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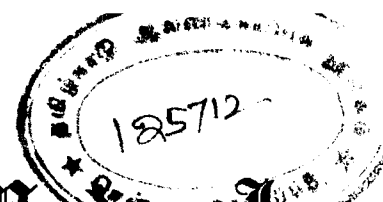
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THE Madras Journal of Co-operation

EACH FOR ALL AND ALL FOR EACH

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

NOVEMBER 1948

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The Re-shaping of Things

Co-operation in International and National Spheres :

The recent celebration of the Co-operative Day in Madras was indeed an event of consequence. Throughout the proceedings of the meeting was clearly seen a spirit of independence in outlook and a sense of confidence that our Country can and will play a very creditable role in World Co-operative Movement. The key note was struck by the Hon'ble Minister for Local Administration who presided over the function when he said in his address, "Co-operation transcends national frontiers and clasps within its warm embrace not only peoples of different countries but also peoples of different communities, castes and creeds." This sentiment was reiterated by him in his words: "Co-operation attains the ideal, the acme of development, when it is applied to a whole country and between countries. This is what Co-operators long for and pledge themselves to do on the International Co-operators' Day." The Hon'ble Minister illustrated how the principle of self-help and mutual-help has been put into effect during the past one year between our Province and Ceylon. The record of co-operative trade between the two territories may not look very satisfactory from the standpoint of volume of transactions; yet it is of value as an indicator of the appreciation of this great principle by both countries. We understand that the trade in Madras co-operative handloom fabrics is

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fairly large. We also understand that the consumers of our handloom goods abroad are organising themselves into co-operatives and that our own Provincial Society seeks to aid such organisations. It is really pleasing to note that while till recently the Provincial Society sought to do its business largely with private traders and trading concerns to the detriment of co-operative interests even at home, it has now, thanks to the guidance of the present Government, revised its policy and chosen to encourage co-operative transactions. We commend this new policy of the Handloom Society to other large co-operatives in our Province for adoption in co-operative interests. We share with the Hon'ble Minister the hope that if all the other large co-operative trading organisations think and act in the interests of co-operators at home and abroad, it will not be difficult for our Province to establish the fact that co-operation is international not only in concept but also in practice.

While he pointed out the need for cosmopolitan outlook in our external trade relations, the Hon'ble Minister was also aware of the need for the same in the country itself. His mention of the present segregation of Backward and Scheduled Classes into co-operatives is significant. In spite of attempts at several quarters to organise common co-operatives for people of all castes and creeds, some of these Backward Class and Scheduled Caste brethren are still anxious to preserve their separate identity. The reason behind it is obviously psychological. These so-called "lower castes" labour under an erroneous notion that they stand to gain by this "separatism" because the Government might give them some preferential treatment. Co-operation is a means for all people to seek their common welfare in common co-operative societies. We feel that this mental and moral change is yet to come on large sections of the people of our Province and elsewhere. We hope that the people of all castes and creeds will realise the urgency of this change and act in the right direction forthwith, so that our Province (and our Country) may play its rightful part in the World Co-operative Movement.

A third important step to be taken in the development of Co-operation in the land is the widening of the scope of activities of the co-operatives themselves. For instance, the adaptation of the credit society for performing non-credit functions also. Multi-purpose activities like the collection, transport and sale of food grains and commercial crops are being tried at various centres and the results seem to be encouraging. The recommendation of the Conference of Co-operators of September 1947 that the supervising

staff may be increased with a view to aid non-credit activities of rural credit societies is under the active consideration of the Government. An elaborate form of rural multi-purpose societies, we learn, has been recommended by the Registrar and their establishment in some districts as an experimental measure is taken up by the Government. The multi-purpose society as a means of meeting the various needs of the rural population has already been tried for several years and its usefulness has been proved to the hilt. It has thus passed the "stage of experimentation." The All India Co-operative Planning Committee have recommended the adoption of this type of society and have also envisaged the formation of a net-work of such societies in the country within a period of five years. The rapid spread of multi-purpose societies has been emphasised time and again at numerous Co-operative Conferences recently held. We fail to understand why, at this stage when the regular organisation of multi-purpose societies throughout the country is urgently needed, the Government still propose to "experiment" with multi-purpose societies in a few districts only. We would rather that the Government introduce them in all the districts forthwith. "A multi-purpose society in every village" is the only solution of the problem. We have already drawn the attention of the Government to this great need in the pages of this Journal. We urge the Government once again to take up the organisation of these societies in all villages without any further loss of time.

Handloom Cloth Production :

In this issue is published the second article relating to co-operative handloom industry in the Madras Province. In his article the author has dealt with certain aspects of handloom cloth production—the supply of raw material like mill and handspun yarn, art silk, and lace; counts and quality of the material available. While the study is interesting it also presents some problems on the solution of which depends the development of the handloom industry.

First, the supply of raw material: Mill yarn of various counts has been always in very large demand. All weavers—even the weavers of the co-operative fold—had a great difficulty during the early years of the War in obtaining their requirements at fair prices and in adequate quantities. Thanks to the work of the Provincial Weavers' Co-operative, the weavers in the co-operative fold have since been better off in this respect than their brethren outside the

co-operative fold. Yet the condition is not quite satisfactory. The price of yarn is still high and a large part of their production costs is covered by this item. The poor weavers are obliged to reduce their wages and profits so as to compete with the market. It is therefore quite essential that the price of yarn should be properly fixed on the basis of the *real* costs of production of the mill. These real costs can be worked only when there are co-operative spinning mills in important parts of the country. For a province like Madras there is need for some three or four such mills at present in different parts of the province. The erection of one mill has been planned and even that is yet to see the light of day. It seems certain that unless the co-operative spinning mill comes into existence and functions as a normal concern for estimating the costs and prices of yarn, the plight of the handloom weavers is bound to be almost what it is at present.

Of equal importance is the question of supplying the weaver with enough yarn. Hand weaving is the full time occupation of large numbers of weavers and unless their looms are fed regularly and continually, it might not be possible for them to keep their hearths burning and their pots boiling all the days in the month. It is therefore essential that the Government should collect data and estimate the quantities of yarn required to provide weavers with work for three weeks in the month and to see that the mills are compelled to earmark the entire quantity required for the handlooms. The rest of the yarn may be utilised by the mills in other ways. The weavers would then have enough work for at last three weeks every month. If more yarn or work is required, they can use handspun yarn and produce cloth for self use or for the market.

This brings us to the other important point—namely, the use of mill yarn and handspun yarn. During the early years, some of the weavers' co-operatives and even the Provincial Co-operative evinced interest in the weaving and marketing of *khaddar*. Subsequently this interest declined and few weavers' co-operatives dealt in *khaddar*. The Provincial Co-operative had ceased to interest itself in the production and sale of *khaddar* even in the worst days of cloth scarcity. We feel that this policy of the Provincial Co-operative and the other weavers' co-operatives which have given up *khaddar* production has not been well-advised. The handloom which the co-operatives are trying to elevate is as much connected with handspun yarn as with mill yarn. While the co-operatives endeavour to improve the lot of mill yarn weaving, it is equally necessary for them

to bestow attention on hand spun yarn also at least to some extent, so that the weavers of mill yarn may be able to take to *khaddar* weaving when necessary. To dissociate the handloom from *khaddar* is to go against national traditions and culture. We hope the weavers' co-operatives will revise their policy and endeavour to progress in the wake of our best traditions and culture.

A Plea for Co-operative Research and Study :

In the course of his speech on the Co-operative Day which is published in this issue, Rao Bahadur K. Subrahmanyam, Joint Registrar for Re-settlement of Ex-servicemen, made some generous references to the work and activities of the Madras Provincial Co-operative Union. He said that the Union represents the quintessence of non-official co-operative thought and that it has been entrusted with the important functions of co-operative education and propaganda and publicity. He also said that he felt that the Union can do much more to promote co-operative education. He suggested the conducting of surveys, the organising of study groups, carrying on research into the broad aspects and fortunes of the Co-operative Movement and turning periodical conferences into occasions for specialists to meet and read papers and discuss problems. We appreciate his suggestions and thank him. Indeed in a growing Movement like Co-operation, there is a vast scope for research and study and the Union, much more than an over-burdened department of Government can do a lot in this direction. The Union has always endeavoured to represent non-official co-operative thought. It has also been carrying on the important functions of co-operative education, propaganda and publicity. It is also the earnest desire of the Union to take up research and study for the benefit of the Co-operative Movement in the Province.

The Union, as is known, is an institution that has to depend on the contributions of its affiliated members and the Government. With the meagre funds at its command it is endeavoring to serve the Movement as best as possible. Unless adequate funds are made available to it by all the co-operative institutions in the province and by the Government, it is obviously difficult to expand its activities. We hope that the co-operative institutions in the province will realise their share of responsibility for the *promotion* of the Movement on all these lines and strengthen the financial position of the Union so that it may develop into an institution which can guide in every line of co-operative activity.

A New Class of Ex-Servicemen :

Ever since the end of the War, the resettlement of ex-military servicemen in Madras Province has been a major problem for the Government and the people to tackle and solve. The Co-operative Movement has been feeling its share of the national responsibility and has been finding employment for the ex-war servicemen in co-operative land colonisation societies, co-operative motor transport societies and co-operative workshops. An account of the work turned out in this direction in Madras is contained in the speech of the Joint Registrar for Re-settlement published in this issue. The record of work is encouraging. It may be hoped that in a few years most of the war servicemen will have been peacefully resettled in the land.

We now have another class of "ex-servicemen." They are the large host of toddy-tappers who have been recently discharged as a result of prohibition. Most of these men who are illiterate and who know no other trade are starving. Pathetic accounts of their sufferings reach the Government every day. It has again fallen on the shoulders of the Co-operators to settle them also in peaceful trades. Efforts are being made in several parts of the province to organise them into palmyrah jaggery co-operatives, milk supply societies and the like. We are glad that the ex-tappers are amenable to discipline and are willing to organise themselves into co-operatives for mutual benefit. We hope that ere long this new class of ex-servicemen also will be peacefully settled.

Some Useful Lessons :

We have published in this issue the summary of the notes of an Economic Research Officer of Australia. They are the results of his study of Australian rural conditions. Apart from being a good example of scientific study of rural conditions in other countries, they are of value for comparative study with our conditions of problems of a like nature.

Two points are clear from the notes so far as Australia is concerned :

First, Australia is a country with a high standard of living and large export surpluses of primary products. Yet its farm population is surprisingly small. The produce and income per unit have not suffered due to this smallness of farm population because the farmers are "production specialists" and many aids to better production are available.

Secondly, since secondary and tertiary industries are essential for a rising standard of living, a considerable part of Australia's rural labour is drifting towards Cities which are industrial centres. This drift to Cities can be stopped by decentralising secondary industries.

India is also a producer of primary products like Australia. Yet her economic condition is a contrast to that of Australia. She has not attained a high standard of living. Her income is obviously low and her yield per worker and per unit of land is still not high. Our primary industry is obviously a numerically strong one but not an economically healthy one. True that our population conditions are different from those of Australia. Yet it should be possible to develop our primary industry on healthy lines suited to our conditions. The Co-operative Movement has a wide scope of activity in this direction. Already work in this direction has been taken up in several forms like co-operative farming and land reclamation and colonisation. Yet the progress made is very little. It is hoped that more strenuous efforts will be made by the agriculturists all over the country to try various methods of co-operative endeavour whereby our Country can build up an economically healthy primary industry.

The other important point is that though secondary industries have not yet been properly developed in our country, still the drift to Cities is fairly large. There is need for a change of outlook in this respect. Decentralisation of industries is to be the order of the day in India. The perfection which it attained in Japan before the war is known to all. This policy has been found to be extremely helpful for socio-economic regeneration even in America. Decentralisation of industry has been recommended by Wendell Wilkie to Chiang-kai-Shek of China when the latter sought his advice. It is therefore advisable that this drift to the towns and cities should stop and that the rural labour force should be employed to develop small and medium industries in the rural and semi-urban areas.

