to seek. The failure of stores, especially rural stores in the wake of the Great War of 1914-15 should be a warning to us now when we are faced with similar conditions. It should be remembered that the very rapid strides that the movement has made, are in a large measure due to the difficult conditions created by the War, the system of controlled trade and the preferential treatment accorded to co-operative stores. Conditions are changing now. Co-operative stores will soon have to face keen competition. Their future will entirely depend on the degree of preparedness and self-reliance with which we face the situation.

It is needless to repeat that even during the war-time conditions which were congenial for the development of consumers' societies, the stores in your district have not made much head-way. This is true also of the other surplus districts in your neighbourhood. The most gloomy picture of consumers' co-operation is presented by the most flourishing country-side in the districts of East and West Godavari, Kistna, Guntur and Nellore in the north and Tanjore in the south which are surplus districts. The reasons are obvious. Foodgrains, as you all know, constitute about two-thirds of the value of purchases of an average family. In surplus districts, especially in paddy-growing tracts, foodgrains are available locally and people (excepting, perhaps agricultural labourers in certain seasons of the year) seldom go to co-operative stores for that matter, to any shop for the purchase of rice. This means that the average turnover of stores is bound to be much

less than that of stores in deficit districts. Secondly, the stores are not broad-based in respect of their trade; they deal only in a few controlled commodities like sugar, kerosene, paper, etc. And even this business will dwindle with the disappearance of controls. Already talks about the removal of controls over sugar, kerosene and cloth are afloat, and de-control will begin sooner than later. What then is to be the fate of rural stores, especially those in the surplus districts?

6. You have come forward to organise and manage these co-operative stores in a spirit of public service with the assistance of the State. Now, the time has come for you to take a decision on their future. I need hardly say that unless you take steps to reorganise and stabilise them and plan their future carefully, many of them cannot be saved from extinction.

So long as the system of controlled trade was in force you were clamouring for additional allotments of this or that controlled commodity, for a wholesalership here, or a monopoly there; or you have been complaining against this department or that department for failure to allot adequate quotas or for step-motherly treatment. But, the era of controlled trade is drawing to an end, and you will soon be faced with free competitive trade conditions. It is no use shutting our eyes to this problem. We have to face it and face it squarely. I am asking you these straight questions. Are you going to allow the stores you have so far managed to be stifled by competitive trade? Or will you evince in the survival of the stores the same interest that you have shown during the last six years? Can you not adopt measures, which we have time and again suggesting, for stabilising their working and save them from collapse? Don't you like to socialise trade and help the community? Remember that capitalism is slowly and steadily giving way as it ought to. Economic democracy it is that you want along with political democracy. The former is as vital for the material well-being and decent standards of living of the community as much as the latter. State Socialism and Co-operation can ensure this. Co-operation enables society to regulate and control its economic life. It is based not on exploitation' not on profit but on service. A co-operative stores is the people's own shop run with their capital; it is managed by the people and for the people. It is amenable to people's wishes and criticism. It carries on trade not for anybody's profit but for the good of the community. Its surplus, if any, is returned to its members in the shape of bonus. Don't you like to carry on this Economic Swaraj and take charge of the channels of distribution yourselves?

7. I may venture then to make some suggestions for the stability of rural stores. As I have already said, many of the rural stores mainly deal in foodgrains and some controlled articles. Their trade in commodities other than foodstuffs and cloth is only 6 or 7 per cent and two-thirds of thel sales are to non-members! When you realise this, I am sure you wil

appreciate the gravity of the situation. When sales to non-members are stopped and when controls are removed, what will happen? The first step that has to be taken is therefore, the widening of the range of their trade and services and the conversion of their war-time clientele into regular members. There has been a steady and perceptible rise in the standard of living of the people in the rural areas. This will naturally create a demand for a large variety of consumer goods even in the country-side, and the village stores should endeavour to develop their trade in ali utility consumer goods. Besides stocking foodgrains, groceries, brass, copper or aluminiumware and stationery articles, they can also specialise in the distribution of agricultural requisites or articles commonly required by the agriculturists such as buckets, coir ropes, cattle-feeds, manures, agricultural implements, etc. It is necessary that a large rural bias should be given to their trade.

Next to food comes clothing. Rural stores should open cloth departments. There are now a very large number of weavers' co-operative societies and a close link-up between them and the stores will be of great mutual help.

Each stores should make a study of needs, domestic and agricultural, of the people of the village, plan its purchases judiciously either through the central stores or its own directors from sources of production or wholesalers and ensure prompt and efficient distribution of goods at reasonable costs. Its strength lies in its business efficiency and its success in the loyalty of its membership. One is closely linked up with the other. In planning for their future, care should be taken to see that it is based on the *normal* requirements of villagers. Ordinarily, village stores should concentrate on those articles which are generally brought into the villages from the towns, and not locally produced.

There is need for increased turnover, and every rural stores should aim at a monthly turnover of at least Rs. 6,000 if it is a small and Rs. 10,000 if it is a big one. Otherwise, they cannot be economic units.

Again, the rural stores should have strong financial foundations. They should build up share capital and reserves. You must institute a vigorous drive for increased capital and membership and aim at a target to be reached within three months. We have been advising that 50 per cent of the net profits may be taken to the Reserve Fund and 10 or 15 per cent towards Business Losses Reserve. Again, attract your members and enlist their confidence by paying cash bonus on purchases. It is this payment of dividend or bonus on purchases which has made co-operative stores so popular in other countries. It represents the member's "saving by spending".

A well-trained, competent and honest staff of accountants and salesmen and public-spirited directors are no less essential for the successful working of stores.

8. The case of stores that have been working at a loss deserves special consideration. The main causes for such a state of affairs are generally mis-management, injudicious purchases, huge deficits arising from deterioration of commodities, bad storage, or dishonesty of employees, unduly heavy establishment and contingent expenditure, poor turnover, etc. It should be possible to find good management from among people like you. With caution, control and vigilance, injudicious purchases, deficits due to leakages, etc., may be obviated. But when the resources of a stores are poor, with inadequate share capital, low membership and meagre turnover and when, in spite of best efforts it is not possible to improve it owing to the small area of its operations, the alternative would seem to lie in the amalgamation of such weak stores in a compact area into a strong unit so that it can be economically managed with sufficiently large turnover and resources. Again, there may be stores working at a loss due to local fractions or indifference of the management. Possibly, they may be set on their foot again by the central stores taking up the management as an agent for a while. This suggestion has been made at the Business Conference of Stores Societies held last year as an alternative to the stores going into liquidation.

