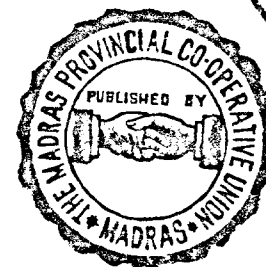


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THE

Madras Journal of Co-operation

EACH FOR ALL AND ALL FOR EACH

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

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South East Asia in the World Co-operative Movement:

Recent years have seen the birth of several independent States in Asia—India, Pakistan, Burma, Ceylon, Indonesia, etc. What with the political exigencies and what with the economic situation in these States, there seems to be an earnest desire on their part to improve their economic condition. These countries are poor and backward and threatened by economic class warfare. They are therefore liable to communistic influence. It has become necessary to create an economic organisation in which the poor and the small man has ample scope to improve his lot peacefully. The Co-operative Movement offers ample scope for such self-improvement.

The U. N. O., having been alive to the strategic importance of Asia in the future world set-up, has set itself to help build up a strong economic structure in the various countries through its sectional organisations. Two Regional Conferences have been held—The F. A. O. Co-operative Conference for Technical Assistance held at Lucknow in October 1949, and the Asian Regional Conference of the I. L. O. held at Nuwara Eliya in January 1950.

The Lucknow Conference discussed Co-operative problems under three groups, namely, the State and Co-operation, the

present day problems like credit and marketing; and the problems of auxiliary and experimental organisation like health, village industries and insurance. Many recommendations were made, the chief of them being that the role of Government in promoting Co-operation should be one of active assistance and that in Asian countries Co-operation should be a separate or major portfolio of a Cabinet Minister and that the Co-operative Department should be made a separate major Department of State.

At the Regional Conference of the I. L. O. also where discussions related to the improvement of social and labour standards, Co-operation was given considerable importance. The Conference laid a great emphasis on Co-operative education. It was felt that general and adult education should be the basis on which the movement could rest with confidence. It was suggested that if the movement was to succeed, it must win support and active participation from all available sources and it must generate the force of a real popular movement working on a national scale.

Apart from the international status which these Conferences have given to the countries of Asia, they are probably the first large scale endeavour to bring different people to knowing their common problems and interests and to urge them to set to promote their economic welfare by adapting the Co-operative institutions to their special needs and conditions. The representation of countries like the United Kingdom, Australia, and New Zealand at such Conferences has given an opportunity to Asian Countries to benefit by the experience and technical knowledge and guidance of the more advanced countries in the discussion of their own problems.

Three important conclusions in particular have been arrived at these Conferences: First, the recognition of Co-operation as a major subject of national importance; secondly, the assignment of Co-operation as a major portfolio of a Cabinet Minister and the creation of the Co-operative Department as a separate and major Department of State; thirdly active State support of the Movement with a view to obtain rapid development. Regarding the first two it may be said for the proper implementation of the recommendations of the Conferences, it is essential to give Co-operation a very high economic status and administrative importance. As regards the third, it is necessary to note that active State assistance is indispensable at this stage on account of the lack of education, lack of financial and other resources and lack of ability to manage

things among the people. A popular movement is, however, the goal of the various nations and State support is meant to be only a preliminary stage. It is hoped that when Co-operative education and adult education develop fully, the people will realise their responsibilities and potentialities and a real popular movement working on a national scale will come into being. There is no doubt that genuine popular interest in the movement when realised, will ultimately lead to the establishment of the Co-operative Commonwealth.

The Mysore State Seminar on Co-operation :

With a view to give scope for a full and useful discussion of several general and special co-operative problems, a ten-day Seminar on Co-operation in Mysore State was held recently at Nanjangud in Mysore State. The ten study-groups of the Seminar, after considerable discussion, recommended definite measures for the all-round development of Co-operation in the State. The action of the Mysore State is commendable.

The subjects dealt with by the Seminar are Co-operative Finance, Co-operative Farming, Co-operative Marketing. Multi-purpose Co-operative societies, Co-operative Housing, Co-operative Education and Propaganda, Co-operative Law and Administration and Co-operative Welfare and Industrial Co-operation. The discussions indicate an earnest endeavour on the part of the groups to discuss all the aspects of the Movement and evolve a new co-operative set-up on sound principles. The chief principle is building from bottom upwards so that the Movement may be broadbased and well founded. There are to be primary societies and circle multi-purpose societies at the bottom, with taluk federations at a higher level and with the apex institution at the top. A federal structure is envisaged for every line of Co-operative activity like credit, stores, and housing with a separate apex institution.

One very important feature of the discussions was that multi-purpose co-operative societies figured prominently throughout the discussions. A good deal of attention of the Seminar was devoted to the new developments connected with the working of the multi-purpose societies in the rural areas. It was decided that "while other types of Co-operative institutions are not shut out, it is generally contemplated that multi-purpose societies will act as

primary societies of all the following Central Co-operative agencies, viz., the Mysore Provincial Co-operative Apex Bank for credit, Provincial Marketing Union for consumers' goods and producers facilities, the Central House Building Co-operation for house building purposes, and the Provincial Industrial Co-operative Corporation for encouragement of small scale industries." The multi-purpose society will thus be the *pivot* of all Co-operative activity. Judging from the potentialities of the multi-purpose co-operative society, this scheme for organising a net work of such societies is alright. But in practice, it has been found that the multi-purpose societies have just had a start and that their working still needs to be watched before many-sided activities are assigned to them. Assuming that the multi-purpose societies in Mysore are on a par with those in Madras, it must be doubted if these societies as contemplated by the Seminar will be able to acquit themselves properly as the primaries of *different* central institutions. We are afraid that this scheme is too ambitious and that the multi-purpose societies are not yet ripe enough for linking up the activities of different types of societies without causing some confusion in transactions and accounts. It is therefore desirable that steps in this direction should be taken with adequate care and caution.

Another interesting recommendation of the Seminar relates to co-operative housing. The Seminar came to the conclusion that there is need for a central housing society to function not only as a central financing agency but also to guide the rural and urban societies in carrying out a planned programme. It was also pointed out that this central society should arrange for the manufacture of building materials on a mass scale and arrange for their supply to member societies in order to reduce costs. The idea of a central financing agency for Co-operative Housing societies is welcome and if carefully put into effect will go a long way to solve some of the difficulties of rural and urban housing. The essential condition to this must be that this institution must associate itself with the Provincial Co-operative Bank for deriving funds. We doubt if it is feasible to arrange for the manufacture and supply of building materials by this institution on a mass scale. Transport costs are prohibitive and under present day conditions this arrangement may even increase the cost of building.

There are numerous recommendations relating to other co-operative activities; and accepting the Report of the Seminar on behalf of the Government, the Home Minister of Mysore hoped that the

task of developing Co-operation in the State had now been rendered easier. He also said that the Report would be circulated to other State Governments. The Government of Madras will do well to consider if a similar Seminar may be organised in the Madras State which has made a mark in the country for its development of the Co-operative Movement in various directions.

Genuine Productive Co-operation:

We reproduce in this issue Prof. Cole's article on Producers' Co-operation in Great Britain. Britain is one of the advanced countries in Co-operation; and one is rather surprised that productive co-operative should be so backward in the country. The author, in the course of his article, has explained how in Britain, Producers' Co-operation had a chequered history and has been relegated to a minor position in British Co-operation. He has also indicated how at present a considerable part of the productive activity is in the hands of the consumers. Luckily for the producers the circumstances are changing for the better and two factors are helpful—first the recognition of full employment as a primary objective of State economic policy and as a sheer necessity; and secondly the need to find a suitable substitute for capitalism as a form of industrial enterprise over a wide range of industrial business where nationalisation is not feasible. These circumstances bode well for producers and it is possible that producers' societies may have a prospect in the future.

Prof. Cole's article has some lessons to give to us. Our consumers' co-operation is not yet very well developed and our producers' co-operation is much less so. We have just begun to realise that the future of the co operation lies in the field of production rather than in mere distribution. We are now contemplating the taking up of productive activity as a part of the consumers' co-operation. There are certain limits to this line of activity. Consumers' stores can undertake to produce only goods which have a regular and assured demand and a ready sale and in which the prices have no serious fluctuations. The scope of the productive activity of the consumers' stores is therefore circumscribed. The scope of genuine producers' Co-operation is on the other hand unlimited. In this the workers can have their own capital and a direct benefit for themselves. It is however likely that purely "producer-controlled" society may not function with stability for want of capital and other stabilising factors. It is therefore suggested

that it is desirable to have a *new* type of producers' society which is a mixed enterprise and "in which the various capital-contributing agencies and perhaps the principal customers as well, would share the control with the workers employed who would also be encouraged to become shareholders."

Even such producers' co-operation, as Prof. Cole says, cannot work without deliberate State support. Now that we are keen on developing producers' co-operation in our State, it is desirable that we should take this leaf from the book of Britain Co-operation for guidance.

NOTICE.

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With this issue the **Madras Journal of Co-operation** completes Vol. XLI. Subscribers are requested to remit their subscription for the next **Volume, i.e., No. XLII** commencing from July 1950 and ending with June 1951 **in advance** so as to reach this office **before the 22nd July 1950**. If for any reason remittance is not received before that date, the July issue will be sent by V. P. P. which means an additional expense of annas four to themselves and some unnecessary work to the office.