Madras Yarn Distribution Scheme in Practice :

Mill yarn distribution through co-operatives in the Madras Province has been on trial for two months and the decision of the Government allocating fifty per cent of the yarn supply of the province to the Co-operatives and the balance to the private trade channels has to take effect very shortly. It will therefore be instructive to note the general impressions of some of the weavers and others thereon.

In the case of yarn distribution, we gather that two defects have been noticeable in the distribution at various centres. First the irregular intervals at which the supply has been made at any particular centre and the insignificant quantity of supply at a time to the looms. News columns in papers announced periodically that thousands of bales have been made available by the Mills to the Provincial Society for distribution. But actually numerous "live" looms have been starving for want of a feed.

Another defect of equal importance is the difficulty in making use of the yarn supplied to the weavers. In a number of cases the weavers are given yarn of a count different from what they are accustomed to use. In some cases the weavers have changed the reed so

as to make use of the yarn. But in most cases where particular localities use only particular counts of yarn, the handicap has been severe. In such localities, there is a market for no other variety of cloth and so the weavers who receive yarn of a different count have a great difficulty in using it. For instance, at Uravakonda in the Anantapur District the weavers use only 20s. A large number of the weavers are now supplied yarn of 30s. to 40s. Since it is of no use to them they dispose of the quota to yarn dealers and weavers of Anantapur and Tadpatri in the black trade and make some 20 per cent profit while their looms remain idle for want of yarn.

All these defects are mainly due to two factors. First the absence of transport facilities. Secondly, the basing of all estimates on old data which did not work well even during the exigencies of War. During the period of decontrol of yarn the Government could have taken steps to collect correct data for future guidance so that a workable arrangement could be made easily when need arose. This the Government had not done and hence the present difficulty. We understand that in all districts the weavers' co-operatives have taken a census of all active looms. The Government will do well to collect through the Provincial Weavers' Society all the data relating to the number of looms and the counts of yarn used and the like for future guidance. We hope that the co-operatives will meanwhile do their best to ensure an equitable distribution of yarn to all the weavers—those in the co-operative fold and the others, so that the weavers outside the fold may learn by association the usefulness of joining the Co-operative Movement.

We may mention in this connection that some of the co-operative organisations are not satisfied with the Government decision to exclude seven districts from yarn distribution to outside looms through co-operatives. Elsewhere in this issue is published a memorandum of the *Sahakara Vijnana Samithi* of West Godavari requesting the Government to reconsider this decision. *Inter alia* the *Samithi* suggests that "no district should be left out of the scope of distribution of yarn to the outside looms through co-operative institutions." We regard it as a wise suggestion and commend it to the Government for consideration. The Government have embarked on a policy of rapid co-operative development. It is necessary for the outside weavers also to know how the co-operative treats them—whether it treats them in a way different from that of a private trader. The human treatment which a co-operative gives is the chief factor that distinguishes it from a private trading organisation. And this treatment can be understood by the outside weavers only by personal experience. Hence if the co-operatives are given a share in the outside yarn distribution also, their case will be strengthened. We hope that the Government will therefore reconsider their decision and see that no district is kept out of the reach of Co-operation for outside yarn distribution.

Weavers' Co-operatives in Madras*

PRODUCTION—SUPPLY OF RAW MATERIAL

VISWANATHAN TEKUMALLA

Though co-operative activity among the weavers, in the Madras Province began as early as 1905, when the first weavers' society was started at Conjeevaram, its progress was extremely slow and unsatisfactory. There were in 1919-20 only 21 weavers' societies. In 1928, the Townsend Committee on Co-operation found that most of the weavers' co-operatives did little, if any, work. While as early as 1921 Mr. Hemingway expressed his faith in the efficacy of co-operation for the betterment of the weavers and even fancied the mental picture of a net work of weaving societies throughout the presidency organised into central and wholesale societies, the experience of the official and non-official co-operators for over a quarter-century showed clearly that the movement had not made much headway and that the weavers evinced little interest and faith in co-operation as a means of self-improvement.

This lack of popular interest in the movement was the result of a functional defect in the existing weavers' societies. These societies were mostly credit organisations. Like the common rural and urban credit societies where the weaver members could take loans in cash and repay them likewise, these weavers' co-operatives also issued loans mainly in cash and received payments in cash only. They helped the weavers in no other way. The weavers had to produce and market their goods on their own account and at their own risk. A few production and sale societies however took up the risks of production. But their attempts were not successful because of the fluctuations in the yarn and cloth market. In consequence, the growth of the weavers' co-operatives was very slow and their membership very meagre, even the best society not being able to enlist as members more than 15 per cent of the weavers of the locality.

There were in 1934-35 only 39 weavers' societies, all of which except two, were merely credit organisations. These two organisations of Coimbatore and Salem carried on production and sale chiefly

*This article is based on the Reports and other records of the Madras Handloom Weavers' Provincial Co-operative Society and on the personal investigations of the author.

on account of the subsidies placed at their disposal by the Government of Madras and "the adventitious help they received from a Collectors' wife and a Collector who took up the cause of the depressed weavers." The annual transactions of all types of societies, *i. e.*, credit, purchase and production and sale societies, amounted to Rs. 5 lakhs only, while the annual production and sale of handloom cloth in the province was estimated at Rs. 5 crores.

The weavers were still faced with serious problems, namely—

- (a) their indebtedness to master weavers or *sowcars* and their virtual dependence on them and inability to get out of their clutches;
- (b) the difficulty in obtaining yarn at reasonable prices so that the members might not desert their societies and join the master weavers;
- (c) the difficulty in marketing handloom products in the face of competition of cheaper mill made cloth in certain varieties; and
- (d) the poor credit worthiness of the weavers themselves in view of their intemperate habits and application of questionable methods in industry.

These problems were sought to be tackled by organising the weavers on co-operative lines *more effectively* so that not merely financial weakness but all the other handicaps of the industry might be removed. The hardship suffered by the handloom weavers during the period of Economic Depression, when they were forced to meet mill cloth competition by reducing their wages and margins of profit to starvation levels made the need for reorganisation of the handloom industry the more urgent. There was an agitation for State-aid to the industry in some form. The Government of India thereupon earmarked for the purpose a sum of Rs. 5 lakhs per annum from out of the proceeds of the import duty on yarn. At the Industries Conference held at Simla in July 1934 the question was discussed as to how far the co-operative movement could be employed for the improvement of the handloom industry. Serious charges were levelled against the work of the weavers' societies in all provinces. Madras, however, pleaded for the establishment of a Provincial Weavers' Co-operative for the proper production and sale of handloom goods. It was at last decided to develop handloom weaving on co-operative lines.

A scheme having been drawn up by the Department of Industries, Madras, and approved by the Government of India, the Provincial Weavers' Co-operative came into existence in 1935 for the purpose of organising and developing the handloom industry of the province on a commercial basis and thereby improving the economic condition of the handloom weavers. Following the organisation of the Provincial institution, most of the primaries which were functioning only as credit institutions now took up production and sale of cloth as well. Some new societies also came into existence. Though the starting of only 30 production and sale societies was originally contemplated by the Government scheme, the limit had to be raised in view of the need for solving the problem of unemployment among the weavers and the enthusiasm and confidence felt at the prospective help of a Provincial organisation. The production and sale of handloom cloth was taken up by all the co-operatives of which there were 97 with 2,453 looms as on 30-6-38.

Since the weavers were poor and their societies were unable to realise the value of their entire production without delay, the Provincial Society was obliged to assist the primaries even from the second year of its starting. So, apart from subsidies to the societies, it also granted them cash-credits and loans during the first years for the purchase of raw materials and for paying wages to member-weavers. In spite of the facilities afforded by the Provincial Society, the primaries continued to experience difficulty in the matter of obtaining the required raw material.

Mill Yarn:—Though a complete and correct census of cotton handlooms in Madras had not been taken before the war, it was, however, roughly estimated that their number stood at about 2,50,000 during the years just preceding and following the outbreak of the War. Most of these looms consumed yarn of 20s. to 40s. The following statement shows the sales of two big yarn merchants of Palacole (West Godavari) to handloom weavers.

Count.			Year 1938—39.	Year. 1940—41.
20s.	Bales	...	171½	133½
40s.	"	...	205	261½
60s.	"	...	228	142½
80s.	"	...	80½	73½
100s.	"	...	37½	28½
120s.	"	...	6½	3½
150s.	"	...	½	1

The above statement which can be taken as typical of the yarn market in the South shows that yarn of 20s. and 40s. had the largest demand and that yarn of 60s. and 80s. stood next. There was a considerable demand for yarn of 100s. to 150s. also.

The requirements of the weavers varied to some extent. They consumed more yarn of 20s. and 30s. and less of the higher counts. On an average they consumed about 3 bundles of 10 lbs. each per month per loom. It has been estimated by the Handloom Weavers' Association, Ellore (West Godavari) in December 1941 that the monthly consumption of 659 families possessing 891 looms was 1911 bundles of 20s, 654 of 40s, 324 of 60s. and 18 of 80s. of 10 lbs. each— which meant about 3.3 bundles of 10 lbs. per month per loom or 4.3 bundles per family of three adults and one child.

The weavers, particularly those outside the co-operative fold had to purchase their requirements in the local market. The co-operatives also often purchased their requirements in the market at the prevailing rate. Since finance has always been the stumbling block of the weavers—outsiders as well as co-operative ones—these unfortunate artisans seldom had yarn for more than 16 days' work in a month. The weavers in the co-operative fold were, however, a little better off in this respect. They received yarn to a considerable extent from the mills at wholesale rates on the guarantee of the Provincial Society. During the year 1937-38 guarantee was given for 51 societies to the extent of Rs. 42,980 against which the societies purchased yarn to the extent of Rs. 24,090 only. Of this Rs. 12,395 was paid by the societies direct and Rs. 7,981 by the Provincial Society on behalf of the primaries, leaving a balance of Rs. 3,714 due to the Mills. This system was continued for a few years; but it was not found to be advantageous to the societies in many cases because the societies were able to obtain yarn locally at lower price on account of the reduction effected by the yarn merchants who generally made forward bulk purchases from the mills in favourable seasons. This is evident from the fact that in 1940-41 the societies obtained direct from the mills only 9 per cent of their yarn requirements out of a total quantity of 6,32,194 lbs. of different counts of yarn, valued at Rs. 4,20,545 and consumed by the societies. With a view to remedy this, it was suggested by the Sub-Committee appointed for improving the weavers' societies that the Provincial Society should purchase during favourable seasons the requirements of the societies and stock the materials for distribution when necessary. But this was not

possible, evidently, for want of finance. Meanwhile due to war conditions the price of yarn, both imported yarn and Indian mill product, began to rise. For instance in Ellore yarn market the price of Madura Mill yarn of 60s. which was only Rs. 5 per bundle or 5 lbs. in August—September 1940, and Rs. 5-15-0 on 1-1-1941 rose to Rs. 7-2-0 in June 1941. Some how the weavers were able to obtain their yarn requirements at the local market and through the Provincial Society. But since the outbreak of War between Germany and Russia in June 1941, and the issue of the "freezing order" against Japan in July 1941, the societies were not able to get yarn either from the Mills on the guarantee of the Provincial Society or from the local market at reasonable rates. At Ellore the price of 60s. yarn of Madura Mills which stood at Rs. 7-2-0 per bundle in June 1941 rose to Rs. 15 on 12-12-1941 and to Rs. 18 within two days. At Palacole one of the biggest yarn markets of the Andhra Desa, the price of the same variety of yarn rose from Rs. 6-10-0 in June 1941 to Rs. 10-6-0 in October and Rs. 13-7-0 on 13-12-1941. There was also the difficulty in getting finer counts of yarn due to war conditions. Therefore all societies which formerly used finer counts had, of necessity, to use lower counts of yarn to a large extent. The stocks of foreign yarn gradually dwindled and the dependence of the weavers on Indian mill yarn increased further. With a view to aid the primaries in these circumstances, the Provincial Society purchased yarn from some mills on a forward contract system at panel rates and supplied yarn to the co-operatives, *f.o.r.* destination and 45 days' credit. The prices were very reasonable. For instance 60s. yarn was supplied at Rs. 18-4-0 per bundle of 10 lbs. to the co-operatives in September 1941, while the market rate was Rs. 19-14-0. Likewise in December 1941, the supply was made at Rs. 20 per bundle while the market rate was Rs. 24. This gave more work to the co-operative looms while the looms under the master weavers suffered for want of yarn.