9. I shall be grateful if you can give your thought to another suggestion and let me have the benefit of your considered views on it. The suggestion is whether the independent autonomous rural stores which, for one reason or another, may not be expected to work efficiently amidst severe competitive conditions, can be replaced by branches of a big co-operative stores working at Taluk Headquarters or the district wholesale stores; all important villages will thus be served by a net-work of branches or depots. The suggestion is something in the nature of multiple shops functioning in the West. The advantages claimed for this arrangement are that one strong trading organisation may be expected to make large purchases at competitive prices, stock a large number of essential commodities and consumer goods in the retail depots or branches and supervise them effectively through a competent paid staff which independent small units cannot afford to do. Local vested interests can be broken, and chances of fraud and dishonesty may be prevented by transfer of staff from one place to another. A strong trading unit offers advantages when the goods are in universal and regular demand, are capable of being standardised and are suitable for bulk handling and are not quickly perishable. Shortage of stocks at one branch or depot can be remedied by the transfer of required stocks from nearby branches at short notice and a quicker turnover may be ensured. The cost of management is also

expected to be less. But the chief disadvantage is the absence of the personal element both as between the depot and the customer and as between the employer and the employee.

10. Another suggestion is that village credit societies may be reorganised into multi-purpose societies so that they may undertake not only the task of supplying credit but also other functions, such as encouragement of subsidiary occupations amongst the members, distribution of consumer goods and agricultural requisites, promotion of dairying, maintenance of studbulls and so on. So far as the supply of provisions is concerned the suggestion is that the credit society may undertake this on the basis of established needs of the villager and on an agency basis. How far this is capable of practical application is a matter for you to consider. During the difficult days of the War and even now we have permitted some of the village credit societies to undertake the distribution of foodgrains and other controlled commodities in places where no stores are functioning, on a proprietory basis up to the extent of their paid up share capital and reserve fund. Our experience has been that it is difficult to work the indent system in village credit societies because of the obvious difficulties involved in it.

12. The problem of credit sales in consumer societies in the country-side is much more difficult and complex than in urban stores. Should village stores encourage cash purchase by members or succumb to the lure of credit sales? Credit sales landed most co-operative stores in financial disaster and ultimately led to their liquidation. Experience has shown that cash payments become a matter of habit in curse of time, and it is believed that during the period of the war the villager has trained himself into making cash purchases. So long as the present level of agricultural prices and free circulation of money in the country-side continue, it may not be difficult for him to pay cash for his purchases. Even in normal times village credit societies may be linked up with stores, and loans advanced to members for purchase of provisions, may be kept on trade deposit in stores societies, against which goods may be supplied to them.

13. The position in this district as well as the neighbouring districts is somewhat complicated by the fact that a new type of organisation has been set up in recent months. What the relation of co-operative stores vis-a-vis producers-cum-consumers' societies should be, is a matter which is now engaging the serious attention of Government. Whether a process of absorption or reorganisation is not feasible and desirable and if so, in what form and shape are points which you will soon be called upon to decide.

14. I have made these suggestions not as ready made solutions for the problems with which we are faced in connection with village stores,

but as points for your consideration. Whether the existing stores can be stabilised in the manner suggested, whether they can be amalgamated with the neighbouring stores or whether they should be replaced by a system of chain stores which I have attempted to describe, or whether village credit societies can be so reorganised as to enable them to undertake the function of distribution of provisions and other consumer goods—these depend partly on local conditions but your general views on these various suggestions will be most welcome.

Some of you may feel that I am not striking a note of cheer and hope. Believe me, that I am deeply conscious of the great services rendered to the community for the last six years by the consumer co-operatives in the country-side. What I am anxious is that the trials and tribulations which the rural consumer co-operatives have undergone or to which they have so cheerly subjected themselves all along should not prove purposeless. Nor should their experience and knowledge be allowed to go to waste. They should be canalised for greater social welfare of the man and woman in the village, and the consumer co-operatives should be woven into the texture of rural line; they should be made, may be through a process of purification, elimination or reorganisation, an integral part of the the pattern of a more satisfying village life that one visualises in the post-war world. I have no doubt that if co-operators are actuated by the same spirit of service, determination, faith and singleness of purpose as they have been for the last six years and over, there need hardly be any room for despair. I have seen a village co-operative stores in the Tinnevelly district which was registered in 1923. It is now 24 years old and will soon celebrate its Silver Jubilee. Its area of operations consists of Ottapidaram village and 13 surrounding hamlets. It has over 500 members on its rolls. It has been doing excellent service to the villagers and is practically the major retailer in the village. Its financial structure is strong. This is evidence of the faith of the villagers in co-operative distribution and their determination to work the stores successfuly. One should like to see several such stores functioning in the country-side.

15. We are taking steps to reorganise and strengthen the district wholesale stores. There are plans on foot to strengthen their purchase departments so that they may serve the retail stores more efficiently than has been the case in the past. One difficulty, however, is that the district wholesale stores have no proper agencies for the purchase of articles from outside the Province or India in the same way as private wholesalers have their own agents at important trading centres like Bombay, Calcutta, Karachi, Lahore, or foreign countries. The district wholesale stores have now to depend on private wholesale merchants or importers 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 district wholesale stores to send its agents to trading centres for purchases. By pooling the indents of all wholesale stores, a provincial organisation will be able to get better terms from wholesale suppliers or importers or manufacturing firms in other Provinces and outside India. You may remember that for these reasons, it was decided at the Business Conference of Co-operative Wholesale Stores held in February 1946 that a Provincial Co-operative Trading Society should be set up. The draft bylaws were all ready and steps were taken to form a society some 8 or 9 months back. But owing to the intervention of certain factors over which we had no control, this could not be brought into being. Arrangements have now been completed to register a Provincial Society, and probably in a month's time this will be an accomplished fact. We expect that with the formation of a Provincial Trading organisation our consumers' co-operative structure will be complete and strong and that consumers' co-operation will enter a new era of development.

16. I thank you for the opportunity given me of speaking to you on some of the matters concerning our future. I do not intend to take more of your time. Let me hope that you will give your most earnest consideration to the problems that are facing us and take decisions which will prove fruitful for the successful working of consumers' co-operative societies in the days to come.

XV Co-operative Registrars' Conference.

RESOLUTIONS PASSED.

1. The Conference noted the action taken on the recommendations of the 14th Co-operative Registrars' Conference.

2. This Conference records its high appreciation of the valuable service rendered by the Co-operative Planning Committee and conveys its thanks to it for its comprehensive and useful report.