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The Madras Provincial Co-operative Union,
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K. GOVINDA WARRIER,
Secretary.

The Co-operative State*

PROFESSOR HIRALAL L. KAJI

President of the Indian Co-operative Union

The world is in great travail and agony. Culture and civilisation have been shaken to their very roots. Age long ideas and ideals have been shattered. Shortages of the primary needs of mankind—food, clothing and shelter, bewilder. Controls, rationing, regulations do not improve the situation. The freedom of the individual is hedged in at every stage. Councils, commissions and committees make simple matters complex. The world is groping in the dark for a way out to light.

Shortages of the primary needs of men continue; prices have reached staggering heights; wages and cost of living do not keep pace; nationalisation leads to bureaucracy and strangely converts a profit making industry into one showing a deficit. The middle class, the surest basis of national safety and stability, is being crushed under the burden.

India must make up its mind soon. Whether to adhere to the capitalistic system or to adopt the communist creed is the question. And yet India neither need, nor should, join either. There is a way out; the only really correct way for the world is that based on the great Co-operative ideology.

Hitherto, the co-operative movement has remained in the background as a subsidiary system to enable small groups of little people to increase their earnings or decrease their expenditure by some constructive effort on their own part. Co-operative banks and credit societies seek thus to make finance available at a lower rate; co-operative stores seek to supply domestic requirements at cheaper rates; co-operative producers' societies seek to obtain better prices for the products of their members; co-operative marketing societies to obtain more favourable prices for agricultural produce; co-operative housing societies at eliminating the rapacious landlord. Co-operation so far, has been a protest against exploitation, an attempt at the elimination of unnecessary middlemen between producers and consumers, an effort to improve the economic conditions of the small men in urban and rural areas. But it has not been tried as the basis of the economic structure of society.

*Reproduced from the Review of International Co-operation, April 1950.

A Consumer Economy

The Industrial Revolution laid a great premium on production and, to-day, the science of economics largely deals only with production and the various factors that control and regulate it. Production with maldistribution is, however, disastrous to a nation's equilibrium. A system of economics which ignores consumers or relegates them to a position at the mercy of the producers is not economics at all. Co-operative economics recognises not only rent, wages, interest and profits as the shares in the wealth produced by land, labour, capital and the entrepreneur but also emphasises the obvious truths that wealth is not wealth, unless it is consumed, and that production is but a waste, unless it serves the need of the consumers. The consumer is as much important, if not more, than the producer. Production for use, not for profit, is the great idea behind co-operative economics. The antagonism between the interests of the producers and of the consumers, so glaring in modern times, should find no place in the system of co-operative economics which in a way accepts the fundamentals of the mediaeval guild philosophy with its conception of just price and of a co-operative commonwealth. Under co-operation there can be no conflict between labour and capital, which is inevitable in both capitalism and communism, which merely substitutes a more powerful employer, the State, against whom no strike or protest is of any use. Regimentation, nationalisation, despotism, inherent in either system, can never give happiness which, after all, is the quest of every individual and of every nation.

Only in co-operation is there any real hope for peace, contentment and happiness. Co-operation welcomes the capitalist, though it eschews capitalism; co-operation welcomes labour and recognises its just claims, but rejects its attempt at domination; co-operation welcomes the consumer and concedes his rights, but rejects his efforts to exploit the worker in productive enterprises. Justice, equity and fair play are the hall mark of co-operation.

Production must continue to be as efficient under co-operation as under capitalism or a communist State. But it insists, that while labour receives its basic wages, whether the industry discloses a profit or not, capital also deserves a basic rate of interest, whether there is profit or not. After the basic payments are made to land, labour, capital and the entrepreneur, the rest is a surplus, which does not belong to any one of these, nor to the State, in the shape of

special taxes or levies, but to all agents of production and that great mass of people, the consumers. It is among these that there should be a proportionate distribution. Large scale industries on the joint stock principle should be perfectly welcome and co-operation need not be confined to the organisation of separately registered co-operative societies, large or small. The Company Law should be changed and the right of capital to receive a basic minimum as interest should be conceded. The surplus, if any, disclosed at the end of the year's working should go out as bonus on capital, bonus to the staff, bonus to labour and rebate to clients, customers and the consumers so that everyone contributing to the making of the profit gets a proportionate share of it. The whole trouble arises, because the capitalist is denied the basic right to interest like the workman who has a basic right to wages.

In addition to the acceptance of this conception and giving it legislative sanction, what is also necessary is the assurance, that no juggling by the management shall make it possible for the surplus to disappear. This could be ensured by a legislative requirement of government audit of joint stock companies as in co-operative societies.

India is so far, not wedded to capitalism, nor is it inclined towards communism, and it is time that India proclaimed itself a *Co-operative State*, where every trade and industry need not be cast into the shape of co-operative societies, but where these would be regulated by basic co-operative principles, the most important of which are limitation of interests, the equitable distribution of profits and the recognition of the consumers. Only when efficient production and equitable distribution are thus cemented together under the banner of co-operation and it is only when a spirit of fair play pervades the economic policies of nations, that the world can pass on to further progress in evolution and not be dragged into the unspeakable horrors of a third war. It is for other countries as well as for India to stand up for co-operation not as a subsidiary, but as the main national policy to guide and direct their economic life and thus bring about peace and prosperity to the world.

The Future of Producers' Co-operation in Great Britain*

PROFESSOR G. D. H. COLE

As I have followed the course of the discussions in this country between the Labour Party and the Co-operative Movement concerning the extent and character of plans for nationalisation of industry, my thoughts have turned again and again to the future of producers co-operation. Not so the thoughts of most of the British co-operative leaders, any more than of those who think out ahead the policies of the Labour Party and of the Trade Unions.

The producers' co-operative movement in Great Britain is small indeed beside the vast consumers' movement: and not many besides those who are actively engaged in it give it even a passing consideration. For most of the leaders of co-operative opinion in Great Britain, the producers' movement is merely a tolerated fellow-traveller, occupying a humble seat in the great rumbling coach of co-operative progress, and so little regarded that most of them would hardly notice if it fell off or pause to be at the trouble of picking it up. A few factories, organised in the Co-operative Productive Federation, are recognised as producers of boots, garments, and a few other miscellaneous kinds of consumers' goods. They sell their products mainly to the consumers, societies, and their management is in the hands, not of their workers alone, but of mixed boards which also represent the owners of their capital—mainly, again, consumers' societies. There have been, for a long time past, very few new recruits to this small band of producers' co-operatives; and any proposal to increase either their number or their scale or range of services to any considerable extent would, I think, encounter the hostility, not only of the wholesale societies, but also of a high proportion of the managers and committee members of the local consumers' societies and of the national leaders of the British co-operative movement as a whole.

This relegation of producers' co-operation to a quite minor position in British co-operation is, of course, the outcome of a long historical process. The great battle between consumers' and producers' co-operation was fought out in Great Britain between 1850 and 1880, and ended in the near-eclipse of the producers' movement.

*Reproduced from the *Review of International Co-operation*, April 1950.

There was a small revival in the 1890's, largely under the influence of Thomas Blandford; and the producers' movement of to-day is in the main the product of this revival, though some of the existing producers' societies have a much longer history. But the efforts of Blandford and of the Co-operative Productive Federation never availed to make more than a very small impact; co-operative production under consumers' auspices grew very much faster, in the hands both of the wholesale societies and of federal societies controlled by the local stores, and a number of producers' societies were either taken over by the wholesales or converted into productive societies entirely controlled by the bodies which provided their capital—to the complete exclusion of any element of workers' control. J. T. W. Mitchell, for so long the strong man of British co-operation, was an out-and-out exponent of the principle of "consumers' control." He was able to defeat almost wholly the little band of co-operative idealists headed by E. V. Neale and G. J. Holyoake who sought to uphold the workers' claims to a measure of self government and participation in the gains of co-operative enterprise; and Mrs. Sidney Webb, in her much-read book on *The Co-operative Movement in Great Britain*, lent to Mitchell the full weight of her support. The case, as stated by Mitchell and by the Webbs, was indeed, on the face of it, formidable; for they could contrast the consumers' movement's record of continuous success and growth in times of good and of bad trade alike with the chequered history of producers' co-operation, which had repeatedly grown fast in periods of booming trade only to be knocked firmly on the head whenever boom gave place to depression. It had happened so in Owenite days and again in the 1850's, when the Christian Socialists played a leading part on the producers' side; and it had happened most sensationally of all in the 1870's, when an extraordinarily rapid development of producers' co-operation, backed by much Trade Union support, had been followed by wide-spread collapse and dissolution in the ensuing slump. Thereafter, Trade Unions ceased, save very occasionally, to take any interest in producers' co-operation until, after the first world war, it revived in a new form in the guild movement, especially in the building industry, only to be crushed yet again by the depression and deflation of 1921 and the following years. It is not greatly to be wondered at that, in the light of these experiences, contrasted with the very successful record of consumers' co-operation, there has been a tendency to write off the producers' movement or, at most, to regard it as a poor relation, to be allowed to occupy an insignificant

position provided that it does not cause any trouble or set itself up in effective rivalry with its "betters."