When the prices again tended to fall about the end of December 1941, the Provincial Society stopped further purchases and hastened to dispose of the stocks held. Consequently when prices again shot up in April 1942 by 100 to 300 per cent the Society was hard pressed for yarn for several months since much yarn was not forthcoming from the mills at panel rates. The available stocks had to be utilised in order of preference for dye factories of the Provincial Society, societies in distress, societies executing war orders and lastly societies newly started. But when the Yarn Control Order came

into force in July 1943 the prices fell and the Society had accumulation of stocks which it tried to dispose of in the open market. This was obviously because the Society had not yet built up its finances and therefore was unwilling to take the slightest risks during a period of unstable prices.

The Control Order, however, gave some stability to the yarn market for a time. But the absence of any regulated supply to the various centres gave room for some black marketing. There was also a fall in yarn production due to labour disputes and other factors. Therefore in 1945 yarn began to be rationed out. This ensured a regular supply of yarn to the looms, but since the yarn quota was based on the looms existing in 1941, it was difficult to meet the demand of the looms which increased to about 5 lakhs. The result was that while some genuine weavers produced cloth, the others simply disposed of their quota at a premium. Thus many a genuine weaver suffered for want of yarn for his "live" loom. The situation grew worse when the yarn quota was further reduced early in 1946. The weavers in the co-operative fold were allowed an additional 20 per cent yarn ration; but it was of no substantial benefit in the circumstances of *grave shortage* of yarn.

New difficulties now confronted the handloom weavers. The weavers were never the masters of the situation in the yarn market. They always had to pay the price demanded. The prices of yarn had already gone very high, compared with the pre-war level of prices. To add to this the Provincial Society had to pay the quota holders' margin also, though till then the mills supplied yarn at ex-mill rates only. The Government, however, cancelled this in June 1947, but soon there came the surcharge on yarn. This surcharge raised the price of yarn much and enhanced the cost of production. By Government intervention, the surcharge also was, however, removed.

When early in 1948, yarn prices were decontrolled and yarn was derationed the prices again rose high. The ex-mill price itself rose about 70 to 80 per cent over its level during the control period. The market price of yarn rose as high as 100 per cent and more. It looked as though the old woes would recur. Thanks to the wisdom of the Governments at the centre and the Madras Province, controls have been reimposed and the distribution of yarn has been entrusted to the co-operatives. The weavers are now able to get

yarn at controlled, though high, rates but unfortunately they are unable to get yarn of the count they require. The irregularity in supplies is another handicap. It would be a benefit to the poor weavers if the supply is regularised and yarn could be obtained in adequate quantities at fair prices. It is necessary that the Government and the Provincial Society should work together towards this end so that the greatest handicap of the weavers may be removed.

Hand Spun Yarn.—*Khaddar* production received the attention of the Provincial Society to a little extent during the early years of its work. There were some six societies in Guntur, Cuddapah, Anantapur and Malabar districts of which two societies in Guntur district were purely *khaddar* societies and the others *khaddar* and mill yarn weaving societies. Hand spun yarn was obtained by these societies from about 1,345 spinners of whom 850 belonged to the Guntur Societies. The Provincial Society tried to obtain for the *khaddar* societies a subsidy from the *khaddar* grant of the Madras Government. It also tried to get them certified by the All India Spinners' Association. But it failed in both directions. These circumstances and probably also a change in the administration of Madras after 1940 and a change in the policy of the Society resulted in the absence of interest in *khaddar* production by co-operatives. A few societies still use handspun but they do it on their own account. The Provincial Society has mainly confined itself to mill yarn weaving.

Silk, Art silk and Lace :—Before the war and during the early years of the war some societies were using silk, artificial silk, mercerised yarn for borders and mixtures in the body of certain fabrics. This material was mostly imported from Japan. The yarn used amounted to Rs. 83,326 in 1940-41 and Rs. 1,07,629 in 1941-42. Due to the abnormal rise in prices of these kinds of yarn their use had to be either reduced considerably or given up. Cotton weaving was taken up by these silk and art silk looms. In 1945 the Provincial Society began to purchase considerable quantities of art silk at controlled rates from local merchants and distribute to the societies at a small distributive margin. Art silk is now available in large quantities and some societies have again begun to use it in fabrics.

Lace (gold and silver thread) forms a very important raw material of the weavers of fine fabrics. The co-operative looms consumed lace worth Rs. 36,342 in 1940-41 and Rs. 46,594 in 1941-42. The extensive use of lace suffered during war due to very high prices but it has never been given up. During recent years its use has again increased due to larger availability.

The Madras Co-operative Central Land Mortgage Bank, Limited.

LUZ, MYLAPORE, MADRAS.

President :

SRI C. S. RATNASABAPATI MUDALIAR,

Authorised Capital	...	Rs. 20 Lakhs.
Paid up Capital	...	Rs. 11,93,500.
Reserves	...	Rs. 22,38,581.

The Bank is the Apex Co-operative Bank for long-term agricultural credit and issues debentures for 20 years on the security of first mortgages transferred to it by Primary Land Mortgage Banks and its assets.

The principal of and the interest on these debentures are guaranteed by the Government of Madras. They are TRUST SECURITIES and are also approved Securities under the Insurance Act, 1938. A REDEMPTION FUND (SINKING FUND) is constituted to pay off the debentures of maturity.

Summary of Balance Sheet as on 30-6-'48.

Liabilities.		Assets.	
	Rs.		Rs.
Paid up Share capital	11,93,500	Cash on hand & balance with Banks	7,54,480
Reserve and other Funds	22,38,581	Loans	2,99,12,090
Debentures	8,41,55,800	Sinking Fund Investments.	75,95,681
Deposits	89,92,061	Other Investments	84,62,688
Sundry Liabilities	4,62,457	Sundry Assets	5,51,577
Profit	2,34,567		
Total Rs.	4,22,76,466	Total Rs.	4,22,76,466

M. DATTATRAYULU, B.A., C.A.I.I.B.,
Secretary.

Co-operation—The Key to Individual and International Progress*

THE HON. SRI K. CHANDRAMOULI
Minister for Local Administration

Gentlemen and Brother Co-operators,

We have met here this evening to celebrate the International Co-operators' Day. This meeting is a reminder to us that Co-operation is not the privilege of any single country but that it is a principle acclaimed and adopted by nearly every country in the world. It transcends national frontiers and clasps within its warm embrace not only peoples of different countries but also peoples of different communities, castes and creeds.

Co-operation may take different forms: it may distribute credit or distribute goods; it may produce goods or dispose of them. It may concern itself with business—pure and simple, or it may even set its hands to the promotion of education or social welfare. Co-operation may also assist different classes of people: it may promote the economic interests of agriculturists; it may improve the lot of industrial workers; it may cater to the needs of salaried employees; it may even assist the unemployed to get employed. Yet, whatever the activity of co-operation may be and whoever may be the class of people it seeks to help, the principle that governs it is the same all the world over. It aims at making every man help himself and gets every man to help others associated with him in a common enterprise. It does not seek to help one individual at the expense of others but endeavours to promote his welfare along with the welfare of his neighbours. This cardinal principle of self-help and mutual help is the common ground on which co-operators in every part of the world live and act and one of the chief objects of the International Co-operators' Day is to emphasise this fundamental principle.

I am glad to be able to give you today an example of how this principle of self-help and mutual help has been put into force during the last one year between our Province and Ceylon, in spite of the Gulf of Mannar which separates us. People in Ceylon needed our onions and our turmeric for their consumption and we on this

*Presidential Address of the Hon. Sri K. Chandramouli, Minister for Local Administration, at the Co-operative Day Meeting held on 6th November 1948.

side of the Gulf were in need of a good market for these products. Consumers there and producers here agreed to help one another and the Government of India gave their blessings to such a co-operative enterprise by issuing the necessary permits. 500 tons of onions have been supplied already by the Dindigul Co-operative Sale Society to the Co-operative Wholesale Establishment in Ceylon and 1,100 tons more are being shipped to the Co-operatives in Ceylon by that society and the sale societies at Proddattur and Tadpatri. The Gobichettipalayam Sale Society shipped 35 tons of turmeric to the Co-operative Wholesale Establishment in Ceylon valued at over half a lakh of rupees. The Provincial Handloom Weavers' Society has exported 13 lakhs of yards of handloom goods to Burma, Malaya, Singapore and Ceylon, and nearly 12 lakhs of yards to Pakistan and East Bengal, although only a small number of the importers of handloom cloth in these other countries were co-operative institutions. It is gratifying to observe that consumers of our handloom goods are organising themselves into co-operatives in most of these countries and that our Provincial Society seeks to aid such organizations. It is my fond hope that co-operative institutions of this Province will develop more and more business with other countries and establish the fact that Co-operation is international not only in concept but also in practice.

Coming to our own country, the cosmopolitan character of co-operation has to be emphasised a great deal more than is generally being done now. There is no reason why the Scheduled Castes and the Backward Classes should be segregated into co-operative societies of their own. Although efforts are being made here and there to merge them in co-operative societies open to all communities, the progress in this direction is still meagre. It seems to me that there are few people of the higher castes who are opposed to accommodating the lower castes in one and the same co-operative institution. The difficulty seems rather to lie with the people of the lower castes themselves who in several cases appear to be anxious to preserve their separate identity. To both the upper and the lower castes, I would make an appeal in the name of Co-operation to seek their common welfare in common co-operative societies.

A step in this direction would probably be the multi-purpose co-operative society in each village. Although every one of our rural co-operative credit societies is a multi-purpose society

according to its constitution, very few of them have adopted other functions than credit. The distribution of foodstuffs, cloth and groundnut cakes through these rural credit societies has been a great help in making these societies take to other activities besides credit. *But if more and more rural credit societies are to assist the rural population in more directions than credit, the control orders which have helped in this transformation alone will not suffice. Co-operators in rural credit societies themselves should make up their minds to assist their fellow men in more directions than one and toil for this object.*

It is gratifying to observe that wherever the controlled credit scheme has been adopted, Marketing *Panchayatdars* in rural credit societies have helped their members in collecting their produce, in transporting them to the nearest sale society and in disposing them of there at favourable prices. During the year 1947-48, 578 rural credit societies collected and disposed of agricultural produce in this manner. Although control orders which regulated prices of food-grains were an obstacle to the promotion of this activity, the volume of business done, which largely relates to commercial crops, is a pointer to the possibilities of this line of activity. With a view to aid non-credit activities of this variety in rural credit societies, it was decided at a conference of co-operators held in September 1947 that the strength of the supervising staff should be increased from one supervisor for every 25 or 30 societies to one supervisor for every 15 societies. I am glad to inform you that this recommendation is actively under the consideration of Government and a decision will be reached very soon.

A more elaborate form of multi-purpose co-operative societies in villages has been recommended by the Registrars and the by-laws relating to them are now under the consideration of Government. It has been decided that these societies should be established in three of the *firkas* under the Firka Development Scheme, viz. Tirumangalam Firka (Madura district), Dendulur Firka (West Godavari district) and Kembla Firka (South Kanara district). The experience gained by the working of these societies, it is hoped, will guide the people in other areas in adopting similar types of societies.

The rural credit societies situated in the Pattukottai taluk of the Tanjore district served by the Cauvery-Mettur Project and the land colonization societies scattered all over the province are two

remarkable examples of how more activities than credit could be discharged by co-operatives situated in villages. 20 rural credit societies have reclaimed 2,768 acres of land and brought them under cultivation. They have erected 8 godowns into which is gathered the produce of these lands and in which articles in domestic need are also distributed to the members. One of them has introduced even *Khadi* spinning. 36 land colonisation societies have settled 3,725 people on land. They have brought 10,082 acres of lands under cultivation. Some of them have introduced mat-weaving, sheep-breeding and poultry-farming. The success obtained with these societies has given rise to the evolution of a new form of land colonisation society which is intended not exclusively for poor landless labourers but jointly for *Pattadars* and field labourers. The registration of one such society at Marudur in Trichinopoly district is under the active consideration of Government and I hope that when it is approved many more such societies will be registered in the Province. They are expected not only to improve agricultural production but also to promote happy relations between land holders and field labourers.