3. This Conference considers that planning in co-operation does not mean a departure from the voluntary principle governing the membership of a co-operative society, that the principle should be respected and no one should be compelled to join a society, and that responsible nation-building departments of the Government will be able in many cases by means of education, propaganda, persuasion, demonstration and denial of privileges to non-members to bring about the organisation of co-operative activities along planned lines without resort to compulsion.

It further *recommends* that where there is need for the provision of a common essential economic service or where the larger interests of the community require it, a resolution passed by a co-operative society should be made binding by law on non-members provided that a substantial majority of the economic category or group affected accept it.

4. This Conference endorses Recommendation No. 15 of the Planning Committee about the basis of reorganised agricultural primary credit societies and considers that

(i) as the supply of credit touches only one aspect of the life of the cultivator, the activities of the primary co-operative societies should be extended as to cover the whole of his life. The primary credit society should, therefore, be developed so as to serve as a centre for the general economic development of its members;

(ii) The membership of the primary society should be open to all persons residing in its area of operation. The society should be so organised as to have at least fifty members and its area of operation should be such as would permit adequate business, and at the same time, efficient supervision and effective control; and

Recommends that the reorganised agricultural primary co-operative society should, in particular, (*a*) finance crop production (*b*) act as the agent for the sale of produce to the nearest co-operative marketing organisation; (*c*) supply the farmer's simple needs for crop production like seed, cattle-feed, fertiliser and agricultural implements, and also consumer goods like cloth, kerosene, salt, and matches on indent basis or on the basis of established needs provided that such a society may be permitted by the Registrar to function on the system of outright purchase and the sale to the extent of twice the paid-up share capital where its size, financial strength and soundness of management permit; (*d*) serve as a milk collecting station for the nearest dairy and as a centre for animal first-aid and maintenance of stud bulls; (*e*) serve as a centre for maintaining agricultural machinery for the joint use of the members and (*f*) encourage subsidiary occupations for its members.

5. This Conference endorses recommendations Nos. 16 and 17 of the Co-operative Planning Committee as the minimum target of developments which should be aimed at; but *recommends* that the ultimate objective of co-operative organisations should be to bring all the villages and a hundred per cent of rural families within the ambit of sound and reorganised primary societies. The initial targets should however be fixed for each Province and State in the light of the local circumstances.

6. This Conference considers that co-operative effort should be specially directed towards the increase of agricultural production, endorses Recommendation No. 20 of the Planning Committee on co-operative farming, and

Recommends that when ex-servicemen are settled on lands, the settlers should by the terms of their grants not be permitted to alienate lands except to the society or a member of the society approved by it; and that a delegation including a representative of the co-operative movement should be sent to the U. S. S. R. to study the working of collective farming.

7. This Conference considers that special attention should be paid by co-operative societies to the proper maintenance, feeding and treatment of live-stock, to the production of the requisite green fodder and concentration and their supply at favourable rates and to the increase of live-stock products.

8. This Conference endorses Recommendations Nos. 33-37 and 39—42 of the Planning Committee except that the minimum daily

quantity of milk which each society should produce and supply should be 150 lbs. or 2 maunds.

9. This Conference emphasizes the fact that, as the prosperity of the agricultural community depends largely on the marketing of agricultural produce, in all schemes of rural reconstruction, Central, Provincial and States' Governments should give a high priority to Co-operative Marketing, and considers that a trading society which may be known as a purchase and sale society or a supply and marketing society should be established at each important *mandy* which should deal with the supply of the requisites of agriculturists and the marketing of local agricultural products; and

that these societies may form unions either on a territorial or on a commodity basis as may be more convenient.

Where Unions are formed on a territorial basis, the provincial federation should have separate divisions for dealing with each important commodity.

Where Unions are organised on a commodity basis they may, if necessary, unite in a provincial federation, but the latter should in any case deal with items for which there are no commodity unions.

10. This Conference endorses Recommendations Nos. 55-67 69-71 of the Planning Committee as regards co-operative marketing of agricultural produce; and

Recommends that the work proposed for the All-India Marketing Association should be taken up by the Commodity Corporation suggested by the Krishnamachari Committee.

11. This Conference endorses Recommendations Nos. 78—92, 95, 96 and 98 relating to small and subsidiary industries, made by the Co-operative Planning Committee.

12. This Conference endorses the recommendations of the Planning Committee as regards consumers' co-operation, but *recommends* that (1) the goods required for the supply of agricultural requisites by the rural stores section of the primary multi-purpose societies should ordinarily be obtained from the *mandy* trading (purchase and sale or supply and marketing) society; and

(2) that the milk producers' unions should normally be responsible for the distribution of milk, some representatives of consumers being nominated by movement to serve these Unions.

Separate societies of consumers of milk distribution may, however, be formed where there is no union of producers where such societies are considered to be essential.

13. This Conference endorses Recommendations 128-133 of the Co-operative Planning Committee regarding urban credit but with respect to Recommendation 221, considers that surplus funds of urban banks should ordinarily be invested in Provincial and Central Co-operative Banks to enable them to finance co-operative societies. Where such investment is not necessary, the Conference *recommends* that urban banks may be empowered to invest 15 per cent of their surplus funds after providing for fluid sources in such manner as their boards may unanimously decide and in accordance with such terms as the Provincial Government may lay down.

14. The Conference endorses Recommendations 139-144 of the Co-operative Planning Committee in respect of urban housing and *recommends* that, in order to encourage co-operative house-building, Government should, where necessary, acquire land for the purpose and make it over to a co-operative housing society at a favourable price, care being taken to ensure that in case of sale by a member, the society will have the option of repurchase at the original price and that Government should help in making building materials available.

The Conference considers that the problem of rural housing has not so far received the attention it deserves and *recommends* that (*a*) at least one rural housing society should be started in every province as an experimental measure; (*b*) that Government should allot high priority to rural areas in the supply of materials, for the purpose and (*c*) that Government should acquire land and make it over to a rural housing society for the purpose of building houses, sheds for cattle and storage for grain at favourable rates.

The Conference further *recommends* that Government should provide funds for housing societies at a rate not exceeding ½ per cent above their borrowing rate.

15. This Conference endorses Recommendations 176, 177, 185, 188 relating to life insurance and Recommendations 189 and 191 relating to fire insurance but considers that the details of the financial implications of the proposals should be further looked into.