Changed Circumstances

This is not surprising; but it should be borne in mind that conditions have changed radically in at any rate two respects since the producers' co-operatives were dismissed as destined to take only a minor place in the hierarchy of British co-operation. In the first place, the maintenance of full employment has now come to be both a primary objective of economic policy and a sheer necessity if the British standards of living are to be sustained; and it has also been recognised as an international objective, to which the governments of the countries forming the United Nations are formally pledged—though not all of them are, in fact, living up to their pledges. I am not saying that we have reached the point at which there is no longer any danger of a major slump in Great Britain or in any other capitalist country—we are all too much under the influence of what happens in the United States, and the outlook there is still too uncertain, for any such claim to be made. There is, however, a much better chance than ever before of the conditions that lead to deep depressions being at least competently enough controlled to mitigate their force; for the techniques needed for this purpose are now much better understood, in America as well as in Great Britain. There is accordingly, to say the least, a greatly improved chance that an expanded producers' co-operative movement would not be swept away by the advent of a major depression before it had been allowed time to find its feet.

Secondly, it is now a great question what is to be done to replace capitalism as a form of industrial enterprise over a wide range of productive business that does not lend itself easily either to nationalisation along the lines hitherto followed or to transfer to co-operative control by the consumers' movement. It has been a relatively simple matter to nationalise the great basic services such as coal-mining, railways and canals, civil aviation, gas and electricity—though the problems of ensuring their successful and democratic working under public ownership have by no means been yet completely solved. But even the plan for nationalising the steel industry—which is a relatively simple case—has made it evident that, when it is a question of the public taking over a great manufacturing industry, no easy line can be drawn between the enterprises it is desirable to nationalise and those it is preferable to leave outside the

scope of a unified public concern. The line may need to be drawn in various ways in different cases—so as to let alone firms of less than a certain size, so as to exclude firms which overlap into other industries, or so as to take over only certain key sections of an industry which are dominated by anti-social monopolies or are in special need of reorganisation and re-equipment if they are to do what is required of them in the national interest.

Are firms which, on one or another of these grounds, are excluded from nationalisation schemes to be left under capitalist control? Or should some of them, at any rate, be reorganised on a basis which is consistent with the social outlook of a democratic society which repudiates capitalist profit as a desirable incentive to investment and production? It is surely, at the least, worth considering whether, in a society pursuing democratic aims and seeking to democratise its industrial as well as its political structure and to find regular employment for all its productive resources, there may not be a much bigger place for producers' co-operation than there has been in a capitalist society dominated by the alternation of booms and slumps and therefore peculiarly unfavourable to ventures which have offered neither the lure of excessive profits nor the security that is some compensation for the acceptance of moderate returns on invested capital.

Scope for Productive Co-operation

Many co-operators will doubtless argue that everything that is called for can be better done by steady extension of the scope of co-operative production under the control of the consumers' movement. But is this view really tenable? The productive activities of the wholesale and federal societies and of the retail consumers' societies have developed as responses to the needs of the consumers' societies and to the existence of a ready market in which their products could be sold without so much fluctuation of demand as to upset the steady routine of output and employment. Production under consumers' control must always follow, and can never to any great extent lead, the market provided by the local co-operative stores. It is bound to be dominated by the production of finished consumers' goods and services for which there is a regular and assured demand among co-operators. It cannot easily reach back from the final to the earlier stages of production except where the market for the final product is very extensive or the earlier processes do not call for production on a large scale. There is, in effect, no

prospect that for a long time to come co-operative production under consumers' auspices will extend far outside the range of fairly standardised consumers' goods for sale in the retail stores. There is, however, as far as I can see, no reason at all why the State should not set out in Great Britain—as it has done to some extent in a number of other countries—to encourage co-operative producers societies in branches of production round the edges of, or closely related to, sectors of industry that have been, or are being, brought under one form or another of public ownership. Let me cite, as possible examples, the production of gas and electrical equipment, the making of special steels and of finished steel goods such as tools and cutlery, the manufacture of aeroplane and railway components, the printing and manufacture of official forms, stationery, and office furniture—as well as the outfitting of the armed forces and of other uniformed public servants, which has, of course, been for a long time an important activity of the producers' co-operative movement in France. Nor do I see why we should not have, in Great Britain, producers' co-operatives for the execution of public works, such as bridge building, land clearance and preparation of housing sites, road work and other constructional jobs—forms of activity which have long been important in the producers' co-operative movement in Italy, as well in France.

I am suggesting that the acceptance of full employment as a responsibility of the democratic State, coupled with the need to find flexible forms of democratic industrial organisation, gives occasion for thinking afresh about the possible development of producers' co-operation and for refusing to rest satisfied with the very modest role assigned to it at present. I recognise, of course, that no such expansion as I have in mind can come about without a large investment of capital, and that there is no prospect at all of the consumers' movement doing more than a little towards providing the money, both because there is a certain measure of antagonism to "producers' control" in the consumers' movement, and because projects of investment in producers' societies would present themselves to some extent as rivals to proposed development of production under the auspices of wholesale or federal consumers' societies. No rapid expansion of producers' co-operation can come about unless the state decides deliberately to help the movement, by giving it at least as good help as is given to private firms which wish to establish themselves on industrial trading estates or apply for financial assistance by

way of loan to the special investment agencies set up to foster the growth of small-and medium-scale private enterprise. But I see every reason why the State should be urged to do this, as it was being urged more than a century ago by Louis Blanc in France and has been urged repeatedly by successive generations of social reformers of many schools of thought. I should like to see the State providing not the whole of the capital for such ventures, but enough to encourage the provision of the remainder by Trade Unions, by consumers' co-operatives, and by individual sympathisers, as at present in the societies affiliated to the Co-operative Productive Federation.

This would mean that the new producers' societies, like most of those already at work in Great Britain, would be, not pure examples of "producers' control," but mixed enterprises in which the various capital-contributing agencies, and perhaps the principal customers as well, would share the control with the workers employed, who would also be encouraged to become shareholders. I know it has often been argued that it is bad economics for workers to invest their savings in the businesses on which their wage-incomes depend; and so it is, where such businesses are liable to sharp cyclical fluctuations in the demand for their products. This argument, however, loses much of its force when full employment is recognised as a public responsibility. Even so, I would sooner see the workers' investment dependent not on the fortunes of a particular factory, but rather of a group of producers' co-operatives which would provide a pool of funds for investment in the various societies and would pay a dividend based on the collective earnings of the entire group. The old idea of using the workers' investment in order to give him a profit-incentive in promoting the success of his own factory is not really valid; incentives to higher output and efficiency should be related to wage-earnings and not to the return on invested savings. The poor man who saves needs, above all, security of return, not fluctuating profit; and the incentive to be derived from a small holding of capital in the firm which employs him has been shown by experience to be too weak to be taken as of any real account.

I do not flatter myself that the suggestions made in this article are likely to have large effects in the immediate future. At present, as I have said, hardly anyone outside the small circle of the Co-operative Productive Federation (and not too many even inside it) is thinking seriously about the future of producers' co-operation, or is disposed to take much notice of its claims in considering the relative spheres of nationalisation and of consumers' co-operative enterprise. Nor is

real consideration likely to be given to the matter until a Labour Government with a renewed mandate has come nearly to the end of the industries and services which it can nationalise on the familiar lines and has to face the question of devising satisfactory forms of business structure for enterprise which it wishes neither to take into its own hands nor to leave in the hands of capitalist profit-seekers. Nor will the time come for a big advance until the Trade Unions, having measured the advantages and limitations of what is called "joint consultation" in industry, come to face the question what is to be done in order to pass from mere consultation to some measure of real joint control, especially in industries or businesses which seem unsuitable either for nationalisation or for taking over by the consumers' co-operative movement. When however, these situations are reached, I am hopeful that producers' co-operation will become again a strong claimant to succeed to a part of the inheritance of capitalism; and though that time be not just yet, I feel sure it is by no means too soon to begin thinking afresh about the whole question and persuading the leaders of the Labour Party and of the co-operative movement not to leave the claims of producers' co-operation wholly out of account. I wish, for example, that the Co-operative Union, had given some thought to this question in drawing up its recent report on "The Co-operative Movement in a Collectivist Economy" and I hope that the recent establishment of an international federation representing the producers' societies in a number of countries will lead to clearer constructive thinking about the place of producers' co-operation both in Great Britain and elsewhere.

The Role of Co-operatives in the "Present Day Problems of Milk Supply" in the Province of Madras

CAPT. U. K. MENON,

Dairy Development Officer, Madras

How and Why Co-operatives

The problem of Urban Milk Supply has during recent years become a matter of sufficient magnitude to attract the attention of the enlightened public. Apart from the scarcity of this valuable article of food in urban areas, the problem of milk supply assumes added importance, due to the fact that it is an article, the production and handling of which, if not properly cared for, will offer numerous opportunities for the dissemination of diseases. Legislation and legal sanctions for prevention of unclean and impure milk supply from finding a market are necessary. Though ample powers are conferred to Public Bodies under the Public Health Act and Food Adulteration Act, effective administration of these has so far not been possible, due to various handicaps. Any scarcity in the supply position of milk may, apart from its effects on nutrition, tend to encourage malpractices and add to the incidence of milk-borne diseases, through the consumption of unhygienic milk.