Gentlemen, I shall not detain you longer. I shall conclude by reiterating the central character of Co-operation, viz., that it stands for the progress of the individual along with the progress of other individuals in whose company his lot is cast. This principle has to be applied in the village and in the town. A stage higher, it has to be applied in the districts and in the Province. It attains the ideal, the acme of development, when it is applied to a whole country and between countries. This is what Co-operators long for and pledge themselves to do on the International Co operators' Day.

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Co-operation—Its Philosophy and Possibilities*

RAO BAHADUR K. SUBRAHMANYAM, M.A.,
Joint Registrar of Co-operative Societies, Madras

It is natural on an occasion like this to sing the praise of Co-operation. But it does us good and it does the Movement good to think now and then of those fundamental principles on which the Movement has been built and on which it has been thriving. The International Co-operative Day is an appropriate occasion to think of these basic principles and affirm our faith in them.

If I should be asked to mention the distinguishing features of the Co-operative Movement, I would first point out the *universal character* of the Movement. There is hardly any country in the world either independent or colonial, in the West or in the East, in which the Co-operative Movement has not made some progress. Whether it be in Russia or U.S.A., South Africa, India, Ceylon, Palestine, Tanganyika or Tunisia or Ethiopia, the Movement has been making steady and often rapid strides. The universal appeal which the theory and practice of co-operation has made to the millions of people in the world is both arresting and remarkable.

I would say that the *unifying influence* which the Co-operative Movement has exercised over the different peoples of the world is its second feature. The world is torn by conflicting political and economic ideals and ideologies, racial discrimination, or religious animosities. I believe that there is hardly a movement which unites people, which brings them together as free members of society and exercises such unifying influence as the Co-operative Movement does. We find on a little reflection that even the United Nations Organisation which has been brought into existence for the promotion of international peace, security and concord, has become a place of friction, misunderstanding and dissensions and that instead of promoting peace and good will, it seems to create fear, ill-feeling and insecurity among the peoples of the world. In co-operative gatherings, people belonging to different political parties, advocates of different economic systems, followers of different religions and creeds assemble, talk together, exchange greetings and proclaim their faith in the Co-operative Commonwealth. In international co-operative gatherings, the

*Address delivered on the occasion of the celebration of the 26th International Co-operative Day and the All-India Co-operative Day-Saturday 6th November '48.

Russians, the French, the Americans, the English, the Canadians, the South Africans, the Indians, the Ceylonese, or the Chinese or the Dutch, meet together as members of a co-operative family and exchange notes and ideas in a spirit of mutual good will which, one can imagine, is hardly noticeable on other occasions. The unifying influence of the Co-operative Movement is remarkable.

I would point out to the *versatility* of the Co-operative Movement as its third feature. The co-operative technique is capable of varied application. In our own country we have applied it to different aspects of our economic life. Though started as a provider of agricultural credit, the Co-operative Movement has developed in other directions as well. Co-operative marketing, co-operative supply and distribution, co-operative dairying and cattle breeding, co-operative housing, co-operative production represent the diversity of co-operative endeavour. The co-operative method is, in a changing world like ours, being applied to the varying needs of society. Co-operation can be adopted to serve the needs of different social and occupational groups. Agriculturists or urban classes, fishermen or weavers, all can utilise the co-operative method to serve their economic needs. Health co-operatives in Yugoslavia, co-operative medical and hospital schemes in the United States and in Japan, co-operative laundries in Denmark and Sweden, co-operative hotels, holiday homes and camps in Great Britain, theatre, publishing and folk art societies in Czechoslovakia are yet other examples of the versatility of application of co-operative method.

There should be something great about a movement which has these features about it, and to my mind, its greatness is based upon those permanent human values which the people all the world over cherish. Co-operation is economic democracy in action. It is based not upon selfish individualism but upon mutual and collective endeavour, not on exploitation but on social and economic justice and equity, not on compulsion and regimentation but on voluntarism and democratic freedom, not on hatred but on love and good will. It is these fundamental human values, it is these basic principles which constitute, if I may say so, the code of co-operative and business morality on which the Movement has been founded and which sustains its international growth and development. And, may I add, that to the extent to which this code of co-operative and business morality—which more or less corresponds, if I may say so, to the Gandhian ethics—is observed, practised and enforced, to that

extent alone the Co-operative Movement will succeed and flourish. Why not the statesmen of the world make a co-operative approach towards the international problems that face them to-day and apply to the solution of those problems the basic principles of co-operation? Sooner or later they will have to realise that this is a quick and sure remedy.

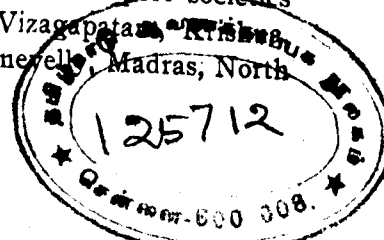
Mr. Viyyanna has asked me to say something about the ex-servicemen co-operative societies. The ex-servicemen are our own brave men who returned after demobilisation to settle in civil life. They participated in the Great War and fought the forces of aggression in order to uphold international peace, security and good will which are also the main objectives of international co-operation. It is only fitting that the Government should have made provision for their resettlement. There are three main lines on which resettlement has proceeded in Madras. *First*, the Employment Exchanges have been contacting employers of labour and trying to place the ex-servicemen in factories, mills, workshops, railways and so on. *Secondly*, technical training centres have been started all over the country in order to give specialised training in certain crafts and trades so that, after training, the ex-servicemen may be absorbed in the industrial life of the country. *The third line of resettlement is the provision made for their employment through co-operative institutions. Broadly these are of three types—co-operative land colonisation societies, co-operative motor transport societies and co-operative workshops.* Ex-servicemen with agricultural bias and with no land of their own are settled on land. The land is alienated in favour of co-operative societies of which the ex-servicemen colonists are members. Each member has permanent occupancy right in the land. He has full freedom to cultivate the land and take the profits accruing from his holding. Each colonist is generally allotted 5 acres of wet land or 10 acres of dry land, as the case may be. He has no right to sublet or otherwise encumber his holding; it is inalienable and impartible and will, on his death, pass undivided to the senior male heir or other nominee. The object is to prevent fragmentation—a necessary and sound provision. The lands gifted to the society are given complete exemption from assessment for two years and for the following three years the society has to pay assessment on the area actually occupied by the colonists.

Thirteen land colonies have been approved by Government. Some more are under investigation or have been deferred. Ten

societies have started functioning, one each in the districts of East Godavari, West Godavari, Krishna, Guntur, Kurnool, Chingleput, Tanjore, Tiruchirapalli, Salem and Coimbatore. To the ten societies about 10,500 acres of land (wet and dry) have been allotted. There are at present about a thousand ex-servicemen colonists on rolls. About 3,000 acres of land have been brought under the plough. A good deal of money was expended and is being expended to make the land cultivable. Shrub jungle was and is being removed; the land is being levelled; wells were dug; irrigation facilities have been provided, approach roads were laid out; huts were constructed. There is still some land which needs reclamation by way of jungle clearance, levelling, removal of salinity, and no efforts are being spared to speed up reclamation as well as the execution of irrigation and drainage works. A co-operative senior inspector in charge is the friend, philosopher and guide of the colonists and he inculcates a spirit of co-operation and self-help in them. An agricultural field man or demonstrator gives the colonists advice in agricultural matters. We have plans for starting orchards, cattle-breeding and dairying and for undertaking subsidiary occupations. Poultry-farming has already been taken up in some of the colonies. The object is to arrange balanced mixed farming.

The Central and Provincial Governments and the Committee for the Administration of the Post War Services Reconstruction Fund are bearing the entire expenditure involved in making the land fit for cultivation and giving a decent start to the colonists. The Post War Services Reconstruction Committee of which His Excellency the Governor is the Chairman, has been generous enough to give the colonies financial help for payment of part of share capital and for purchase of manure, seeds, implements and bulls. Their loans and grants exceed Rs. 9.4 lakhs. The grants by the Central Government are about Rs. 8 lakhs and the value of land gifted by the Provincial Government is estimated at about Rs. 27 lakhs. We are building up a new social, agricultural and economic life in these colonies. It is our hope that with the liberal help thus provided and with industry and zeal on the part of the colonists, the land colonies will, in due time, become flourishing centres of agricultural enterprise.

We have now thirteen co-operative motor transport societies with 289 lorries, one each in the districts of Vizagapatam, Krishna, Guntur, Tanjore, Tiruchirapalli, Madurai, Tinnevely, Madras, North



Arcot, South Arcot, Coimbatore, and Malabar. We have provided employment for about 700 ex-servicemen who worked while in the army, as drivers, cleaners and fitters. An interest-free loan of Rs. 20 lakhs for financing the purchase of chassis, body building, M. & B. sheds for garaging the vehicles and workshop equipment and tools has been given by the Post War Services Reconstruction Fund Committee. During the year ended 30th June 1948, these societies paid over Rs. 3 lakhs by way of salaries and allowances to their member-employees. Apart from their utility to the general public, they often help the Civil Supplies authorities in the movement of food grains, the Highways Department for the transport of road material, etc. We are formulating plans for regular parcels service in some of the districts.

Medium scale industrial workshops are the third co-operative agency for the resettlement of ex-servicemen, who received training in 'Civmil' centres, and who were employed on technical jobs while in the Defence Services, as tin smiths, copper smiths, carpenters and mechanics. We have one engineering workshop, four metal and five timber workshops. There is a technical training centre attached to each workshop and the ex-servicemen are given training in the particular industry for which they are selected. They are each paid Rs. 15 towards stipend and Rs. 23 towards messing allowance. After training, they are employed in the workshop as regular paid workers. The timber workshops located at Duvvada (Vizagapatam District), Katpadi, Talayuthu (Tinnevely District), Olavakkot (Malabar District), and Tiruvotthiyur (near Madras) manufacture teak and rosewood household and office furniture at competitive prices. They have undertaken contracts for the supply of furniture to district boards, municipalities, Government offices, banks and other institutions. Metal workshops located at Duvvada, Katpadi, Kumbakonam and Olavakkot manufacture brass and copper household utensils of various kinds. The articles produced are steadily becoming popular. Prices are competitive and workmanship is good.

Production is still being carried on with manual labour and hand tools. Proposals for their reorganisation, for equipping them with up-to-date labour-saving machinery and stepping up production are under consideration. I must mention here that only three days ago the Post War Services Reconstruction Committee has approved the reorganisation of five of these workshops at a total capital cost of about Rs. 7 lakhs. And 60 per cent of this cost is borne by the

Committee and 40 per cent by the Provincial Government. Thanks to the efforts of the Honourable Minister for Food who is in charge of the Resettlement schemes, we expect soon to have these workshops functioning as really model industrial concerns.

Co-operative workshops and motor transport societies are a new co-operative enterprise. They point more forcefully than any other form of co-operative endeavour, to the versatility of the application of co-operative technique. There has been a school of critics who never feel tired of repeating that the development of the Movement is lop sided, that the Movement has developed on its credit side and that the other activities have not received equal attention. This criticism can no longer hold good. During the last one decade we entered many new fields. And through the medium of co-operative resettlement of ex-servicemen we have entered the large and indeed, difficult field of food production, transport and industry which, I am sure you will admit, are so vital to a country's existence.

Again, these institutions, if properly developed, are of great potential value. The question of employer-employee relations does not arise in these societies. The members themselves are the employers and the employees. There is no need for strikes or threats of strikes. There can be no conflict between capital and labour. Nor is there need for us to devise schemes of profit-sharing, which, as you know, has been causing a serious head-ache to the Central Government in the recent months. The members share the surplus profits as bonus, after creating the necessary business reserves. The transport societies and the workshops are really self-governing institutions, and provided the ex-servicemen evince genuine interest, put forth hard work, respond to our efforts and make these institutions a business success, they will be doing a great service not only to themselves but also to the community.