This Conference endorses Recommendations 192 and 193 relating to cattle insurance and crop insurance respectively and

recommends that an officer should be appointed in the first instance by the Government of India to frame a concrete scheme for a limited area, indicating that financial assistance will be needed for the same. The first experiments with cattle insurance may be tried with the cattle of those who have joined a milk union.

This Conference nominates Diwan Bahadur H. L. Kaji as its representative on the Committee to be appointed by the I.C.A.R. for preparing a scheme for cattle insurance.

16. This Conference endorses Recommendations 196—203 of the Co-operative Planning Committee in respect of Administration; and *recommends* that (*a*) audit should be entrusted to a special staff working directly under the Chief Auditor and the Registrar; and (*b*) that societies classified for 3 consecutive years as Class A or B should be encouraged and increasingly left free to manage their own affairs to the maximum extent possible.

17. This Conference has considered Recommendations 207—209 of the Co-operative Planning Committee and recommends that (*a*) a Provincial Co-operative Council should be established in each Province as a deliberative advisory body and the Provincial Government should give it financial assistance to carry out such items of development as may be considered necessary; and (*b*) that the non-official element in the co-operative movement should receive adequate representation on the Executive Committee of the Provincial Co-operative Council.

The Conference recommends that the proposal for the setting up of an All-India Council of Co-operation (Rec. 210 & 211) be referred to a Committee, which should integrate this proposal with the proposal for combining the Registrars' Conference with the non-official All-India Co-operative Conference and work out the details thereof. The Committee should consist of Sir Pheroze Kharegat as Chairman and of Dewan Bahadur H. L. Kaji, Mr. R.G. Saraiya, Mr. T.A. Ramalingam Chettiar, Khan Mohammed Bashir Ahamad Khan, Mr. B. J. Patel, Mr. Deep Narayan Singh, Mr. Akbar Ali Khan and the Registrars of the U. P., the Punjab, Bengal, the C. P. and Jodhpur and a representative of the Reserve Bank of India as members.

18. This Conference considers that Recommendations 212 to 234 of the Co-operative Planning Committee relating to Co-operative Law, the proposals made by Orissa in this respect and the amendments to the 1912 Act under consideration by the Government of

India, need detailed examination and recommends that these be referred to the Committee constituted under Resolution 17 for the purpose.

19. This Conference endorses Recommendations 236, 237, 239, 240, 242, 243, 244, 245, 248—252, 254, 256, 257, 260 and 261 of the Co-operative Planning Committee relating to education, training and research and recommend that a representative of the Co-operative movement should be appointed on each school text-book selection committee.

20. This Conference endorses Recommendations Nos. 3, 4, and 14 of the Agricultural Finance Sub-Committee relating to adjustment, reduction and compounding of old debts and recommends that where debts due to co-operative societies are adjusted, the amounts that have to be written off should be met in the first instance by the societies and central banks concerned; where they cannot meet such losses without financial enbarrassment which would cripple their activities, they should be given financial assistance by Government for the purpose, (as in many cases such bad debts are due to crop failures and other such causes beyond the control of the societies and banks.)

21. This Conference has considered Recommendations No. 22 and 23 of the Agricultural Finance Sub-Committee relating to the formation of Agricultural Credit Corporations and recommends *(a)* that the functions proposed for the Agricultural Credit Corporations should be performed by the Provincial Co-operative Banks which may be reorganised for the purpose if necessary, *(b)* that they should be given the same measure and type of aid by the State as that recommended by the Committee for the Corporations, *i.e.*. the State should contribute a part of the share capital and provide funds to enable the bank to advance loans at low rates of interest and *c)* that the Provincial Banks should ordinarily make advances to central banks, and in special cases to primary societies, but should not ordinarily lend directly to individual borrowers. If, however, any particular Province or the management of a particular Provincial Bank wishes to experiment with direct loans to individual borrowers it should be free to do so.

22. This Conference endorses Recommendations Nos. 42, 44-47, 49, 50-52, of the Agricultural Finance Sub-Committee relating to Primary Credit Societies, Recommendation 57 relating to

Co-operative Land Mortgage Banks and Recommendations 60-62 relating to the regulation of private money-lending and recommends that the Committee appointed under Resolution 17 of the Conference should also examine what amendments are called for in the Reserve Bank of India Act and in the procedure adopted by the Reserve Bank of India in order to enable it to assist the Co-operative movement to the maximum extent.

23. This Conference considered the note submitted by the Government of Sind regarding the finance of the Co-operative movement and the rate of interest to the ultimate borrower and is of the view that no separate Recommendations are called for as the points raised therein are already fully covered by other resolutions.

24. This Conference considered the note submitted by the Government of Madras regarding the reorganization of the primary credit unit as "Rural Bank" on limited liability basis and recommends *(a)* that the area of operations of a primary multi-purpose society should ordinarily be the village, *(b)* that in tracts where villages are very small there may be one primay society for more than one village and *(c)* that the area of operations of a *mandi* trading society should cover all the villages from which produce is brought to the *mandi*.

25. This Conference considered the note submitted by the Government of Madras regarding the conversion of District Co-operative Financing Agencies into branches of the Provincial Co-operative Bank in economically backward areas and the assumption by the State of the responsibility for the entire supervision of the movement in such areas and recommends that *(a)* finance may be provided either by branches of the Provincial Banks or by Central Banks as may be more convenient, *(b)* that in economically backward areas, *i.e.*, those subject to periodical famines, floods, etc., Government should give special financial assistance to the financing agencies to meet the bad debts arising from conditions beyond the control of the borrowers or may consider the advisability of setting up an Agricultural Credit Corporation for such areas if the co-operative agency cannot flourish in such areas, and *(c)* that Government should make special efforts to increase the income of the cultivators in these backward areas by providing the necsssary facilities.

26. This Conference considered the note submitted by the Government of Madras on Land Mortgage Banks and recommends

(*a*) that central land mortgage banks should provide finance either through primary land mortgage banks or directly to individuals as may be considered desirable in the light of local circumstances, (*b*) that loans by the central land mortgage banks may be restricted to members of primary multi-purpose societies and may also be given to non-members as local conditions may render advisable, and (*c*) that Government should continue to guarantee the debentures of land mortgage banks.

27. This Conference considered the resolution of the General Policy Sub-Committee on Co-operative societies submitted by the Government of Sind and is of the view that no separate recommendations are called for as the points raised therein are already covered by other resolutions.

28. This Conference requests Provincial and State Governments to implement the recommendations and suggestions made by the Co-operative Planning Committee for the promotion of Co-operative Institutions for ex-services personnel (including the I.N.A.) and in particular the organization of land colonies small scale and cottage industries, construction of public works, multi-purpose societies, motor transport, etc.