Milk Supply in Urban Areas

Milk Supply to urban areas of this Province is further complicated because of the peculiar economic position of the producers. A large majority of the animals in the urban areas of this Province are maintained by urban milk men of limited means owning on an average 3 or 4 milch animals. They function both as producers and distributors and therefore they are obliged to keep the animals near to their consumers. With rapid increase in urban population in recent years, and its sister problems of scarcity of accommodation, heavy rent, higher living index, increased maintenance cost, this class of trader is forced to conduct his business under congested and insanitary conditions. Another peculiar feature of this Province is that all its existing breeds of cattle were bred for work and not for milk. Centuries of a breeding policy adopted to produce better type work cattle, have no doubt, resulted in producing some of the finest draught and work animals in the world, but only at the expense of the milk capacity of the heifers. The cattle stock for a Dairy has therefore necessarily to be imported to be economical as an industry. In the urban area proper, a partial solution to higher yielding cows was found by the use of cross-breeds. With restrictions on import of fresh blood, European Sires, the cross-bred stock have rapidly deteriorated and have become uneconomical. The result has been that there is a visible fall in the number of urban milk men, owning 3 or 4 such cross-bred cows and

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living within the City. The decrease in urban supply resulting from these adverse circumstances had therefore to be more and more augmented by the supply from suburban villages.

Village Milk Supply and Dairy Farms

The estimated average production per village unit of this Province is about 60 lbs., i.e., 20 lbs. per square mile. The difficulty involved in collecting these small quantities of milk from scattered homesteads, in several villages and transporting the milk to urban areas for distribution to consumers is great and particularly so because milk is a highly perishable commodity. In view of the difficulties involved in collecting these small quantities of milk from scattered areas, the best course for solving the supply problem would have been the opening of large dairy farms from which bulk supplies could be made available to the City. Unfortunately dairying in this Province has not been considered a very remunerative industry. Several factors have contributed to this view. The price of milk can be considered relatively high in comparison to the low purchasing power of its consumers. This forces the industrialist to keep the margin of profit low. Then there is always risk of losing capital investment from disease and death of animals. It therefore become necessary to devise a means by which the difficulties involved in tapping, collecting and improving milk supply from scattered homesteads of the suburban rural areas could be solved. This was done by the institution of Co-operative organisations.

Co-operative Organisations, Their Objects and Functions

This type of organisation ensures a fair return to the producer by reducing the number of intermediaries in the trade and also acted in a way to bring milk to the consumer at a lesser cost. The producer while shifting the responsibility for the marketing of his produce on an organisation, he could depend upon, could be free to concentrate his attention in an organised manner to the improvement of his production. The Co-operatives themselves are more amenable to direct Government control and are in a position to serve in a fair measure both the producer and the consumer. Where these institutions have been functioning they have been able to bring about an improvement both in the volume of supply and the ethics of the trade. The Co-operative Milk Supply Unions are outstanding examples of the successful application of the co-operative method to the solution of urban milk supply problems. The main object of these institutions is the purchase and disposal of milk and milk products of its members handled under sanitary condition to the resident urban population. There are other objects too, namely to introduce modern technique in handling, treatment and storage of milk, expansion of the trade through increased activity, improved breeds, establishment of model dairies, owning and

leasing of pasture lands, cultivation of fodder, low cost salvaging of dry animals, supply of cattle feed in bulk and as balanced computed bricks to members at reasonable rates and providing of technical and supervisory staff.

Ideal

The question of raising the *per capita* consumption of milk to the ideal figures is also necessarily one of the main aims of these institutions. How soon this could be achieved depends on the increase output per milch cow lowering costs of maintenance and production and eventually lowering the price of market milk, to place within reach, this commodity, to the lower income groups of our population. In quite a number of places the trade has been controlled by these institutions and the milk supply to State Hospitals, Jails, Schools, Hostels, Restaurants, Eating Houses and Ice Cream Parlours has been attended to in addition to the supplies to the individual consuming public.

Co-operative Milk Supply Societies—Organisation

Societies are organised after a survey of the existing condition of the trade obtained in the urban area. The survey indicates the extent of human population with special reference to the quantity of milk consumed, the extent of milk available in the urban area and the quantity of milk coming from the suburban villages to augment the town milk supply. Urban societies are organised along with feeder societies in the suburban villages, and the milk tapped from these sources are pooled at a Central Union and distributed to consumers. Transport arrangements are made by obtaining an interest-bearing State loan for the purchase of vans. All development activities with a view to augment the supply are, as a matter of principle, concentrated in the village societies. The most outstanding feature in the organisation and working of these societies is the compulsory provision for Common Milking Yards and supervised milking at these common centres.

Purchase of Milk

The Co-operative Union purchases pooled milk from each of its feeder societies. The purchase price is worked out on a sliding scale to cover cost of transport. Societies nearer urban areas obtain a higher price for their produce than societies further removed. A margin of Re. 0-0-6 in the rupee is kept by the society towards the cost of supervision charges and other incidental expenses. The Union keeps a margin of Rs. 0-1-0 to Rs. 0-2-0 over the sale price towards the cost of establishment, etc. The Unions purchase milk only after testing for quality based on the minimum legal standards of fat and S.N.F.

Pooling and Processing

In the Madras Co-operative Milk Supply Union where there is a H.T.S.T. Plate Pasteuriser and Cold Storage equipment, all pooled milk

from the feeder societies is processed before distribution. Six of the major Unions of this Province have already applied for interest bearing State loans for the purchase and installation of Pasteurisers and Cold Storage units.

Distribution

Distribution of pooled milk from the Unions is done under the following heads :—

1. *House Deliveries*.—To consumers of the Upper and Middle classes who require a definite quantity of milk each day. House delivery boys act as distributors and sales are made on coupons. A small fee is collected for each delivery, for this service.

2. *Depot Sales*.—To cater to the lower class of the population, Depots are run by the Union in convenient localities. Cash sales are made at these depots.

3. *Bulk Supply Contracts*.—Are executed for supply to the Government Hospitals, Jails, Army Supply Depots, Schools, Hostels, Hotels, Restaurants, Ice Cream Parlours, etc. Some of the Unions themselves run Ice Cream Parlours and hot and cold milk bars.

Business Turnover

On the last date of the Co-operative year June last year there were 23 Milk Supply Unions and 354 Milk Supply Societies as against 21 Unions and 269 Societies on the same date of the preceding year. The combined value of total milk sales in the Unions and Societies in this Province was Rs. 1.08 crores during 1947-48 as against 1.03 crores in 1946-47.

During the three months of this quarter ending December 1948 for 25 Unions and 104 societies alone, for which figures are available, the level of sales came to 24.5 lakhs and at the close of the Co-operative year it is expected that the total sales will approximate Rs. 1½ crores (150 lakhs).

State Aid

Comparing their working and volume of trade (bearing in mind the position of the industry) it is a matter of pride that Co-operatives have in relation to other like institutions dealing with essential articles refrained from asking for huge amounts by way of State subsidies. The biggest State aid that is given to these institutions is the provision for the grant of :—

(a) *Interest-free loans* to members for the purchase of milch animals. These State loans have become highly popular. The total interest-free loans sanctioned by Government have increased from 4.59 lakhs in 1947-48, 9.26 lakhs in 1948-49 and 12.5 lakhs in 1949-50.

This amount is allocated to the Unions. The Unions will distribute their allotments amongst the societies. The Societies issue loans to their

members and recover the loans in easy instalments covering a period of one lactation.

(b) *Interest-bearing loans*.—Apart from these interest-free loans Government have sanctioned 4% interest bearing loans to enable the Unions and societies to purchase vans and other equipments.

(c) *Subsidies*.—Government subsidies have so far been restricted to technical and administrative staff.

(d) With the introduction of Prohibition, Government have resorted to this type of societies as one of the means for the employment of ex-toddy tappers. There have already sprung up 6 Unions and 78 societies for ex-toddy tappers and ex-addicts.

Conclusion

The main objection that is raised against these Co-operatives is that the poor ryot in the village has been tempted to supply his entire milk produce without keeping even a small quantity for the personal need of his household. This objection is only a casual one. These societies have been responsible for an average tripling of the milch cattle population in the areas they have been operating. The common ryot in these villages is in a position now to treat visitors with butter-milk which fact readily shows that a portion of his produce is kept for his household use. Apart from this about 12% of the total number of members of milk societies are rural woman folk. To them these societies have provided an ideal lesson in democracy.

By the concentration of development activities in suburban villages a steady flow of cattle from the urban area to the village societies is noticed. The Co-operatives meeting their marketing commitments in urban areas from production sources in villages has thus resulted in a slow evacuation of city cattle.

A step towards the ideal of mixed farming has been brought about by the disbursal of interest-free loans for the purchase of milch animals to the producers in the villages. These ryots, normally agricultural class, have by obtaining these loans been able to make animal husbandry a subsidiary and paying occupation.

The value of these Co-operative institutions therefore cannot merely be judged from the membership and the volume of business transacted however impressive they may seem. They have influenced a trade to an extent that has improved its ethics introduced though in a small measure a system of mixed farming, given an incentive to the production of better type of cattle, provided an educated organised institution based on democratic principles for the betterment of the earning capacity of the agricultural ryot, while at the same time to the consumer brought supervised milk at comparatively lower cost and in a much more hygienic state.