We are moving in a changing world. Our social and economic concepts are undergoing rapid changes. There has been a silent inroad upon private and social rights in the interests of the greatest good of the greatest number. The Co-operative Movement is a dynamic movement. There is an increasing recognition that Co-operation should be given an important and high place in the new economic set-up of the country. The changing social and economic conditions influence the Movement in a marked degree. During the Depression of the 'thirties, we were pre-occupied with co-operative measures of debt relief. During the recent war we were

equally pre-occupied with co-operative distribution of the necessaries of life. After the war and as a result of the conditions created by it we are now pre-occupied with the problems of co-operative housing, co-operative resettlement of ex-servicemen and so on. The direction and the stress of the Movement change as social and economic conditions change. This is inherent in the Movement.

Equally the Co-operative Movement cannot escape the influence of modern economic or co-operative thought. There is a school of co-operators which considers that the Movement should not be brought up and nursed in a hot-house. They desire freedom to expand, to change, to experiment. The orthodox school would seem to pin its faith to the sacredness and inviolability of its principles. The modern school equally forcefully proclaims the need for change. The one stands for restraint and security and the other for freedom and speed. The one would like to measure the progress of co-operation by its depth and the other by its length. The one wants qualitative consolidation and the other quantitative expansion. We have to respect both—changers and no-changers, Socialists and Conservatives. Both deserve our praise and our gratitude; both are workers in the same field and with the same ideals. But then let us remember that co-operation is a process of evolution and not revolution. A disinterested student of co-operation and recent co-operative thought may say that wisdom and policy alike would lie not in a rigid adherence to everything that is old nor in a violent confession of faith in something entirely new, but in a harmonious blending of the old and the new, the happy middle way. We want some kind of 'practical idealism', if I may use the expression, in co-operative planning and practice. I will certainly tax your patience if I now proceed to elaborate these general statements. This is not the time; nor is this the occasion.

The Provincial Co-operative Union represents or at any rate ought to represent the quintessence of non-official co-operative thought. It has been entrusted with the important functions of co-operative education, propaganda and publicity. I have always felt that the Union can do much more to promote co-operative education. Apart from the publication of the Madras Journal, holding the provincial co-operative conferences or the celebration of the International Co-operative Day, it can address itself to the promotion of co-operative thought and literature. It can conduct surveys of the working of

different types of co-operative institutions and publish the results. It can promote study groups and stimulate co-operative thought. It can start a research department and carry on research into the broad aspects and fortunes of the Co-operative Movement. Its annual conference can be much more than an occasion for adopting resolutions and making requests. It can model these conferences on the lines of the Indian Science Congress or the Indian Economics Conference and invite specialists to read papers and hold discussions on special subjects. In a growing Movement like Co-operation, there is a vast scope for research and study, and the Union much more than an over-burdened department of Government can do a lot in this direction.

One can indicate the broad lines of such research and study but again I shall not attempt it now. I will content myself with one observation by way of illustration. The Honourable Minister for Local Administration, you might have seen in the papers, recently moved a resolution in the Legislative Assembly for the enhancement of Government guarantee in respect of the principal of and interest on the debentures issued by the Central Land Mortgage Bank. When I read the Assembly debates, I was struck with one line of criticism. Some of the speakers raised the question as to why there should be more borrowing in the countryside when the level of agricultural prices was high and when the agriculturists should liquidate their debts rather than contract fresh debts. This is exactly the point on which I have been reflecting for some time past. The loan business of the Co-operative Central Land Mortgage Bank in 1946-47 was about Rs. 48 lakhs and in 1947-48, it was Rs. 62 lakhs. This is surely a striking phenomenon. In 1943-44, the Bank advanced loans for Rs. 18.25 lakhs, in 1944-45 for Rs. 25 lakhs and in 1945-46 for Rs. 43 lakhs. The economists point out, and probably rightly too, that the period of boom is one when every effort should be made to conserve the surplus income of the ryot, to promote savings, to utilise those savings for the liquidation of his debts or invest them productively in a manner which will stand him in good stead in a period of depression which may probably follow a boom. We are aware that the latter half of the decade ending with 1919-20 was marked by a rise in prices due to a world shortage of food supplies consequent on the war. The prices were more or less steady or fluctuated within narrow limits between 1920 and 1927 when a decline set in. The slump became marked in 1930 and reached the

rock bottom in the years 1930-34. We may recollect too the foreclosures and sales of land for the discharge of debts which characterised the depression period and the economic instability and suffering which the ryots had to undergo. These lessons are hard to forget. The critics, therefore, point out that it will be taking a false step to force the pace of loan business in a period of boom. One may in reply point out that it is only during such times that the ryot's credit gets expanded; but then we will have equally to remember "Debt is allied to prosperity and poverty alike; while its existence is due to poverty, its volume is due to prosperity."

I will be covering a far wider ground than the occasion permits if I were to elaborate the point. What I am trying to say is that there is considerable room for enquiry and investigation into the question whether the increased borrowing by the agricultural classes during the last two years is occasioned really by an attempt to discharge their old debts or to finance productive land improvements. One reason given for the recent increase in the loan business is that the land banks have been financing land improvements. Is this really so? In 1946-47, as against Rs. 48 lakhs disbursed, the loans directly advanced for land improvements as such amounted to Rs. 1 lakh while those disbursed for the discharge of debts contracted for land improvements were Rs. 3.78 lakhs. The figures for 1947-48 are Rs. 1.21 lakhs and Rs. 7.07 lakhs respectively. If this argument as to the issue of the bulk of the loans for land improvements is ruled out, an investigation will have to be made into the other factors. Whether the process of liquidation of old debts is much more rapid during the period of boom than before it or whether in view of the prevailing tight money conditions, there has been an unnoticed process of faked debts for the ostensible discharge of which there has been an increased borrowing on the part of the ryots or whether, as happens in some cases, the ryot is turning out to be also a business man, and to finance his business he is resorting to land mortgage banks in a different garb—these and other allied lines of investigation have to be pursued and the results ascertained with a scientific detachment. The results need to be published, too, in the interests of the land banks and the agricultural community so that they may shape their policies and lives on right lines.

I have to tender my apology for this diversion. My point is to stress the need for the Provincial Co-operative Union to broad-base its activities. Last year I made a suggestion at a conference of Land

Mortgage Banks Supervisors and Co-operative Sub-Registrars that the Central Land Mortgage Bank might start a Research Department under an expert Economist, charged with a continual study of all matters concerning agricultural debt, productive as well as unproductive, with an examination of the purposes for which loans are applied for, trends of agricultural prices and their effect on repayments, formulation of schemes of savings and measures for productive investment of long-term capital and so on. I have only attempted to indicate one line of study and investigation but there are many more which can be suggested. The Provincial Co-operative Union will serve the Madras Co-operation and the Indian Co-operation much more effectively if it should widen its functions in these directions.

Let us all pray that Co-operation may spread and flourish and exercise its unifying influence over still larger numbers of the people in the world.

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A Plea for Co-operation*

SRI V. VIYYANNA, B.A., B.L.,

General Secretary

Celebrating International Co-operators' Day serves two purposes, firstly to affirm our faith in the Movement and its principles and secondly to take stock of the achievements and progress of Co-operative Movement in the Province and look ahead and see what still has to be done and achieved.

Co-operators and Co-operative Institutions in the Province can take some pride in the fact that the Movement is growing from strength to strength. The Movement has now taken up the work of house building which at present is confined to towns and cities. An important aspect of Co-operation is service of the villagers who constitute in main the population of India. Therefore Co-operative house building schemes should be extended to villages as well. If we can extend the activities of multipurpose co-operative societies to every village and thereby serve the people we will be achieving the ideal of Co-operative Commonwealth, which is the aim of the Central and Provincial Governments.

We hope Mr. Ryan, our Registrar, a great Co operator who is now the Official Head of the Movement, will lead us in the furtherance of this ideal of a Co-operative Commonwealth. I have little doubt that under the fostering care of the Hon'ble Minister for Co-operation, who hails from the rural parts of the Province and has great faith in the potentialities of the Movement for solving the troubles of the rural people, the Movement will make quick strides towards this end. It is the earnest endeavour of the Provincial Co-operative Union to promote the Movement as best as possible and make it really useful to the people. Propaganda is essential especially in a country where illiteracy is extensive. I hope that the Government, the Department, Co-operators and the public will help the Union to achieve its purpose.

* A brief account of the speech given by Sri V. Viyyanna, B.A., B.L., on the Co-operative Day, 6th November 1948.

International Co-operative Day

Saturday, 6th November 1948.

Mr. K. C. Ramakrishnan in moving the resolution* said :—

This is not a day meant for the discussion of local problems relating to our co-operative societies, but a day that should be dedicated to the propagation of the high ideals of Co-operation in the national and international spheres. The International Co-operative Alliance, which is a world federation of all types of co-operative societies, though still dominated by consumers' societies of the West, has been for a long time propagating the doctrines of Co-operation, which if followed in the international sphere were bound to check the rise of military aggrandisement, economic imperialism and racial arrogance, which had resulted in two major wars in one generation. Co-operation, originally conceived as neighbourhood union, has spread far and wide and has as ever stood for distributive justice, for democratic control of industry, for giving equal opportunities for the strong as well as the weak and for the protection and elevation of men of limited means. If these noble principles and the spirit of altruism governed the affairs of men not only in one country but of statesmen in different countries, all would be well with the world and no war need break out. The leaders of co-operation, who had any say in the affairs of State, would see to it that peace prevails. They were indeed great pacifists, and though their attempts to stem the tide of war failed more than once, they are bound to succeed if more and more people joined the movement in every part of the world and strengthened their hands. The part played by the big co-operative wholesales of some countries in inter-trading and linking the national organisations of producers and consumers of different countries was a good augury for the building up of a Co-operative Commonwealth, where there would be little room for strife, competition and exploitation, and people would be engaged in greater production according to their capacity and better distribution of goods of greatest utility, so as to reduce the fear of want, which now afflicts a very large part of humanity.

With these words, he commended the acceptance of the resolution by all co-operators assembled.

* The Resolution of the I.C.A. has been already published in the last month's issue of our Journals.

Co-operators—Their Hopes and Fears*

PROF. ZACHARIAS, M.A.,

University of Madras

While on this day we are rightly jubilant over the success we have achieved in Co-operation, we have also to take this opportunity to re-affirm our faith in co-operative ideals and dedicate ourselves afresh to its cause. The post-war set-up offers many new opportunities for expansion, but along with them there is also a new danger, a new challenge. The danger proceeds from the nationalization movements which both as a fact and as a near prospect exist in all lands. The socialization process is an enveloping process and gathers momentum as it proceeds, for the philosophy underlying it denies the quality of private character to any sector of the economy. And the danger is that as it proceeds it may swamp and submerge the Co-operative Movement.

As long as it is a choice between Co-operation and decadent capitalism the merits of Co-operation are more or less patent. But when it becomes a choice between Co-operation and State enterprise or State trading it is not easy to establish the superiority of the former. The State can always with its infinite resources and coercive power do in a big way what Co-operation can attempt only in a small way. But Co-operation has inherent virtues, a transcendental excellence, which it is the duty of Co-operators to preserve and safeguard. Its universality, its versatility, its insistence on the value of human personality, its training for democratic citizenship, its flexible democratic control, its mutuality and friendliness and above all its complete divorce from coercion make it a highly ethical and efficient system of social and business organization.

The best way to ward off the danger is to avail of every opportunity to consolidate and expand the movement. Where Co-operation is well entrenched, the case for nationalization is weak. In its absence nationalization will surely come. If we do not have co-operative farming, collective or State farming will surely come. If we do not consolidate the consumer movement, State trading will be perpetuated and extended. The only way to preserve Co-operation is to strengthen it.

* Summary of the speech delivered by Prof. Zacharias, Department of Economics, University of Madras, on the Co-operative Day, 6th November, 1948.

Co-operation in Czechoslovakia*

Following war and occupation, the Czechoslovak Co-operative Movement emerged united, a great social and economic movement embracing millions of families and unifying the whole nation. Before the war there were numerous co-operatives, rival to one another. But now there is one Movement with one apex organisation—the Central Co-operative Council. The Council comprises seven Co-operative Unions for agricultural production; agricultural industry and trade; consumers' co-operation; credit co-operation; workers' productive co-operation; artisans' co-operation; and housing and building co-operation.