This Conference further recommends that the services of Ex-servicemen should be fully utilised in the post-war planning and the development of co-operative institutions, bearing in mind (*a*) that ex-servicemen should be settled as near their homes as feasible, (*b*) that wherever practicable they should be absorbed in existing societies instead of trying to start new societies specially for them, and (*c*) that where they are settled on land, adequate arrangements should be made for housing them and their families.

29. This Conference recognises the need for a uniform year-end in the annual closing of accounts by co-operative societies and recommends that the Provinces and States should adopt some date between 30th June and 31st July (both inclusive) for the purpose.

30. This Conference resolves that the suggestions of the Reserve Bank of India for the revision of the statistical statements relating to the Co-operative movement in India be referred to the Committee constituted under Resolution 17 of the Conference for detailed examination.

The Conference recommends that the Provinces and States may consider the advisability of preparing maps showing the

distribution of Co-operative Societies on the lines suggested by the Reserve Bank of India and revising them once in five years.

31. In view of the continued critical food situation in the country, this Conference recommends that the Central, Provincial and State Governments should (*a*) maintain the prices of agricultural produce at a level which will link them with the prices of the articles the agriculturists need, (*b*) give first preference to the supply of articles the agriculturists need over the supply of the requirements of other interests, and (*c*) co-operate with the agriculturists specially in the harvesting of their produce by closing the various educational institutions to enable boys to take part in harvesting operations.

32. This Conference reiterates its firm conviction that the co-operative method and spirit of organisation are particularly suited among other things for the planning and execution of programmes of development of agriculture and small industries, and urges upon the Central, Provincial and State Governments that co-operators of experience should find a prominent place in the Planning Commissions and Consultative bodies recommended to be set up by the Advisory Planning Board at the Centre and in the Provinces, and that the "executive authority" suggested by the said Board for rural development in the villages, taluks and districts should be composed largely of workers in co-operative organisations.

Co-operation, as we conceive it, is not only a novel way of doing business efficiently; it represents a new way of life, it aspires to establish in our midst a new social order based on distributive justice, equality, and harmony. It is planned economy with a special content. In India, hitherto, we are apt to ignore the ideology behind the movement or to grasp its social and economic implications. —THE HON'BLE MR V. L. MEHTA.

Registrar's Circulars.

Rc. 18408/46-A

Dated 6th Feb. 1947

Sub:—CO-OPERATIVE SOCIETIES—Agricultural credit movement Re-organisation—promotion of 'Rural Banks'—Further instructions issued.

Ref:—Registrar's circulars Rc. 18408/48-A, dated 9-1-47.

In paragraph 8 of the Registrar's circular cited, it has been suggested that the liability of the members of the proposed 'Rural Banks' may be on the unlimited liability basis and if the promoters desire to have the banks formed on limited liability basis, relaxation of the condition under section 4 (ii) of the Madras Co-operative Societies Act would be obtained from Government, at the request of the applicants. Though the Registrar has no objection to permit the formation of these societies on limited liability basis he feels that a sudden transition from unlimited to limited liability may not altogether be desirable and that a workable and sound compromise between limited and unlimited liability may be reserve liability, that is to say, instead of the liability being limited to the subscribed share capital of members, it may be limited to twice their subscribed share capital.

2. In paragraph 6 of the circular cited, the distinguishing features of the proposed rural banks have been indicated. It has been suggested therein that the rural banks may provide for the issue of loans on the pledge of produce. The Registrar considers that credit should be linked up with marketing, and that they should not be separated. In the case of rural credit societies it has not been possible to introduce marketing activities in view of their small size and limited number of members. But the rural banks will be operating in fairly wide areas and they should therefore be in a better position to pool large quantities of produce and arrange for sale. It is necessary that provision should be made not only for the issue of loans on the pledge of produce but also for the marketing of the produce of the members.

3. In paragraph 7 or the Registrar's circular cited, the Deputy Registrars were asked to select two centres—one in wet area and another in dry area,—in the districts for the organisation and starting of "Rural Banks". The Registrar now feels that there is considerable enthusiasm among the co-operators in favour of these banks, and he, therefore, desires that the starting of these rural banks need not be restricted to two centres only but 4 or 6 centres may be selected straightaway and the banks formed in consultation with the central banks concerned.

4. The selection of centres and the villages to be included require careful consideration. The villages should be such that their means of

communication with the Headquarters of the Bank are satisfactory and that there are natural outlets for important produce of the locality towards the central village which should be a natural market. Selection must thus follow economic factors and features.

5. The Deputy Registrars and the Assistant Registrar, Chicacole, are requested to note these further instructions in the matter and proceed with the selection of centres quickly and submit their reports called for already.

Rc. 18406/46 A

II

Dated, 16th March 1947.

Sub:—CO-OPERATIVE SOCIETIES—Agricultural credit movement Reorganisation—formation of 'Rural Banks—Further instructions issued

Ref:—Registrar's Circular Rc. 18408/46 A, dated 9-1-47

In the Registrar's circular cited, instructions have been issued as regards the lines on which rural banks are to be organised. The Deputy Registrars have also been informed that suitable model by-laws are being drawn up. The model by-laws are being got printed and will be sent to the Deputy Registrars in the course of a week. The Registrar desires that as far as possible the by-laws or rural banks proposed to be started should be uniform and that the model by-laws should be adopted with such slight modifications or changes as local circumstances may justify.

2. A point has been raised as to the place or role of *existing* rural credit societies in the area of operations of the proposed "Rural Banks", especially in view of the restriction imposed under Rule XX of the Rules framed under the Madras Co-operative Societies Act, *viz*., that no person shall be a member in two credit societies. It has been suggested that one of the following methods may be adopted to ensure observance of the provisions of Rule XX.

(i) the existing rural credit societies may, if their working is satisfactory, be amalgamated with the new rural banks provided they voluntarily agree to this course.

(ii) if the condition of the societies is bad or if they have been dormant, the members of such societies may be allowed to withdraw from the societies and to join the rural banks, and the older societies may be liquidated under section 44 or 45 of the Madras Co-operative Societies Act.

(iii) The amalgamation of societies is a very tedious process. If this method is to be resorted to rural banks cannot possibly commence work forthwith and do substantial business. This course does not, therefore, seem desirable. As regards the alternative suggested, though it may be possible for the members of bad and dormant societies to withdraw and join the new rural banks and have the societies liquidated, certain difficulties such as enforcement of unlimited liability, recovery of loans, discharge of liabilities, etc., may arise. Besides the rural banks are now started as an experimental measure and it may not be expedient to close down all at once the existing rural credit societies through amalgamation or liquidation. These two courses may be adopted in due course when the rural banks are firmly established.