It will not be out of place, before concluding, to add that the Madras Government in their Order No. 1769, Development dated 1st April 1949 have been pleased to record "The Government are glad to note the satisfactory progress of operations of these Co-operatives."

The Kambakkam Farm for Salvage of Dry Cows

[Recently our Associate Editor toured some districts of the Madras State and visited some important co-operative institutions. He was able to observe their working first hand. With a view to acquaint the readers with the working of the co-operative institutions in some parts of the State, we publish in these pages a series of notes and observations made by him during his visits. The first note relates to the Salvage of Dry Cows Farm of Kambakkam, otherwise known as the Madras Co-operative Society for the Salvage of Dry Cows. This institution was visited on 28-2-50—*Editors*.]

Kambakkam is 13 miles to the west of Tada railway station which is 44 miles from Madras. The place is also connected by road with Madras City. Kambakkam is hilly, with an upland region of about 200 to 300 ft. height, the hills rising to about 2,500 ft. The elevation is gradual to the foot of the hills. The rainfall is said to average at 40 inches per annum, the chief source being the north-east monsoon.

The salvage farm is situated amidst a semi-circular row of hills. The farm is 1,600 acres in extent and covers in a considerable part of the upland and hilly tract. Of these 1,600 acres about 5 acres is the farm yard and the rest grazing land. The whole area is Reserve Forest.

Under the Government cattle improvement scheme the farm is meant for salvaging the dry cows of Madras, so that owners of cows in the city may not feel difficulty in maintaining them when they are dry. Individual owners of cows are admitted as members of this society. Only members are allowed to send their cows for salvaging. The membership fee is Rs. 5. During 1948-49 the membership and paid up share capital of the Society were 462 and Rs. 2,985 respectively. The Society has a working capital of about Rs. 52,000.

There are at present 217 cows in the farm. Of them some 40 cows belong to professional milkmen. In 1948-49 about Rs. 18,000 was collected as fees for salvaging from the owners.

The farm yard which covers about 5 acres of level ground has six sheds, covered with palmyrah leaves and straw thatch. The sheds last usually for about two years. Formerly there were only three sheds and the farmyard covered only 3 acres.

The cows stay in the farm for about 11 to 12 months—until they calve. The cows are graded according to their health and habits, kept in different sheds. Those in the advanced stage of gestation are brought to the "final stage" shed and are given special care in feeding and grazing. Their special feed consists of concentrates like groundnut cake, bone meal, bran and red gram husk.

Fourteen cattlemen, a veterinary doctor, a compounder, and two peons carry on the daily routine of the farm. The cattlemen belong to various communities like *reddies* and *yanadis* and are fairly acquainted with animal husbandry and agriculture. They are paid about Rs. 32 each. They live with their families in the farm yard premises and attend at all times.

The cows are given their morning feed at 8 a.m. and at 9 a.m. they go out to graze. The cattlemen go with them to watch them and protect them against cheetas and bears. A gun is also used for the purpose. The cows walk uphill about two miles along an ascending pathway and graze between the altitudes of 800 ft. and 1,000 ft. On these uplands and hills, there are about a dozen varieties of edible leaves such as *kondaragi*, *alli*, *tada* and *phalamushti*. There is also some grass at an altitude of about 600 or 700 ft. There is plenty of grass at a higher attitude but that part of the farm is subject to the menace of wild animals.

During the season when there is good grass and foliage, about 3 lbs. of straw per head of cattle is given at the farm yard stall. It is gradually increased to 8 lbs. per head when graze on the uplands is scanty. For all the 217 cows about $\frac{3}{4}$ ton of straw is required per a day on the average. Contractors supply straw to the farm at a fortnight's notice.

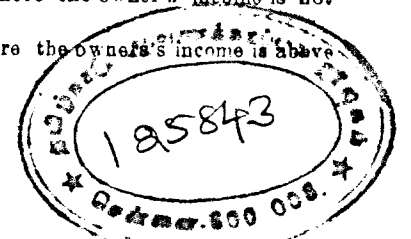
The Salvage Farm has five studbulls of which one is a Sindhi. They go out with the herd. Two or three bulls are sent daily with the herd by turns. The cattlemen report that two or three cows are served by the bulls every day.

The cost of feeding a cow comes to about Rs. 21 a month. Rs. 7-8-0 is paid by the owner* and the balance is met equally from the State and Central Government subsidies. It costs Rs. 21 per month to maintain the studbull also. Medical aid is readily given to cows whenever necessary.

When the calves are about 3 or 4 days old, the cows are returned to their owners in Madras in batches, the minimum number for a batch being four cows. The dry cows are brought from Madras by train at the owners' expense. But while returning to Madras the cows go by road. Some two or three cattlemen take them to Madras. Each man is paid Rs. 10 inclusive of the expenses for his food and the cows'. The batch of cattlemen returns to the Farm within four days. During his absence a substitute is temporarily recruited from the neighbouring villages on a daily wage of Rs. 1-2-0. All these charges are borne by the owners of the cows returned in any particular batch. The share of each owner comes to about Rs. 8.

*This rate has since been enhanced in accordance with the income of the owner, as follows:

- (a) Rs. 10 per animal per month in cases where the owner's income is not above Rs. 500 per mensem, and
- (b) Rs. 12 per animal per month in cases where the owner's income is above Rs. 500 per mensem.



The farm has poultry keeping also as an side line activity. Poultry came to be kept mainly for the purpose of getting rid of the ticks. The fowls are of good varieties—cockrails, etc.

The farm has an excellent scope for several subsidiary activities. The women in the farm are rather idle. It is desirable that they should stitch leaf-platters so that they may get some supplementary income for their families. The forest has some good varieties of leaves like *nillamarri* and *brahma badidi* which make good leaf-platters for the Madras market. The difficulty here is that the women are prevented by custom from going one and collecting leaves. They want the men to do the work; and the men have tight work every day. The women have been advised to shake off this custom and go out to get leaves. Secondly there is scope for bee-keeping also. The women can easily take care of the bees. Thirdly the cattlemen should be made to develop thrift habit through the *hundi* boxes. Deposits will be easy if the women add to the family income. The cattlemen are agreeable to adopt these new lines of activity and the doctor who is in charge of the farm has been advised to introduce these activities among the cattlemen by persuasion.

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President.

Co-operative Education in India

SRI V. KAMARAJU, M.A., F.R., ECON. S. (LONDON)

Madras Prov. Co-op. Bank, Ltd.

"The inadequate and uneven progress made by co-operative movement in India is largely due among other things to a lack of general education among those whom it seems to serve. The movement in India was started mainly for improving the conditions of the agriculturists who needed the beneficent assistance of co-operation most, and who, it is also unfortunately true, were not prepared due to a lack of education to imbibe and act according to the principles of co-operation." It is the primary duty of the State to educate people of the country in the three "R"s and this remove illiteracy and dispel ignorance amongst the rural population and the best means to achieve this end is co-operative education. Coming to our own country with an agricultural population of 70 per cent of the total population and with natural fertility and wealthy resources, we do not find the co-operative movement a perfect success, and it has not even touched the fringe of the population. The co-operative credit societies which were started on voluntary basis could not function well and as such the Government had to take up the co-operative department into its hands as contrasted with the initiative that came from people in the case of most of the western countries. What does it show? The chronic illiteracy prevalent in India has been mostly responsible for this unsatisfactory state of affairs. Even in countries like England and Denmark with high percentage of literacy, they had to undertake co-operative education. So the task of educating the people in general and dinning into them the co-operative principles in particular is of very primary importance. According to Royal Commission on Agriculture "If co-operation fails, there will fail the best hope of rural India"; and hence it is the duty of the State and co-operators to put all their efforts and see the movement succeeds at any cost. It must be admitted that what has been done so far in the direction of promoting co-operative education is just a beginning and it requires much more expansion to have tangible results. No organised attempt has been made in the many provinces and states of India, to impart co-operative education and the very meagre arrangements made for co-operative training and research vary from province to province and state to state; and there is no uniformity. A brief account of how far the various provinces in India have progressed in imparting co-operative education is detailed below.