Co-operation has a large part to play in national reconstruction in association with the two other sectors of national economy—the nationalised and the private sector. The Government recognises the principles and aims of the Co-operative Movement and pledges its support for the Movement. The task of the Co-operative Movement is to contribute to the effective raising of the living standard of the nation. The Central Co-operative Council is represented in the State Council. In the new constitution of the State, the Co-operative Movement is to be recognised as an important part of the country's social and economic life.

In the post-war reconstruction, the Movement has many tasks like the adoption of modern methods of agriculture. Every village has a co-operative society for the mechanisation of agriculture. The district agricultural co-operatives have 70 to 90 per cent of the farmers as members. These co-operatives distribute seed, manure, *etc.*, equitably and purchase 8 per cent of the produce and most of the cattle.

There are over 5,000 consumers' co-operatives catering for about one-third of the nation. Over 100,000 new member-families have become members since 1945. A two-year plan is in operation. The target is to raise the membership to one million.

The artisans' and retail traders' co-operatives progressed well during the two years past, having a membership of 126,000 in 1946. Their aim is to purchase raw materials and expensive machinery co-operatively. Workers' Productive Co-operation also has progressed, covering various trades. There are actually over 600 registered societies—118 for textiles and leather, 63 for food, 62 for building materials, 67 for metal work, 58 for wood work, 25 for work in stone and earth, a few for transport, glass and other industries. An interesting development is the co-operation of home producers of folk art industry, societies for development of culture mainly book editing and theatre societies. There are 91 of these societies.

These figures relate to the Movement in the Western part of the State, the eastern part being organised on a different pattern. The State has in all 12,000 co-operatives with 2,500,000 member-families.

The principles of democracy are strictly observed in the co-operative societies. Co-operation is taught in all schools and there are special courses for the officials and employees. There are youth and women Co-operative Movements. The Co-operative Press has two weeklies, one fortnightly and one monthly. The atmosphere is very bright and hopeful.

*Condensed from an article appearing in the *Co-operative Productive Review* Great Britain July 1947.

The Drift to the Cities*

The following table shows that countries with a high standard of living like the U. S. A. and Great Britain and countries with large export surpluses of primary products like Australia have only a surprisingly small proportion of their people working on farms and that on the other hand countries with a low standard of living like Italy and Japan have a large proportion.

Country	Real Income <i>per capita</i> Working popula- tion 1925-34 (International Units.)	Percentage of bread winners		
		Primary Industries	Secondary Industries	Tertiary Industries
U.S.A.	1,368	19.3	31.1	49.6
Great Britain	1,069	6.4	43.9	49.7
Australia	980	24.4	29.4	46.2
Japan	353	50.8	19.5	20.8
Italy	343	42.9	31.1	26.0
India	110	62.4	14.4	23.2

Furthermore, as the standard of living in various countries has increased, the proportion of persons engaged in primary industries has decreased as the following table shows:

Country	Percentage of total Bread winners Engaged in Agriculture			Average Real Income (International Units)		
	1890	1910	1930	1890	1910	1930
U. S. A.	46	32	22	960	1,210	1,400
Great Britain	10	8	6	750	900	1,100
Australia	31	30	27	650	720	930
Japan	77	61	53	70	100	300

Why should this trend be consistent with a rising standard of living? There are two aspects to this problem:

1. The Demand for Farm Products

People spend a large part of their income on their basic needs like food and clothing—the poor on cheap products and the well-to-do on a greater

*Condensed from an article appearing in *The Agricultural Gazette of New South Wales*, August, 1948.

variety of these products. Most of their surplus money is spent on manufactured goods other than foodstuffs and on services like travel, amusements and education. This is the position in Australia to-day and in many other countries before the War. In all these countries, the population is increasing at a very slow rate, with the result that only a fourth of the further rise in real incomes is spent on farm products. More and more labour tends to be absorbed by secondary industries like mining and factories and tertiary industries like commerce and transport.

But there has been a significant rise in population and export of primary products in Australia for some decades. The export of wool, for instance, increased from 604.82 million lbs. in 1920-21 to 898.54 million lbs. in 1940-41. Population increased from 4.95 million to 6.79 million during the same period. Yet the number of those engaged in primary industry fell from 458.94 thousand to 425.60 thousand during the period. Why was it so?

II. Increasing Output per Worker in Agriculture

A great progress has been made in farming efficiency. The average Australian farmer cultivates 75 per cent more than his father had done in 1914 and also produces 50 per cent more milk and wool. He is able to meet the demand without an increase in the labour force. It is due to improved and modern methods of cultivation, production, transport and marketing. In other words, the farmer is becoming a production specialist. Labour accounts for 50 per cent of the total costs in agriculture. It is, therefore, unlikely that Australia will employ more labour in that field.

What is the Real Meaning of the Drift to the Cities?

The drift to the Cities is merely a reflection of the expanding needs for labour in secondary and tertiary industries which are essential for a rising standard of living.

Australia's drift of population towards the cities is due to:

- i. Development of secondary and tertiary industries in the cities;
- ii. Higher birth rate in rural areas than in the cities;
- iii. Reduction in farm labour needs due to slow increase in demand for farm products and rapid farm mechanisation.

Obviously the solution to this problem is not to recall the workers to the farms from secondary and tertiary industries, but rather to decentralise secondary industry.

This drift is more rapid in Australia than elsewhere. For instance in the U.S.A. before the War, the relative earnings of farmers was 40 per cent of that in the other industries. Now the problem of excess farm labour has become serious. This is so because the other industries have failed to offer such expanding opportunities and security of employment as to attract

surplus farm labour. In Australia on the other hand the average earnings of farmers has not declined. There is, however, no uniformity in the earnings of various types of farming; for during 1928-29 to 1940-41 while the average earnings in all types of farming was £ 330 per annum, the average in pastoral industry was £ 580 and in dairying £ 233 and in agricultural industries £ 214 only. Probably there has been excess labour in the latter two industries in the sense that

- (a) some of the labour could be better employed in other work; and
- (b) improved technique is not rapid enough to bring in maximum efficiency.

The Present Shortage of Labour on Farms

While there is a decline in farm labour as a necessary condition of a rising standard of living, there is another form of labour shortage on farms at present. This latter form is a temporary phase and should not be confused with the former which is a fundamental trend. The present shortage is due to the rapid movement, during recent years, of rural man-power to war Services and war industries. Between 1939 and 1943 farm labour fell by 19,300 (14 per cent) in New South Wales. By 1947 about only 30 per cent of the loss had been made up.

The *real* labour shortage is, however, not in number but in quality. Experienced and good quality labour is lacking for the promotion of improved cultivation. Shortage of materials and machinery has made the problem keener. In fact further mechanisation and labour-saving methods caused by war conditions have made numerical reductions necessary.

The Best Potential Labour must be Retained on Farms.

What is therefore needed is not a numerically strong primary industry, but an economically healthy one which can give high income per unit. Then again, in the case of drift to the cities, what is very important is not the number but the type of potential rural worker who responded to the "call of the city." Farming requires the retention of the best potential labour force. "Talent erosion" of farm people is as serious as soil erosion and hence should be taken notice of.

Co-operative Day in Madras City

Saturday, 6th November, 1948

Under the auspices of the Madras Provincial Co-operative Union, the 26th International Co-operative Day and the All India Co-operative Day were celebrated in Madras at the Madras Provincial Co-operative Bank Buildings on the evening of Saturday the 6th November 1948. There was a large gathering of prominent co-operators including the Registrar, the Joint Registrars and other officers of the Co-operative Department. The Hon'ble Sri K. Chandramouli, Minister for Local Administration presided on the occasion.

The following is a brief account of the proceedings of the meeting. The speeches of the speakers are published elsewhere in this issue.

The meeting commenced shortly after tea, with the Hon'ble Minister in the chair. Sri V. Viyyanna, General Secretary of the Madras Provincial Co-operative Union, welcomed the gathering. He said that the Co-operative Movement in Madras has been growing from strength to strength and has been extending its activities to new lines. He read the messages from Professor H. L. Kaji, President of the All India Co-operative Institutes and Banks' Associations and Sri T. A. Ramalingam Chettiar, Vice-President, All India Co-operative Institutes' Association urging the Co-operators to spread the gospel of unity.

In the course of his Presidential Address, the Hon'ble Sri Chandramouli, mentioned that the occasion was a reminder to them that Co-operation was not the privilege of any single country but that it was a principle acclaimed and adopted by nearly every country in the world. He mentioned that the international character of Co-operation was visible in the co-operative trade between Madras and Ceylon. He, however, stressed the great need for developing this cosmopolitan character of the Movement in the province itself where segregation of the "lower castes" is still prevalent. The need for widening the scope of activity of co-operative institutions was also emphasised by him.

Prof. K.C. Ramakrishnan then moved a resolution on behalf of the International Co-operative Alliance appealing to the people to join the Movement. Rao Bahadur K. Subrahmanyam, Joint Registrar of Co-operative Societies seconded the resolution.

Rao Bahadur K. Subrahmanyam enumerated the distinguishing features of the Co-operative Movement and acquainted the Co-operators with the work done in the matter of re-settling the ex-servicemen in

CO-OPERATIVE DAY IN MADRAS CITY

co-operative occupations. He pleaded for "practical idealism" in co-operative planning and service. He expressed his desire that the Provincial Co-operative Union, as a body representing the quintessence of non-official co-operative thought, should take up, besides its present functions of co-operative education, propaganda and publicity, functions like research and organising study circles.

Prof. Zacharias of the University of Madras spoke of the excellence of the Co-operative Movement and its aims and warned against suffering the Movement to be submerged by the slogan of nationalisation which is so powerful to day.

Dr. P. Natesan emphasised the need for integrity and honesty for the promotion of the Movement on right lines in every sphere of national life and activity.

The resolution was adopted by the Co-operators assembled.

Then co-operative films were exhibited to the gathering.

The meeting concluded with *Vandematharam*.

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Co-operative Day in the Districts

The Andhra Desa Co-operative Union, Rajahmundry

The Andhra Desa Co-operative Union celebrated the 26th International Co-operative Day in the premises of the Co-operative Central Bank, Rajahmundry with Sri K. Lingaraju, M.L.A. in the Chair. Many prominent men and women, officers of the Co-operative Department and students of different educational institutions attended the meeting.

The proceedings commenced with the flag hoisting by Sri G.V. Krishnarao, Vice-President of the Co-operative Central Bank, Rajahmundry while Mr. M. Sivaramakrishnayya, President of the Local Co-operative Building Society opened the proceedings.

Sri. K. Lingaraju, the chairman, observed that the Co-operative Movement was not gaining strength as it ought to and the chief defect lay in the overwhelming control exercised by the Co-operative Department. He also felt that the movement should penetrate into the masses. The ethics of Co-operation he opined, would embellish the economy of the country only when our lost heritage of cottage industries is revived. Increase in production and equitable distribution will solve all economic ills of the country and our dream of a Commonwealth of Co-operation will then be realised.

The President expressed his utter disappointment and dissatisfaction at the abnormal delays in the administrative routine of the Co-operative Department. He appealed to the Department to shed its old bureaucracy and view the needs of the people with a practical vision.

Finally, he felt that Co-operation is the only hope and salvation of the masses economically and politically. If Co-operation fails there fails the best hope of humanity.

Mr. A. Sankararao, Secretary, Co-operative Central Bank, Rajahmundry then formally moved the resolution communicated by the All India Co-operative Institutes' Association and the same was seconded by Sri D. Venkataratnam, retired Senior Inspector of Co-operative Societies. The resolution was unanimously adopted. Mr. R. Balakrishnayyar, Deputy Registrar of Co-operative Societies, East Godavari and Sri K. L. Narasimham, Special Development Officer (Prohibition), Government of Madras also spoke on the occasion.

The students of the Ramdas Co-operative Training Institute staged a playlet and recited folksongs.

CO-OPERATIVE DAY IN THE DISTRICTS

The Trichinopoly Co-operative Central Bank.