3. To get over the restrictions contemplated in Rule XX the Registrar has for the present decided to adopt the following procedure. According to Rule XX the Registrar is competent to permit persons to become members of two credit societies by a general or special order. It is, therefore, proposed to issue a general order that members of rural credit societies in the area of operations of "Rural Banks" may become members of the latter provided that members joining the rural banks cease to borrow from, or have any transactions with, the rural credit societies and discharge their liabilities, if any, to the societies, by taking loans from the rural banks or otherwise.

The rural credit societies functioning in the area will be permitted to adopt a transitory provision in their by-laws for the refund of share capital of such members as join the rural banks provided they retain at least one share in the societies and provided also the financial condition of the societies is sound and they can keep up their obligations to the financing bank. It is proposed to issue the general order under Rule XX for a period of one year (or two years if need be) from the date of formation of the rural banks, and during that period the future of the existing rural credit societies may be decided and action taken to implement the decision. This general order under Rule XX will be issued as soon as the Deputy Registrars register the rural banks and make a report to the Registrar.

4. The question of securing suitable buildings for the rural banks is another matter of considerable importance. It is necessary that a rural bank should be located in a proper place and in a *pucca* building with facilities for a strong room for keeping an iron safe in which pledged jewels and valuable documents, securities, etc. can be safely kept. In view of the need for, and importance of, linking up credit with marketing and of the issue of loans against produce, it is equally necessary that sufficient godowns should be attached to such buildings or should be available in the vicinity. Moreover, a pucca building with counters, etc., like a modern banking house would inspire confidence among the rural folk and create a psychological atmosphere conducive to the loyalty of the clients. Though it is desirable that these banks should own their buildings, it may not be possible to construct such buildings immediately. The question of constructing buildings of their own will have to be taken up only when the banks establish themselves in the locality. To serve the immediate purpose, it has been suggested that some of the well-to-do local people in the area may be persuaded to construct buildings and rent them out to the rural banks. This suggestion is commended, and it is hoped that the Deputy Registrars would explore this possibility. If there are already suitable buildings in the centres selected, they may be secured on a reasonable rent and the necessary alterations as may be got carried out to suit the needs of the rural banks.

5. Another important question raised relates to the staff required for the proposed banks. It is worth while stressing the fact that much of the success of the rural bank will, in the first few years, depend upon the paid secretary who will be kept in charge of it, in addition to, of course, the first set of directors. It is necessary to have a first rate secretary with industry, integrity, resourcefulness and tact, so that he may shape the growth and working of the bank in the manner in which it has been visualised. In view of the dearth of experienced Junior Inspectors and of the heavy cost of Senior Inspectors, at any rate in the initial stages, it has been

suggested that some of the capable supervisors of Central Banks may be selected and given a reasonable scale of pay and put in charge of the banks. In special case, however, where rural banks cannot secure the services of good and experienced. Bank Inspector, or Supervisorss, the Registrar will have no objection to spare the services of some experienced Senior Inspectors to work as Secretaries of Rural Banks. If the Senior Inspectors are deputed on foreign service terms, the cost will be heavy and the banks may find it difficult to meet it. It has, therefore, been suggested that the Registrar may approach Government for the sanction of the post under F. R. 127 and for the recovery of the initial pay of the post irrespective of the persons deputed. The Registrar will be prepared to consider the suggestion in deserving cases. He cannot, however, hold out a definite assurance in this regard. The Deputy Registrars must satisfy themselves that there is no other alternative course except to get the services of a Senior Inspector for any particular new bank. As far as possible, the Deputy Registrar should endeavour to secure the services of experienced supervisors from the Central Banks as that will serve the immediate purpose when the rural banks are started. The proposals for the deputation of Departmental inspectors, if any, will be examined on the merits of each case and recommended to Government in due course. A short course of instructions to the paid Secretaries of a group of rural banks in two or three contiguous districts will be arranged at a central place as soon as the banks are started.

6. Though it has been stated that rural banks should tap local deposits so as to make credit cheap, this may take sometime. For sometime to come, the bank may have to secure funds from Central Banks. It has been suggested that in order to stimulate the working of 'Rural Banks' and to attract large and dependable clientele, Central Banks may be persuaded to make loans and advances to the rural banks at half a per cent less than the rate at which they now lend to village credit societies, so that the banks in their turn may pass on the money to their members at a lesser rate of interest. This concession may be extended by the Central Banks for one or two years. Any loss of income to Central Banks on this account will be compensated by the increased loan business which the rural banks would be having with the Central Banks. The Deputy Registrars are, therefore, requested to persuade the Central Banks to lend at a concessional rate temporarily till the banks develop their business and are able to tap local deposits.

7. The Registrar is glad to note that several officers have already made a good start in the matter of organisation of rural banks and that there is encouraging response from the non official Co-operators. As it has been proposed to adopt uniform model by-laws for rural banks, the proposals already submitted by some of the officers need revision. They are, therefore, requested to submit fresh and detailed proposals in the light of further instructions contained, in this circular. They may, however, proceed with all the preliminaries and submit organisation proposals on receipt of copies of printed bylaws.

8. The Deputy Registrars are requested to note in their monthly D.O. narrative reports the progress made in the organisation and registration of rural banks and in due course, their progress. The Registrar wishes to repeat that the Deputy Registrars should take personal and lively interest in this endeavour for a re-orientation of rural co-operative credit system.

No. D 19569/46-A. *Dated, 28th March 1947.*

Sub :—CO-OPERATIVE SOCIETIES—Central Banks, etc.—Board of Management—Term of office—Assumption of office of new Board—Amendments to by-laws—Suggested.

Ref :—Registrar's Circular No. 888/45-B, dated 28-6-1945.

In the Registrar's circular cited, certain amendments to model by-law No. 12 of the Central Banks were suggested. In paragraph 3 of the Circular it was said that the model by-law, as it existed then, was defective as it did not specify the exact date on which the term of office of all the members of the committee should expire as required by Rule XXV-A. It was, therefore, suggested that the by-law relating to the term of office of the Board of Management, should contain such specific dates from which the management would assume office and vacate office. Suitable amendment to the model by-law was also suggested

2. The first sentence of the amended model reads as follows :—

"The members of the Board shall hold office for a period of three years from the date on which they assume office after election and until their successors are elected and assume charge."