Madras

Whenever the co-operative movement was taken stock of by a commission or a committee, the need for co-operation education was always stressed. The MacLagan Co-operative Committee. The Townsend Committee and recently Vijayaraghavacharya Committee felt the same:

"that there is need for intensive co-operative education and training of all co-operative workers, paid or honorary as units in the co-operative army, able to work intelligently, individually and in groups, for the realisation of co-operative ideals. The Madras Government, subsidises the Provincial Co-operative Union for running a short Course of Panchayatdar's training classes. Since 1936, this scheme is financed by the Provincial Government. The Government also helps the Co-operative Union in the running of the training institutes. These Institutes form the main portion of structure of co-operative training. There are four co-operative institute in the Province. These train men for employment in the co-operative institutions. The course runs for 9 months and among the subjects taught are co-operation, banking, book-keeping and auditing etc. These institutes are located at Rajahmundry, Anantapur, Coimbatore and Tanjore. The Provincial Co-operative Union has got a sort of general control over the conduct of these institutes. The two agencies that are engaged in imparting co-operative education in Madras, are the Government and the Provincial Co-operative Union. The Madras Provincial co-operative Union is a non-official body for the whole province and it conducts examinations for all these institutes. The Government also conducts a Central Co-operative Institute which is responsible for training the staff of the co-operative department recruited by the Public Service Commission. In addition to these regular institutes, provision is also made for the appointment of Educational Inspectors for training office bearers and members of societies in keeping accounts and the work of the like nature. The University of Madras takes some interest in co-operative education. It has instituted B. Com. pass and B. Com. (Hons.) Courses, with Co-operation as one of the subjects and this applies to the Andhra University also. In the recent times on the recommendation of Vijayaraghavacharya Committee there has been an agitation for starting of a special college of co-operation and recently both the University and the Provincial Co-operative Union have agreed with the Government that the starting of a separate college of co-operation is superfluous and this purpose can very well be fulfilled by giving more prominence to subjects of co-operation in B. Com. and B. Com. (Hons) courses of the University, by giving a course of practical training in the various co-operative institutes to these graduates. The Vijayaraghavacharya Committee recommended the starting of a Co-operative College for aspirants for employment in the Co-operative Department and for higher posts in Urban and Central Banks etc. and that the college should be a Government college. It further recommended that the course of study and syllabus should be settled by the academic authorities of the Universities and the Government should have the help of an advisory council in the administration of the college. Government should introduce a book on co-operation and rural uplift for non-detailed study in high schools and colleges run by them or with their grants. There should be greater co-ordination of effort between non-official co-operative agencies and the

co-operative department in the matter of co-operative propaganda and education. All these facts go to show that there was no definite and consistent policy pursued by the Government in the matter of co-operative education and the help they gave varied from time to time.

There are two linguistic regional Federations affiliated to the Madras Provincial Co-operative Union, namely The Andhra Desa Co-operative Union, Rajahmundry and the Tamil Nad Co-operative Federation. The former Union conducts a journal in Telugu by name "Sahakaramu" and the latter conducts a journal in Tamil by name "Kooturavu".

Bombay

In the early days, education was the responsibility of the department. Mr. G. K. Gokhale and Mr. N. M. Joshi with the help of members of the Servants of India Society organised a co-operative Library in 1914 and co-operative secretaries training classes, the first of its kind, were held in 1914 under the auspices of a non-official committee. The members of the Library also helped with contributions to a weekly paper called "Commerce and Co-operation" which was started in 1915 as a private venture. In 1917, in the place of the weekly, paper a new quarterly Journal called "Bombay Co-operative Quarterly" was issued. The Bombay Provincial Co-operative Institute was organised in 1918 with an object to develop co-operative movement in India by all means in its power, to secure for every sort of co-operative activity to promote the study of all questions connected with co-operation and to ascertain and represent the views of the co-operators on any questions of general and public importance affecting the movement. In any record of co-operative education in Bombay Province, the place of honour must be given to the scheme of adult education for the members of the co-operative societies which was conducted for six years between 1918-24 in two sub-provinces of Maharashtra and Karnataka. The Late Sri Vittaladas Thackersey financed this scheme. In 1926, the Central Education Board was revived and besides holding examinations it started three full fledged co-operative schools at Poona, Surat and Dharwar and these schools had to be closed down for lack of support. In 1924, the Institute started a monthly journal in English called "The Bombay Co-operative News" which was discontinued after 3 years for want of funds. Journals in regional languages suffered the same fate. But the Broach Sahakar Samachar started by that branch of the Institute in 1930 still continues. This Institute carried out five economic surveys and published some books and pamphlets in English and regional languages. In 1939, major decision of policy was taken by Government *vis-a-vis* the Institute *i.e.* abolishing the Branches of the Institutes in the districts. In 1945-46 the Institute conducted evening classes at Bombay and Poona. With the coming in of Sri V. L. Mehta a recognised authority into office as Minister of Finance and Co-operation the movement received a great

impetus and he appointed a committee with Sri Janardhan Madan as Chairman in 1947. The Madan Committee recommended 1. that the arrangements for separate training by co-operative institute and co-operative department should be replaced by a single agency—the institute, 2. Regional schools should be shut up at Poona, Surat and Dharwar to train the personnel of the movement, 3. that the co-operative training college should be opened at Poona 4. to train higher departmental staff. The Government accepted the recommendations of the Madan Committee mutatis mutandis. A Co-operative training college was established at Poona in 1947 and this marks happy progress in the history of co-operative education not only in this province but in the whole of India. The Government of Bombay are giving generous grants for the educational activities of the institute and to meet the expenses of the college. With the donation given by the Bombay Co-operative Bankers' Association, a Research Committee was appointed to conduct an enquiry into the effect of war on the indebtedness of the members of co-operative societies.

Punjab

The training of co-operative staff on sound and systematic lines has always been considered as most essential in Punjab which, of all provinces of India was first to realize this and to evolve a system of training which is regarded as efficient and thorough. The beauty of this system has already won praise from Royal Commission on Agriculture. As far back as 1921 a selected inspector was appointed to hold regular classes for training senior and junior inspectors. The Punjab Government on the initiative of Mr. Darling sanctioned a special grant in 1935 for training the co-operative staff and also to carry on intensive propaganda for the education of the members of the societies. An Assistant Registrar was placed solely in charge of the education work. In 1940-41, his staff trained secretaries office bearers and members of the various societies. Special classes were held alike. Refresher courses for training salesmen, storekeepers and inspectors and other members of the department were held. At present, there is a special staff which goes round all schools and colleges and delivers lectures and conducts refresher courses on co-operative education.

Bengal

From the beginning of the birth of the co-operative movement in West Bengal, unfortunately there is no non-official agency. In spite of the untiring efforts of the co-operators in Bengal, the age old institutions Bengal co-operative organising society and the Bengal co-operative alliance have failed. The two journals "The Bengal Co-operative Journal" and "The Bhandar" have been curbed and since discontinued. In Bengal the whole movement is ridden by officials of the department and practically there is no non-official organization to give impetus to the movement. The only institute which gives training the co-operative staff is the Bengal

Co-operative Training Institute, started in 1937. The cost of running the institute for the first five years was borne by the Government of India on the assurance of the Provincial Government for meeting the costs of the permanent retention. Its main object is to train the staff of the department and few paid entertainers as managers etc. The training institute first was originally housed at Dum and shifted to Naogaon for four years as a war emergency measure and is at present housed at Konnagar. The entire Institute is in charge of a senior inspector at present. Only a few years back a committee was appointed for the revision of the syllabus. It is being felt in co-operative circles that in some shape or other a training arrangement should be made on a permanent basis and it is high time that the non-official co-operators unite and try to mould the character and the conduct of the movement in West Bengal.

United Provinces

Here also we are sorry to note that the co-operative movement has not had a successful career and this largely due to the neglect of co-operative education. The Co-operative Union publishes the quarterly U. P. Co-operative Journal which is edited by an official of the department and which consists mainly of reports of the activities of the department rather than contributions from the non-officials in the field. The theoretical training of the subordinate staff is conducted at the co-operative institute at Pratabgarh. An Agricultural farm is attached to the institute. With the stoppage of the grant from the Government of India the scheme was discontinued. The co-operative department has established a publicity section in 1929 but has published scanty literature. A scheme for reviving these classes has been drawn by the co-operative movement and is placed for the approval of the Government. The Central Bank and other societies are expected to make liberal contributions out of profits at the rate of 6 pies per rupee and they have again requested the government to contribute an equal amount. There is also a plan to start the Co-operative Research Bureau and which is estimated to cost Rs. 2 lakhs and the Provincial Co-operative Union has already collected half the sum.

Central Provinces and Berar

The co-operative movement struck root in this Province in 1904. On the recommendation of the C. P. and Berar Co-operative Federation Congress of 1928, the Berar Co-operative Institute drew up a syllabus for co-operative education and accordingly the government accepted the recommendations and created a Central Board for each institute area and held it responsible for proper education and supervision of societies and empowered the Central Board for employing and controlling the necessary staff for this purpose. The constitution of their institutes was modelled on that of co-operative institute at Bombay. It started a monthly magazine in Marathi "Sahakari Vidabsa" and the movement is not making happy

progress for want of funds. Since 1941, Nagpur University had instituted a diploma course in Co-operation.

Assam

Assam Banking Enquiry Committee recognised the need for co-operative education and recommended a separate staff for co-operative education and propaganda. Two inspectors were sent to Punjab in 1935. Some propaganda is being carried on by means of a co-operative journal called "Samabai" and also by means of magic lantern in the rural parts. After the separation of Orissa from Behar, the Bihar and Orissa Co-operative Federations ceased to have any jurisdiction and out of the grant made by the Government of India, educational inspectors were appointed for training the members of the rural societies. Till recently, the responsibility of imparting co-operative education in this Province remained in the monopoly of the Government. Early in 1948, a Co-operative Union has been organised. As per the post-war development scheme, the Provincial Government is providing adequate finance for co-operative training and education. The Orissa Co-operative Union publishes two quarterly co-operative journals called "Kalyani" in Oriya and "Orissa Co-operative Journal" in English. The Union has drawn up a scheme for running a summer school on co-operation.