Sri G. Vartharajan, B.A., Secretary of the Bank presided over the celebration. In the introductory speech he spoke about the part that is played by Capitalism on the one hand and Communism on the other. He said that both of these were not suited to solve the present day evils of the Indian community and that Co-operation alone can create harmony among those opposing forces and contribute to bring into existence a domestic social republic. He exhorted the staff to spread the principles of Co-operation among the villagers. After short speeches by the Executive Officer and some members of the staff on the significance of the celebration of such days, the resolution proposed by the I. C. A. was unanimously adopted.

The Tinnevely Junction Co-operative Urban Bank.

The meeting was presided over by Sri S. R. Krishna Iyer, B.A., B.L., Retired Subordinate Judge. Mr. R. Seshachalam, M.A. Lecturer in Economics, local Hindu College spoke on "Consumers' Co-operation with special reference to India". Sri A. S. Kuppuswamy Iyer, B.A., B.L., spoke on "Co-operation and Nation Building." Mr. V. Ramachandra Mudaliar, Deputy Registrar of Co-operative Societies, Tinnevely and Sri K. V. Narayana Iyer M.A., M.L., President of the Bank, spoke about the working of various types of Co-operatives in the District. He appealed for whole hearted support to the Movement. At the end the resolution of the I. C. A. was unanimously carried out.

Cocanada Co-operative Central Bank.

Sri Bollapragada Ramamurthy garu, Vice-Chairman of the Cocanada Municipality and Treasurer of the Bank presided on the occasion. After enlightening the gathering on the purpose and solemnity of the occasion, the President read out the resolution of the I. C. A. which was adopted unanimously.

Malabar Dt. Co-operative Bank.

Sri M. Balakrishna Menon, M.A. B.L., District Munsiff presided over the meeting.

Sri T. P. Raghava Menon, Vice-President of the Malabar District Co-operative Bank in his welcome speech traced the growth of the Co-operative Movement in the district.

Sri K. T. Harindranath said that the numerous instances of corruption and mismanagement reported in the daily papers about the P. C. C. Societies in Malabar should not dishearten the public. The fault lay not in the system but in the personnel. He appealed for greater interest in the P. C. C. Societies and for vigilance and control to check corruption. He suggested that P. C. C. Societies should be converted into multi-purpose co-operative farming or marketing societies as suited to local conditions.

Sri O. K. Nambiar, moving the resolution, said that the industrial workers and agriculturists have yet to realise how the basic principles of co-operation could be applied to transform the ownership and working of the means of production from private ownership into co-operative ownership. That is the surest way to increase industrial production and raise national wealth.

A resolution exhorting and appealing to "the people of every country to join the Co-operative Movement and apply its basic principles in all walks of life" was passed.

Krishna Co-operative Central Bank, Ltd., Masulipatam.

The meeting was attended by the delegates of the weavers, Stores and other co-operatives and other local co-operators. Subjects concerning the various aspects of co operation and the present day co-operative problems (cloth and yarn distribution through the co-operative societies etc.) were also discussed in the meeting in the course of conversational talks.

Resolutions were adopted renewing the pledges of service and reaffirming the faith in Co-operation.

Coimbatore Central Co-operative Stores.

Sri P. I. Subramania Pillai, Co-operative Sub-Registrar and Manager, Central Stores, presided over the meeting.

Messrs. P.C. Raju, Assistant Manager of the Stores, E.D. Karuppannasami, Auditor, and A. K. Venkatasubramaniam, spoke at length on the principles of Co-operation and how the movement should be improved. It was felt that the Government have not taken adequate steps to propagate the principles of co-operation and it was unanimously resolved to request the Government to create a separate organisation for propaganda work and appoint suitable men to carry the ideas of co-operation to the public in order to improve and extend the movement. It was decided to meet the cost of the staff from the common good fund of the Society pooled together in the Coimbatore Nilgiris Co-operative Central Bank, Ltd., The President said that the Movement has produced men of character and taught the people honesty. The messages of the leaders were read out. The resolution of the I.C.A. was adopted unanimously.

Kurnool District Co-operative Central Bank.

Sri T. S. Vijendra Rao, Special Development Officer, presided over the function.

Mr. S. Krishnaiah, Secretary, Kurnool District Co-operative Central Bank, Ltd., explained the significance of the day. He opined that the celebration was not so much to reaffirm our faith in the movement as to bring into the fold of the movement large numbers of people. The messages of the leaders were read.

The draft resolution sent by all India Co-operative Institutes' Association was then adopted.

Bringing the proceedings to a close Sri T. S. Vijendra Rao said that there was no department of economic activity to which the principles of Co-operation cannot be applied.

Tirupati Co-operative Town Bank.

A procession organised by the Tirupati Co-operative Milk Supply Society went round the town with placards. A big gathering assembled at Gandhi chowk and Sri M. M. Venkatachariar, presided. The president spoke about the importance of the Co-operative Movement and the significant part which the Co-operative methods and ideals will have to play in the world. He then read messages of the leaders. The resolution of the I. C. A. was adopted. Sri Veturu Prabhakara Sastrulu, Professor of Telugu (Oriental College) was then requested to open the Milk Bar on behalf of the Co-operative Milk Society. The learned lecturer while opening the "Milk Bar" spoke about the food value of milk and its products. He wanted that not only cows' milk and buffaloes' milk, but also goats' milk should be encouraged. Sri C. Anna Rao proposed vote of thanks.

Tiruvannamali Co-operative Urban Bank.

Sri M. Natarajan, M. A., B. L., the Additional District Munsiff presided. The elite of the town and the heads of the co-operative institutions in town were present. The chairman in opening the proceedings explained the principles of the Co-operative Movement. Mr. N. Annamali Pillai, M. L. A. said that the present Government is giving all prominence and support to the Co-operative Movement and wants to substitute Co-operation in all agricultural and industrial concerns. Sri Thangavelu, M. L. A. wanted that the co-operative societies must come forward to help the Harijans.

Sri S. P. Chandrasekara Mudaliar, M. A., B. L., said that women also must be brought in this Movement to take a leading part and that he is organising a women cottage industry society. Sri T. S. Muthukumaraswamy Mudaliar, the President of the Land Mortgage Bank and the Milk Supply Society said that separate societies for separate activities must be organised.

Rao Saheb M. S. Seshachalam Iyer, Secretary of the Local Urban Bank said that the economic progress of the country requires the inculcation of thrift habit among the people and that the Government must legislate to that effect. He said cinema is a powerful organ of propaganda and such a strong weapon should not be in the hands of the exploiters. Corporations and Municipalities should take up the cinemas and only films of education and propaganda should be used.

The Chairman appealed to all people to become members of the Co-operatives.

Summary of the Memorandum submitted by The Sahakara Vignana Samithi, Attili to The Hon'ble Minister for Co-operation

Madras has the proud place of having the largest number of working looms in a single province. More than two-thirds of the requirements of the public of this Province in cloth are met by this industry.

The Government of Madras through their Co-operative Department have organised the weavers into co-operative societies.

More than 25 per cent of weavers of this Province have thus come into the co-operative fold, so as to avoid exploitation by yarn merchants and master weavers.

It is not necessary to maintain the yarn dealer, who is a parasite on this cottage industry, more so, when the handloom weavers themselves have organised co-operative societies.

The Government, in their temporary scheme, to give the entire quota to the handloom weavers' societies, even for the distribution of yarn to the outside looms, have acted wisely.

During the period, when controls were in force, the looms have multiplied themselves four times the pre-war number, thus creating conditions of scarcity. Before war, there were 1,25,000 looms in our Province.

We came to know, that the Government have passed orders that 50 per cent of the outside looms will be served by the dealers, and 50 per cent by the co-operative institutions. We further came to know that in districts, where more than 50 per cent of the weavers have joined the co-operative fold, the yarn distribution to the outside looms will be entirely handed over to the yarn dealers, and that in West Godavari district, the opportunities given to the weavers' societies are going to be cancelled. This will be punishing the good child for good work.

What is the mistake that the Societies in the West Godavari have committed? Even without the compulsion from the Government, the co-operative movement in this district, has taken more than 50 per cent of the weavers into its fold.

The yarn requirements in our Province of weavers within the co-operative fold, of weavers outside it, of powerlooms and the handloom factories, of the local and the extra provincial mill industry is nearly 40,000 bales per month, of which, only 5,500 bales are allotted for distribution to looms in the co-operative fold.

SUMMARY OF THE MEMORANDUM

Now, when co-operative institutions are given 50 per cent of the yarn which was formerly being handled by the dealers it should be given half of the remaining 34,500 bales, in addition to what it was getting, for the looms inside the co-operative fold.

If the Government still think that the dealers serving the handloom industry should be treated on a par with the co-operative societies, which are now being licensed as yarn dealers, the least thing that the Government can do is to divide into halves the bales intended for sale to outside looms.

Thus, the weavers' co-operative societies should get 7,250 bales, in addition to what they are getting for distribution to their members. In this calculation, the power looms, the mills, as well as the weavers within the co-operative fold, who were never served by this class of dealers, are omitted.

In our district, we have organised, at a very short notice, under the able guidance of the local official and non-official co-operators.

The good work of so many self-less workers, and the drive of the officials, will go in vain, if now, we are denied the opportunity of further strengthening the movement, for no fault of ours.

We, therefore, request your honour may be pleased to view the matter with sympathy and kindly see that :

1. Where there are already 50 per cent of the weavers in the co-operative fold, the opportunity to distribute the yarn to the weavers outside the fold, should be entrusted entirely to the co-operative societies ;
2. Where in districts there is less percentage of weavers in the co-operative fold, the yarn, intended for the outside looms, may be divided between the co operative societies and the dealers equally ;
3. Where, in any district, more than 50 per cent of the weavers enter into the co-operative fold subsequently, the entire distribution may be handed over to the weavers' societies ;
4. And that in any event no district should be left out of the scope of distribution of the yarn to the outside looms through the co-operative institutions.

Attili,
4th Oct. '48.

SAHAKARA VIGNANA SAMITHI,

Extracts

The total number of bovines (cattle and buffaloes) in the Madras Presidency as per the census of December 1944 comes to nearly 226 lakhs.

The fodder available for this head of cattle consists mainly of straws and food grains (cereals and pulses) and fodder crops like *chulam*, maize, sunnhemp, lucerne, guinea grass, etc. The total roughage thus obtained annually in the Madras Presidency as culled from the latest figures available amounts to 56,336,893,000 lbs.

Even if all this 56,337 million pounds of fodder from arable lands are apportioned off to the bovines of this Presidency, it works out to only 6.8 lb of roughage per animal per day. But in practice part of this food is consumed by other livestock like sheep, goats, horses and ponies. And some dry straws like *cumbu*, *rugi* and the variety of *chulam Thalai-virichan chulam* or *Konda* or *Montha Jonna* are not fed to cattle in some parts of this Presidency.

So, the actual availability is much less than 6.8 lb. roughage per head per day. But the average requirement of an animal is nearly 15 lb. of roughage per day. Working out the requirement at this rate of 15 lb. of roughage per head per day, the total annual requirement of the Presidency would amount to 123,977,208,525 lb. or 123,977 million pounds nearly. Computing the deficiency of fodder on this basis, the annual shortage in the Madras Presidency works out to (123,977—56,337) 67,640 million pounds. Part of this deficiency is however relieved by grasses from pastures of which no account has been taken in this computation for lack of means of estimating it accurately at present, though the Departmental forest and Panchayat forest areas, excluding the areas closed for grazing are known to afford facilities for grazing to 2½ million head of cattle annually. Hence it is patent that there is a very heavy deficit in fodder in the Madras Presidency.

To circumvent this deficiency many recommendations and suggestion have been made in recent times by the various scientific bodies constituted to study this problem at high technical and administrative levels. Chief among them:—(1) Increasing areas under fodder crops by a combination of persuasion, concession and compulsion on the ryots. Persuasion by propaganda concession for growing the less remunerative fodder crops by abatement of water tax and compulsion through legislation, are possible means of effecting an increase. (2) Improving pastures by manuring and proper seeding and (3) Increasing the digestibility of the available food by processing of straws and green fodder through alkali-treatment and ensilaging respectively.