In the subsequent sentences it has been provided that the members of the Board of Management shall vacate office on a particular day of the year in which their term of office expires, unless the period is extended by the Registrar under sub-Rule (2) of Rule XXV-A. The Advocate-General, while offering his opinion on an appeal petition relating to an election dispute, has raised a point whether the provision that the members of the Board shall be in office from the date on which they assume office after election and until their successors are elected and assume charge is in order in the face of the mandatory provision in Rule XXV-A, that the members shall vacate office either on the date specified or at the end of the yearly intervals, as the case may be. He is of the opinion that it is impossible for the memcers to continue in office after the specified date either for administrative reasons or otherwise unless their term is extended by the Registrar. He has also stated that the continuance in office of the members beyond the date will be opposed to the provisions of Rule XXV.

3. In fact, though in the model by-law suggested in the Registrar's circular cited the provision for continuance in office of the Directors until their successors are elected and assume charge is retained, it will have no effect in view of the subsequent provisions made in the same by-law for at no time will it be possible for the members to continue in office beyond the specified date whether a new Board is elected or not; unless the Registrar extends the term. To bring the by law into conformity with Rule XXV-A it is necessary that the first sentence ot the model by-law No. 12 of the Central Bank should contain only the following provision, *viz.* : "The members of the Board shall hold office for a period of years." The remaining portion of the sentence should be deleted.

4. The Central Banks, the Madras Provincial Co-operative Bank and the Central Land Mortgage Bank are requested to amend their by-laws in the manner specified above, deleting the portion "from the date on which they assume office after election and until their successors are elected and assume charge".

5. In the case of other co-operative institutions also, it is necessary to delete the similar provision if it now finds a place in their by-laws. The Deputy Registrars (General duty) and the Deputy Registrars for land mortgage banks are requested to issue necessary instructions to these institutions advising them to amend their by-laws suitably on the lines indicated above.

Review.

INDUSTRIAL CO-OPERATION

(Its possibilities within a balanced movement)

by *J. B. Taylor*. Re. 1.

Planning has become a catchword of the age. While the case for a planned economy is an unanswerable one there are plans and plans. Planning touches human personality both at the producing and consuming ends. The human aspect of the producer is lost sight of when he is spoken of as a "millhand." Planning is nothing short of regimentation, if it does not recognise the human element. The ideal of co-operation, in production and consumption, ensures proper recognition of human values.

The booklet, under notice, is a thought-provoking study of the subject. The Adviser of the Association for the advancement of Chinese Industrial Co-operatives discusses "Democracy in workshop and factory", "Co-operative equity," "Human values in industry and in leisure" and "the Federal structure and its functions." Discussing human values, he suggests that co-operative producers have fundamental advantages over others in making work energising and enervating. Co-operatives can render service by following "the workers into their leisure occupations and pastimes, to be in touch with cultural associations of all kinds and to assist professional organisations in the production of the material aids, which, all interest, even the most intellectual and spiritual demand. (page 31). Quoting Plunkett's phrase "better farming, better business, better living" he points out the educative and social influence of co-operation in Newwied and Rhenish Prussia in the days of Raiffeisen and in Finland and Nova Scotia in more recent times.

The Industrial Co-operatives Organising Committee have done a great service to the cause of co-operation by publishing this booklet, which should find a place in every co-operator's book-shelf.

R. B. NAGRIMULAR,

REGISTRAR'S REVIEW.

Sub :—CO-OPERATIVE STORES—Primaries and Wholesales Progress for March 1947.

Co-operative Wholesale Stores :

Membership and share capital.—The number of members was 10,142 at the end of March and the paid up share capital Rs. 32.15 lakhs as against Rs. 31.98 lakhs in the previous month.

The owned capital of the co-operative wholesale stores was Rs. 41.59 lakhs comprising share capital of Rs 32.15 lakhs and reserve fund of Rs. 9.44 lakhs. Of the total borrowed capital of Rs. 311.39 lakhs, Rs 305.16 lakhs represent loans and cash credits from the Central banks and the balance from others. The total working capital on the last day of the month under review was Rs. 352.98 lakhs as against Rs. 268.44 lakhs for the previous month.

Business.—The total purchases and sales of the co-operative wholesale stores for the month under review were Rs. 170·70 lakhs and Rs. 152.99 lakhs, respectively, as against Rs. 125.29 lakhs and Rs. 180.88 lakhs, respectively, in the previous month. The transactions during the month are primarily satisfactory. The improvement in both the purchases and sales has been contributed mainly by the South Kanara, Tinnevelly and Coimbatore Central Co-operative Stores.

Sales to primaries.—Of the total sales of Rs. 152.99 lakhs, Rs. 66.95 lakhs represent sales to the primaries. This works out to 43.9 per cent as aginst 45.2 per cent in the previous month. The progress is discouraging. The co-operative wholesale stores and the primaries would do well to improve their mutual relations. The need for such closer co-ordination needs hardly to be stressed again.

Primary Co-operative Stores :

Membership, Share capital and Borrowings.—On the last day of the month under review, there were 1,687 stores with a membership of 6.12 lakhs and a paid up share capital of Rs. 86.62 lakhs. The reserve fund and borrowings amounted to Rs. 21.91 lakhs, and Rs. 102.63 lakhs respectively. Their total working capital was Rs. 211.16 lakhs as against Rs. 182.74 lakhs in the previous month. Appreciable increase in respect of share capital has been recorded by the primaries in the districts of Anantapur, Madura, Tinnevelly, Nilgiris and Ramnad.

Business.—The total purchases and sales during the month under review amounts to Rs. 148.85 and Rs. 150.36 lakhs respectively as against Rs. 128.36 lakhs and Rs. 128.23 lakhs respectively in the previous month. The progress is generally fair. The Deputy Registrars are requested to see that the primaries maintain this progress. It is hoped that the stores will develop their business further, by dealing in varieties of consumer goods that are in demand and expanding trade in non-food line.

Special Consumer Activities :

(*a*) *Consumer goods.*—During the month under review, Rs. 3.12 lakhs and Rs. 2.89 lakhs represent the purchases and sales respectively of consumer goods, the corresponding figures for the previous month being Rs. 3.12 lakhs and Rs. 2.10 lakhs respectively. There has been an improvement in sales while the value of purchases remained the same.