Bihar

As early as 1924, a co-operative training institute was started. This institute later developed into a full fledged college styled as Durgaprasad Training College. The Government of India in 1936-37 announced to let a part a portion of the funds for training co-operative workers in each province. This was a signal for closing down of the training college in Bihar and thus a very useful institution was closed.

Mysore

The Mysore Co-operative Propagandist Institute ("Propagandist", since dropped) was started in 1924 for education and propaganda. It conducts the Mysore Co-operative Journal in Kannada, Co-operative training classes are held in every year in several centres for the benefit of the employees and members of the co-operative societies and general public. The Chandrasekariah's committee observed in 1936, "One of the serious handicaps to the successful working of the co-operative movement is the general ignorance and the absence of the trained men among the office-bearers of the society. Most of the objects in the working of societies are due to lack of elementary knowledge on the part of those entrusted with their management" Since then some progress has been made. Every year a Provincial Co-operative Conference is being held during Dasara Season and it is conducted for the last 37 years. Study classes and refresher classes are conducted at Bangalore, Mysore and Shimoga for the benefit of

employees of the co-operative societies. But the progress is not encouraging. The institute has appointed district honorary propaganda officer whose duty was to advise, guide and solve the problems of the primary societies. The Chandrasekara Ayyar Committee has made valuable recommendations for including subjects of co-operation for the Intermediate and Collegiate courses but their recommendation remained on paper only.

Hyderabad

Hyderabad Central Co-operative Union carries the work of education, propaganda and supervision. It maintains a public library and reading room at Hyderabad and helps to maintain circulating libraries with rural reconstruction societies. It publishes a monthly journal in Urdu, Telugu Marathi and Canarese. It runs a rural development centre at Palanesram. The Co-operative Union has submitted a scheme for propaganda, The Government gives annual grants for holding rally.

Travancore

The main object of the Travancore Co-operative Institute is co-operative propaganda on education. To effectively reach all parts of the State, supervisory unions act as agents of the institute and carry out its instructions. Conferences are convened by the institutes and it runs a Journal, "Sahayogam". The Establishment of a permanent institute did not materialise due to financial difficulties for long. The Co-operative institute now owns a building and is progressing.

A Co-operative College has now been started in Trivandram for higher co-operative education. There are about 90 students in it now.

We have studied and seen how and why the co-operative movement has not reached the rural masses. From the above study, we notice 3 important drawbacks of co-operative education in general:

1. Co-operative education is not uniform throughout India and it varies from Province to Province and State to State.
2. That there is no single or unified agency to impart co-operative education. In some provinces, we have seen how this aspect of co-operation is grossly neglected.
3. We have also seen that arrangements made to impart co-operative education in India are but only adhoc in nature. Many a time training institutes and colleges had to be closed for want of a permanent financial arrangement.

How best to overcome the above difficulties? On the recommendations of the 14th Registrar's Conference, the Government of India appointed a Co-operative Planning Committee under the Chairmanship of Mr. R.C. Saiya. The Saraiya Committee recommends that the principles of "Each for all and all for each" should be taught from the earliest state of child education and emphasizes need for co-operative effort both in the class room and on

the sports field and further recommends that co-operation should be recognised as special subject of study in Indian Universities and due recognition should be given to those graduates.

The Committee recommends starting of co-operative colleges in each province and both official and non-official co-operators should be trained here. The college should be equipped with well qualified and adequate staff. For the success of the co-operative college it is imperative that the Government should accord definite recognition to the examination conducted by it and these colleges should be affiliated by the Universities. The Government should give all possible financial help, and make it a policy not to recruit new staff unless they obtain a certificate from the college. The committee gives a prominent place to Research in Co-operative Education when the very basis of co-operative education is in a formative stage it is too much to expect research to be undertaken by the co-operative colleges. It also recommends to the Government of India that they should establish a co-operative institute of advanced studies and research.

In conclusion let me venture to suggest that co-operation should be treated as a Central subject and placed in charge of a Ministry for Co-operation. This educational aspect of the co-operative movement should be viewed from an all India basis. The Government of India must sanction special grant and make provisions in the budgets for the spread of co-operative education in the various provinces. The Government must in co-operation with non-official agencies, draw up syllabuses which should be uniform and must cover allied subjects from agriculture to commerce. It is felt in some quarters that no appreciable progress can be achieved in the field of co-operative education if the various provinces and the states were given freedom to evolve varied and divergent systems and syllabuses. In this respect, I fully agree with Sir Janardhan Madan's suggestions.

Conclusion

A sense of security, the true basis of a happy family and national life our agriculturists never enjoy. Life has become to many of them a sordid struggle for existence, the ryots' "life has little security, less gaiety and no dignity"; but around this dark horizon co-operation gives a sparkling hope. To-day co-operation has manifested itself in all aspects. Rural credit in Germany, as consumers credit in Britain, dairying in Denmark fruits growing in California and so on. But they were not the only forms of the co-operative movement, the Rochdale pioneers and Owenites visualized. They were but means to an end. For them co-operation was not a mere way of business but a fundamental way of life, a way in which moral and material ends were harmoniously blended and man found a meaning and purpose in life. Capitalism red in tooth and claw, rendered man acquisitive; Communism, ruthless and deadening, reduced him to a plaything of external forces. The one made him excessive introvert; the other

made him excessive extrovert. It was as though man could swing only from one extreme to another extreme and never strike an Aristotelian golden mean. And this compromise between the two extreme forces is, co-operation. England may have liberty, America may have fraternity, France may have equality but none of them have all the three. Neither facism nor communism succeeded in effecting for reaching changes in the social pattern so that people may live in peace and in plenty. It was left to Mahatma Gandhi to outlive the frame-work of such a society that was the co-operative commonwealth.

This would be achieved only when the movement brings common man into its folds. To this end, the adult should be educated. How is it possible for the co-operative movement to take up the education of the adult? This depends upon the organisational effort of the movement in its drive to eradicate adult illiteracy. From the Pamphlet on "Rural Adult Education in India" submitted by Mr. L. R. Seth, Deputy Secretary Ministry of Education to the UNESCO Seminar at Mysore, we learn that there are 160 million adult illiterates in the country and a Ten Year programme to remove adult illiteracy alone requires Rs. 270 crores. This could be achieved only when there is full co-operation between the Government and non-official agencies in the field of co-operation. The Government should provide the necessary finance and the non-official agencies should put their spirit and work the scheme and it is by no doubt that adult illiteracy could be eradicated within 10 years. It is most gratifying to note from the report that the co-operative movement was one of the contributory factors to the growth of adult education movement after the First World War.

The George Town Co-operative Credit Society, Ltd., No. 8512

29, Krishnappa Naicken Agraharam Street, G. T. Madras.

(REGISTERED IN 1923.)

All Banking facilities are afforded to Members and Constituents of the Society. Fixed Deposits are accepted for one year at 4½ per cent interest.

There are 3,000 subscribers who contribute towards Monthly Savings Scheme, which runs for 84 months.

The Loan Transactions of the Society—Simple, Jewel, Mortgage and Surety loans—exceed Rs. 18 lakhs.

P. NATESAN, M.B., B.S.,
President.

A Note on the Reclamation of the "Kambalathars" by the Samudram Gramasangham (Tiruchirapalli District)

The "Kambalathars"—a General Description

Almost every one in Tamil Nad is familiar with the "*Kudukudupbandi*" Soothsayer who goes about the streets of towns and villages, in the small hours of the morning, sounding a small drum-like contrivance by hand and chanting the names of all sorts of deities and forecasting the future of almost every house holder who is generally fast asleep at the time. These men again go through the streets in day time, uttering prophecies and begging for alms, in return. Almost always, they ask for old clothes rather than alms in the shape of grain which the common beggar takes. Nevertheless, begging is their only profession. The average man who just obliges such a beggar rarely stops to think where he comes from, or where he goes: much less, how he ekes out his livelihood by such means. It would therefore be interesting to the public at large if they know that a community of people, inhabiting the Tiruchirapalli district who practise this profession, have peculiar customs and manners, some of which are unique and praiseworthy; and also that an attempt is being made in a humble way, to effect their social uplift by a *Gramsangham* working under the guidance of the Prohibition (Amelioration) staff in the Tiruchirapalli district.

This pioneering effort has been sponsored by the office bearers of the Samudram Gramasangham in the Manapparai sub taluk of the Tiruchirapalli district. Samudram is a village situated on the Tiruchi-Mathurai Railway line and is a railway station. In this village alone there are about 35 families of these people, orally known as "*Kambalathars*". It is said that scattered over the whole of Tamil Nad, there are about 500 to 600 families of this community, numbering about 3,000 people in all. The "*Kambalathars*" of Samudram claim that their village is the nerve centre of the social and communal activities of all these people. At any rate many people of this community living in the Tiruchirapalli and adjoining districts flock to Samudram for a lead in all matters. One form in which this aspect of their life manifests itself is in the shape of periodical communal meetings convened at Samudram, whenever necessary. It is said that representatives from various places make it a point to attend such meetings to take part in their proceedings.

Their General Traits and Habits

A study of the social customs and habits of these people by the officials of the *Gramasangham* has shown that these people have the following chief characteristics: From time immemorial, begging has been accepted and practised by them as their profession in life. For this purpose they go about all places far and near, and return home only at long intervals.