(From The Madras Agricultural Journal, October 1948)

The Rainbow Flag of the International Co-operative Alliance was officially adopted in 1925, two years after it was proposed by Charles Gide the noted leader of the French Movement. In an article written as long ago as 1894 he proposed such a flag, incorporating the colours of the spectrum representing "diversity in unity"; and instead of eagles, lions, leopards, and all that menagerie of wild beasts which serves as emblems of so-called "civilized states" the flag of the Alliance will be its arms—two clasped hands.

(The adopted flag was simplified by omitting the hands, but read who attended Congress at Brighton will have noted the clasped hand symbol used, as background to the platform).

EXTRACTS

Gide got his idea from Fourier, a French philosopher who was the contemporary of Tom Paine, and Fourier made the suggestion in 1808 eight years after Paine's idea was contained in one of his little-known works, an article called "A Maritime Compact," in which he proposed an association of nations under such a flag.

(The Co-operative Production Review, Great Britain, July 1947.)

There was a great task ahead of the primary producer. "Anyone who had travelled the length and breadth of the land, as he had", said His Excellency, "must realise that we had, in the 100 to 150 years of occupation, only scratched the surface." Not all the scratching had been good—many areas of forest had been needlessly destroyed and soil erosion had become a problem. He had recently travelled through the west and had seen grasses growing in areas in which they had not previously appeared for many years. "Not many were doing anything to conserve it as fodder" said the Governor. He had seen the difference in country when an enthusiastic farmer had improved the pastures and he had seen the improved types of cattle exhibited by such men at shows. There were great opportunities in this country if we conserved our resources.

(From The Agricultural Gazette of New South Wales August, 1948: Speech of the Governor of New South Wales, Australia at the Agricultural Bureau State Conference.)

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Books in Brief

ORGANISATION OF INDUSTRIAL CO-OPERATIVES—By J.B. TAYLOR—Foreword by Vaikunth L. Mehta—Published by Industrial Co-operative Organising Committee, 9, Bakehouse Lane, Bombay, pp. 71, (1947); Price Rs. 1-8-0.

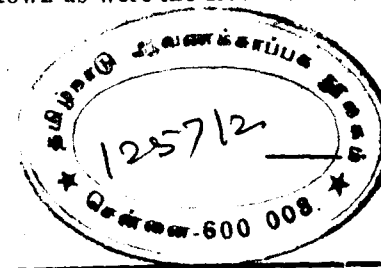
Professor J.B. Taylor whose long and close association with rural economic development and with co-operation in China has earned him a wide reputation in China and elsewhere, is not unknown to those interested in industrial co-operation in our country. This brochure is written by him with a view to help those who are actively concerned with the industrial section of co-operation either as staff workers in official and non-official promotional agencies, or as members and officers in the societies. The author has dealt in a fairly systematic manner with the problem of organising industrial co-operatives.

He has mentioned four stages in the proper organisation of industrial co-operation—preparation for registration of societies; study of the special needs of the different types of society; linking societies into Unions and Federations; and laying out a plan for industrial co-operation. The preparatory stage forms the basis for the building up of successful industrial co-operatives. The author has found a strong case in India, as in China, for organising promotional agencies. The promotional agency consisting of a band of enthusiastic workers under a co-operative leader should prepare the ground by educating the people in co-operation and selecting proper areas for introducing industrial co-operatives. Industrial co-operatives may then be organised and registered. The author has, however, struck a note of caution by stressing the need for the possession of several virtues by the co-operative leader so as to make him an ideal organiser, the need for comprehending the special problems which make it easier to organise strong agricultural co-operatives than industrial co-operatives, and also the need to watch the position and progress of the co-operatives during the brief period following registration. The author has next discussed the special needs of different types of the society among which he has mentioned cottage or home industries; artisan associations; co-operative workshops and small factories; labour contract societies; transport societies; mixed societies. Imperfect as his classification of small industries may appear to some industrial economists, it is evident that he is keenly alive to the need for treating non-mechanised and mechanised crafts as worthy of being taken into the co-operative fold with equal interest. He is sure that skilled handicrafts like weaving *have* a future, while mechanisation in small industries has certain limitations like making the machine the *servant* of the worker. The usefulness of multi-purpose societies and model colonies in promoting co-operative equity and democratic freedom among the artisans has also been pointed out by the author. After all, the modern world is commercially one unit and in consequence local areas or individual small societies cannot by themselves have importance as producers and sellers. The author has, therefore, suggested the constitution of Unions and Federations of co-operatives and discussed ways and means thereof. Finally the author has stressed the need for systematic

BOOKS IN BRIEF

planning for the development of industrial co-operation throughout a large territorial unit. He has suggested a comprehensive study of the economic and technical problems. Unemployment could be eliminated in the country if co-operation could be made to play its full part in economic planning and post-war reconstruction. The author has really enhanced the value of and the interest in his thesis by giving practical hints based on his own experience and by giving illustrations from the experience of co-operatives in other countries like Switzerland and Denmark. These notes are not merely pointed but inspiring to enthusiasts. The confidence of the author in his suggestions is striking; for, he asks, "Does progress come in ways such as this?" And he answers, "It does when the social ideal has a moral quality and spiritual dynamic such as have been repeatedly manifest in the life and work of great co-operators even when they have been but weavers and miners in a small industrial town as were the Rochdale Pioneers of 1844."

V. N. TEKUMALLA



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Monthly News Page

Foreign

While Co-operative Day Celebrations were in progress at Stalybridge Cheshire), Mr. J. Poole (manager of the society's grocery, transport, and coal departments) who was helping to distribute refreshments, collapsed and fell to the ground. First aid was immediately rendered, but this proved unavailing and Mr. Poole passed away. He was 61. At the inquest Mrs. Poole stated that during the 48 years she had known her husband he had never had a doctor.

Indian

Speaking on the occasion of the presentation of an Address by the people of the Nagamangala Taluq in Mysore in September 1948, His Highness the Maharaja of Mysore said; "You have referred to the starting of cottage industries and their improvement and particularly to the brass industry, for which Nagamangala stands famous. My Government are seriously considering the question of organising and encouraging cottage industries and the brass industry is, I understand, having their special attention. I hope that with the co-operation of the people and with the special attention which my Government have decided to pay to this part of the State, the handicaps of nature may not be seriously felt."

Provincial

A Co-operative Motor Transport Society for the benefit of ex-service-men was started at Vijayavada on the 30th September 1948 in the premises of the Sub-Regional Employment Exchange. This is intended to employ such of these ex-servicemen as had served in the Defence Services as motor drivers, cleaners, fitters, etc. Twenty lorries have been allotted to this society and they will be on the road soon. Government have been pleased to place a plot of land adjoining the Bandar canal in Governorpet for the erection of a M. B. shed for garaging the vehicles.

Messrs. K. Subrahmanyam Naidu, Joint Registrar of Co-operative Societies (Re-settlement); K. Nagaratnam Devara, Deputy Registrar of Co-operative Societies, Vijayavada; and Prahlad, Sub-Regional Employment Officer were present. The Joint Registrar explained to the ex-servicemen present the co-operative schemes sanctioned by Government for the resettlement of ex-servicemen in the Province such as co-operative land colonisation societies, co-operative workshops, etc., and pointed out that co-operative motor transport societies are one form of co-operative enterprise intended for the employment of suitable ex-servicemen. He also explained to the members that the society is different from a capitalistic enterprise, that, being co-operative in character, the members themselves are owners of the vehicles and are responsible for the administration of their own affairs. The members can fix and regulate their pay and allowances and other matters connected with their service

MONTHLY NEWS PAGE

conditions. There are no employer-employee relations in a society of this character and there is, therefore no need for friction or conflict of any kind. He said that the conduct of the members in Co-operative institutions should be guided by the principles of truth, honesty and trustworthiness and finally exhorted the members to so conduct themselves as to bring credit to themselves and their society and make it a permanent and successful enterprise.

A joint conference of the Supervisors, Presidents and Secretaries of Unions, Bank Directors and Departmental Officers was held in the Bank on 22-9-1948 to chalk out a programme for the development of the business of the Bank during the year 1948-49. Sri E. B. V. Raghavaiah, B. A., the President of the Bank presided. Sri K. Nagaratnam Devara, Deputy Registrar of Co-operative Societies, Vizavada was also present.

For sending up loan applications from societies to Bank, targets were fixed for each supervisor. Bad and dormant societies to be revived were listed out and entrusted to supervisors for revival. Weak societies with M. B. P. of less than Rs. 5,000/ and membership of less than 50 were marked to be strengthened by increasing the membership and maximum credit limits. Villages with a population of over 500 were selected and entrusted to supervisors for the organisation of credit societies in those villages.

For the good work done and the maximum business turned out in 1947-48, cash prizes were awarded to three supervisors as noted below.

- | | | |
|------|---|------------------------|
| i. | Sri Ch. Sivaramakrishnaiah Supervisor,
Telaprole | ... 1st Price Rs. 100. |
| ii. | Sri V. Venkateswara Rao, Supervisor,
Nuzvid | ... 2nd " " 60. |
| iii. | Sri A. Lakshminarayana, Supervisor,
Tirtuvur | ... 3rd " " 40. |

The President of the Bank distributed the prizes.

It was resolved to award prizes to three best Supervisors in the current year also.

At a General Body meeting of the shareholders of the Coimbatore—Nilgiris Co-operative Central Bank, Ltd., Coimbatore, held on 19-9-1948, it was resolved:

"That a Committee be constituted for each District, to investigate into the possibilities and chalk out an intensive programme of development of the district in respect of agriculture, village uplift, co-operative non-credit work, development of cottage industries, procurement and control, etc., on a co-operative basis. Further resolved to communicate this resolution to the Government for appointment of a Committee very early."

Co-operative Notes

The Swiss Co-operative Press further increased its circulation in 1947 and the three popular journals for the first time exceeded a combined total of half a million copies at the end of the year. In addition, the two technical journals of the Co-operative Union had a circulation of about 18,000 in 1946. A total of 524 societies, that is almost all the societies affiliated to the Union, now supply their members with the co-operative popular journals on the basis of collective subscription.

* • *

In Sweden "Samarbete" the Fire and Accident Insurance Society increased its total premium income from Kr. 15.6 million in 1945 to Kr. 22.8 million in 1947 in spite of considerable reductions in premium rates. Up to 1947, "Samarbete" paid out more than Kr. 64 million in compensation for about 740,000 accidents.

In order to combat the alarming increase in fire losses, "Samarbete" has launched an extensive campaign at the cost of more than Kr. 100,000 for more efficient fire protection in Autumn, 1947 in which many Co-operative Societies collaborated. A film on the subject was shown in co-operative meetings and posters were displayed in shops, leaflets distributed, etc.

* • *

Special displays of a series of posters in the district of Wembley where the Olympic Games had taken place recently and in the London Underground Stations extended a hearty welcome from the World's largest Retail Co-operative Society to all visitors to the Olympic Games in numerous languages. The posters attracted attention by the skilful use of the gay rainbow colours and offered the visitors illustrated literature on the London Co-operative *gratis* from the Society's Public Relations Department.

* • *

The Federation of Co-operative Fishermen, Quebec, Canada, had a total marketing turnover of 17.8 million lbs. of fish worth \$ 2.12 million in 1947; surplus earned in the year amounted to \$ 20,888. Of the total assets of \$ 1,101,786, buildings and furniture accounted for \$ 172,150 and stocks of fish and fish supplies for \$ 803,817. The affiliated Fishermen's Syndicates have up to now invested a capital of \$ 443,575 in their Federation on which \$ 15,612 was paid as interest last year.

* • *

Special features of the French Co-operative picture are the large Regional Societies, called *Societes de Developpement*, 55 in number which with 1,337,699 members in 1947 accounted for about 60 per cent of the Movement's total membership, for considerably more than two-thirds of the shops (5,230) and for almost exactly two-thirds of co-operative personnel (12,774). Of them, the *Union des Co operateurs de Lorraine*, Nancy, is so far as the area of operations is concerned, the world's largest consumers' society extending over 11 *departements*, an area larger than Belgium. It had in 1947 a membership of 216,262 and a turnover of Fr. 2,440,700 milliards. It has 844 shops and 1,167 employees.