(*b*) *Handloom and Mill-made cloth.*—Purchases of sales of cloth during the month amounted to Rs. 7.67 lakhs and Rs. 7.90 lakhs respectively as against Rs. 7.13 lakhs and Rs. 6.09 lakhs in the previous month. It is gratifying to note the increase in sales. This has been mainly contributed by the Madura-Ramnad and Trichy districts, and Kumbakonam area. The Deputy Registrars are requested to see that the primaries stimulate their business in cloth. As supplies of mill cloth are not adequate, the co-operative whole-sale stores and primaries are advised to expand their business in handloom cloth.

(*c*) *Processed Foodstuffs.*—The total purchases and sales during the month under review, amounted to Rs. 10,893 and Rs. 3,119 respectively as against Rs. 38,660 and Rs. 41,760 in the previous month. There has been a considerable shrinkage and the reasons are not known. The stores are requested to make sustained efforts to secure decent allotments of processed foodstuffs from the importers and to expand their business.

(*d*) *Agricultural implements.*—The total purchases and sales made amounted to Rs. 378 and Rs. 535 respectively as against Rs. 987 and Rs. 1,384 respectively in the previous month. Both the purchases and sales have fallen considerably during the month, and this is very disappointing. There is a steep fall in this line of trade from month to month, and the Registrar is at a loss to understand why the sale of agricultural implements which are so essential to the majority of members in rural stores who are agriculturists, cannot be pushed through. This only indicates that neither the stores nor the supervision staff are evincing any interest in the matter. The Deputy Registrars are requested to take immediate steps to set right matters.

News and Notes.

Electric Power for Agriculture.

The Government of Madras consider that electric power can play a great part in the development and in raising the efficiency of agriculture, that electrical energy should be made available for ryots in areas where it can easily be extended, and that the ryots should be given facilities for securing the necessary electrical materials like motors, switches, starters, etc. In this view of the matter the Government have examined the proposals of the Director of Agriculture for the establishment of a Central Agricultural Engineering Store and Servicing Centre in Madras for storing and distributing electrical as well as other engineering equipment required for agricultural purposes, and have decided that, as an experiment to start with, the Agricultural Department should stock electrical pumps and supply them to agriculturists in areas where there is great demand. The ordinary ryot who needs an electric pump will thus be enabled to get requirement through departmental assistance which he cannot do if he were to get it in competition with others in the open market.

* * *

It is, however, considered necessary that there should be a combined effort on the part of the Electricity and Agricultural Departments for giving maximum assistance to ryots in the use of electricity for irrigation and other agricultural purposes. The Government are considering the establishment of a Central Agricultural Engineering Stores and Servicing Centre in Madras as recommended by the Director of Agriculture to implement the above policy.

* * *

Improvement of Livestock.

A three-year programme, it is learnt, will be launched by the Government of Madras for the improvement of livestock in the Province. The intention of the Government is to open a breeding farm in each district at which will be maintained four or five bulls of good stock available in the Province. These bulls will be used for breeding purposes. It is proposed under the plan to castrate bulls of poor breed in a group of villages in the districts and lend the services of the farm bulls by stationing them in these villages for a particular period.

* * *

Grow More Food Campaign.

In view of the present food situation in the province, the Government have extended the period for which the existing concession in respect of unoccupied lands, including lands reserved for public purposes, under the Grow More Food Campaign will apply, till the end of Fasli 1356. The concessions extended relate to cultivation of compounds of institutions, cultivation of backyards, cultivation of vacant villages or town sites, cultivation of lands near sea front, cultivation of tank-bed lands, exemption from water cess and assessment for the cultivation of sweet potatoes, waiver of penalties for technical infringements of irrigation rules, concessional water-rate, etc.

* * *

Promotion of Modern Agriculture.

Detailed plans have now been worked out to start a Central College of Agriculture in Delhi during the current year. The aim of the college will be two-fold, to give systematic course of scientific agriculture to young men, with a view to preparing them for promoting modern agriculture in the countryside on economic lines, and to train students for undertaking research in agricultural problems. The needs for qualified staff required for the execution of agricultural schemes has long been felt, as each Province requires approximately 200 agricultural graduates a year, and the Central Government requires, for the acquisition of its plans, about 500 trained men immediately and more in the near future. Similarly Indian States are in dire need of trained personnel.

* * *

Attached to the college, will be an agricultural farm on which students will carry out all soil operations from the preparation of seed-beds and sowing of crops to harvesting and storage of the produce. The main course will consist of two parts—a pre-University course of one year and a three-year B. Sc. course of the Delhi University. It is also intended to organise a one-year course with Hindustani as the medium of instruction. This course will be entirely of a practical nature comprising *inter alia*, the study of crops and improved methods of cultivation, farm management, modern dairying, horticulture and simple treatment of cattle diseases. The college will be open to students deputed by the Governments of centrally-administered areas and other Provinces which have not got agricultural colleges, to students deputed by Indian States, by the Government of British colonies or other countries outside India, and to private students who are residents of centrally-administered areas.

* * *

Training in Dairying.

The Government of India have appointed an *ad hoc* Committee to study the facilities now available for training in dairying in India, and make recommendation for expansion. At present, there are only two institutions in India imparting training in dairy work, the Imperial Dairy Research Institute in Bangalore conducted by the Government of India, and other in Allahabad, run by a private agency and financed by the Government. The Bangalore Institute provides training of three categories. The I.D.D. course is of two years and about 30 students take the Diploma annually. Another course of 15 months is intended as post-graduate training to graduates in Agriculture, Veterinary or Dairying. The third is a short refresher course of three months' duration. The Institute also provides facilities for research students qualifying for Ph. D. or M. Sc. The *ad hoc* Committee has been asked to go into the syllabus and working of this Institute, and report on expanding the facilities in order to train more persons. The Committee will also consider matters like increasing the number of students and improving the standard of education, if need be.

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Expansion of C.W.S. Trade in 1946.

Total sales of the English C.W.S. in the year ended 11-1-1947 amounted to £205,957,000 compared with £182,776,000 in the preceding year, an increase of over 12½ per cent. Supplies from productive work totalled £57,605,000—£3,779,000 or 7 per cent more than in 1945. The food departments account for £14,116,000 of the total sales increase in 1946, but relatively the clothing, textile and footwear departments, the trade of which expanded by about 80 per cent and the furnishing and hardware departments with a sales expansion of over 90 per cent show a greater increase. The balance sheet of the Society reports total assets of £478,426,000, of which £218,800,000 represent the trade department and £259,626,000 the banking department. Share capital was £19,192,000, loan capital £160,956,000, and reserves £14,917,000 at the end of the year. The net surplus was £6,281,000 all of which, except £120,000, added to reserves, was paid out to members and non-members as dividend on their purchases.

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