Apart from acting as "Soothsayers", they also practise putting on disguises (*Pagalvesham*) and use these arts as aids to their profession. They live in small huts, often several families huddled together in a single house. Almost every one is illiterate and they are in an extremely backward condition, in this regard. So far as Tiruchirappalli district is concerned, they are reported to live in appreciable numbers in the villages of Arungalur, Nannimangalam, Neiveli, Chettimanaglam, Thottiam, etc.,. Among themselves, they have a sort of group system of life; 10 families forming one group, with a group leader who is called the "*Peddakappu*". He acts as a sort of Patriarch and is authorised to speak and act on behalf of the families of the group at all communal meetings. Above all, they all owe allegiance to a common *Guru* who is a native of Kanchipuram in the Chingleput district, whose family has been holding this position, hereditarily. These people decide all disputes among themselves and such of them as could not be done so are decided by this *Guru*, whose decision is implicitly accepted as final. Strange to say these "beggars" have somehow been managing to pay this *Guru* substantial sums as their "offerings" to him, during his periodical visits apart from the payment of 'fines' imposed by him in such of these individual cases as are decided by him. It may be noted that all these features pre-suppose a unique sense of discipline in all their activities, which will be better illustrated by the following facts.

Their Code of Conduct

These unlettered men have certain rigid and rigorous codes of private and public conduct which are worthy of praise and possibly, emulation by others. In the first place, stealing in any shape or form is prohibited and he who offends this law is subjected to trial by communal elders and punished with heavy fines and public disgrace. Secondly, courtesy and hospitality to guests is an equally important quality enjoined on everyone. It is said, that however poor one may be, he must share what little he has, with his relatives or guests who happen to be under the same roof. Similarly quarrels and disorderly behaviour or the use of objectionable language to one another are strictly forbidden; and transgression of this code entails trial and punishment. More than all, in no case can any dispute—however grave—be taken to a court; but it should be referred to the communal elders "*peddakapus*" for decision which must be accepted as binding. These traits have in addition to a very strong sense of discipline brought about a unique sense of solidation in their social structure and life. Naturally therefore, they have had very little contact with outsiders and have been leading a sort of snail-like life with in the shell of their social customs.

Peculiar Social Customs

(i) *Marriage*:—These people have evolved a peculiar social custom in which he who seeks the hand of a bride must undergo a sort of 'probation,'

before being accepted as a fit "bridegroom." For this purpose he must live as a member of the bride's family for six months and must satisfy the parents by his behaviour as a worthy bridegroom. They should also be satisfied that the two are on good terms and like each other and that their married life would be happy. It is only then that their marriage will be allowed. Even after the marriage, the two should live with the bride's parents until they begot two children. The idea seems to be that until then they are too young and inexperienced to venture alone on independent life; possibly this "course" is expected to develop and cement the ties of affection also. It is only after such a probationary life that the man and wife are allowed to set up an independent household.

(ii) *Communal or Group Meetings.*—It is said that these people convene meetings of the community at different centres, whenever necessary. The chief work done at such meetings, is the disposal of disputes that might be referred to them. For every such meeting, it is the duty of the several group leaders or "Peddakapus" to attend. If the meeting is confined to a single village, it may not entail much expense. For bigger gatherings, at which people from different places have to assemble, it is said, the men come by road or rail; and the actual travelling expenses of each "Peddakapu" are defrayed by the families of the group concerned. At these meetings, these "elders" hear all pending cases and settle them. One important point worthy of note is that a high degree of honesty and incorruptibility is enjoined both on these "Judges" and the witnesses. Any one who utters a lie or deviates from strict impartiality in his judgment is liable, in his turn to be tried and punished. The man who is found guilty is punished with a fine, suitable to the gravity of the offence. The fine amounts collected are said to be divided among the several "Peddakapus" assembled. It is the duty of "Peddakapus" to attend all meetings. Though these are a nomadic people, news of such meeting is said to be effectively conveyed through word of mouth and every one invariably manages to attend at the appointed time and place. The news, it is said, is relayed from place to place by these wandering beggars.

Allegiance to "Guru"

As already stated, they all owe allegiance to a common *Guru*, living at Kanchipuram. He has been periodically visiting the villages where these people live in large numbers. Generally, it appears, he has been coming once in three years. On each such occasion, cases which have not been or could not be disposed of by the "elders" are referred to him and his decision, is accepted as final and irrevocable. In the ordinary course, each householder had to pay the *Guru* a sum of Rs. 8 as his offering or "kanikkai". Apart from this, the fines imposed on delinquents in cases, decided by him, also went to the *Guru* and these amounted to a very large sum annually.

The attempts made to reclaim these men

Possibly because of an awakening among these men to the way in which they were financially affected and also as a result of a keen interest taken by the President of the *Gramasangham*, who is also the village *munsif*, they recently convened a conference of the group leaders and reviewed their position. As a result, they have formed an association under the aegis of the *Gramasangham* and reached the following decisions as a first step in improving their conditions.

1. The age long practice of beggary as a profession is to be given up altogether. To enable all to do this and settle down in other walks of life they have decided that 5 years' time should be given for the purpose, at the end of which no one in the community should practise beggary as a profession.

2. Secondly they have decided that none of their cases should be taken to their *Guru* for decision. All cases are to be decided, as hitherto, by the communal elders. If any case is not satisfactorily decided in this manner, they should be got decided by the village leaders of other communities, free of any remuneration.

3. So far as the *Guru* is concerned, they will continue to recognise him as their spiritual head; but will pay him only a nominal sum as "kanikkai" and nothing more on any account.

4. Fines will continue to be levied by the group-leaders at their meetings. But out of the proceeds, only two-thirds should be appropriated by them for themselves; one-third to be set apart for their educational and social uplift.

Results achieved

So far, one tangible benefit derived as a result of these measures is that a sum of Rs. 250 has been saved through this association for their common benefit. Young boys have been persuaded to go to school and at Samudram; 10 such boys are put to school. They are also being encouraged to train themselves for enacting village dramas, as they already have a grounding in the art, being accustomed to put on "disguises" in day time.

At Samudram, each of the small houses contains even 5 or 6 families huddled together and the *sangham* proposes to put up better houses for these people by joint effort. It is hoped to accomplish this in about 3 years. For the present, it is hoped to put up a common hall, where the women folk could be taught spinning. These are just initial ideas and their implementation is, as yet, in the embryonic stage. Ultimately, they look forward to lands being assigned to them, so that they can permanent at settle down as agriculturists, and effectively give up begging as by profession.

The efforts taken in these ways by the *Gramasangham* have already attracted the attention of people of this community living elsewhere and the President of the *Gramasangham* has received letters from a few such places enquiring about the work done and offering their co-operation in the matter. Thus, the Samudram village is being looked upon to give a lead to others in the matter of the amelioration and settlement in life of these seemingly insignificant and nomadic people.

Jaggery Manufacturers' Co-operative Societies in Tiruchirappalli District.

Introductory

Prohibition was introduced in the district of Tiruchirappalli on the 1st of October, 1947 and on the 1st of July, 1948, extended to the Pudukottai territory, which had by that time merged in the district, as a division. Thus from the 1st of July, 1948, the Tiruchirappalli district enjoys total prohibition.

Origin

Now one of the main problems that has arisen in the wake of prohibition is the loss of the sole means of livelihood to thousands of tappers who were thrown out of employment, on account of the introduction of prohibition. Unaccustomed to agricultural labour and unwilling to take up cooly and other work many of these ex-tappers wanted an avocation similar to their age-long profession of tapping and as the Government had permitted the tapping of palmyrah trees for sweet juice and its conversion into jaggery, the same was taken up as the best solution to meet the immediate wants of the ex-tappers by providing them with a work for which they were fit. In order to have supervision and check over the utilisation of the juice it was decided that tappers should be issued licences only if they were *bonafide* ex-tappers and also members of any Co-operative Society.

Thrift

While contacting the ex-tappers at the organisation of the societies it was found that they were able to subscribe on an average a sum of Rs. 10 towards share capital. Hence a minimum share capital of Rs. 10 was insisted on from each member and this has resulted in a huge owned capital of Rs. 20,145 which form the total paid up share capital of the members of the Jaggery Manufacturers' Co-operative Societies on date. This was the first step taken towards the establishment of thrift among the ex-tappers. In order to make them save more, the scheme of savings through Hundi boxes was introduced among them and a systematic drive was made to implement the scheme. As a result almost all the jaggery societies have introduced the scheme; on date there are 1013 subscribers and the hundi collections amount to Rs. 5,012.

Loans

The money so collected was not allowed to lie idle. During the off season it was found that many of the ex-tappers required some funds for domestic expenses. Further some wanted money for productive purposes, such as sheep breeding, maintenance of poultry, purchase of cattle, etc., As a result 33 of the societies have taken up the issue of loans for these purposes 562 loans amounting to a sum of Rs. 10,691 were advanced to ex-tapper members of the Jaggery Manufacturers' Co-operative Societies in the district. This sort of small financial help is so much appreciated by the members that they are very regular in repaying the amounts on or before the due dates.

Economic Uplift

I would like to cite here a few of the many instances where in the members have been benefited substantially.

(i) Two members of the Keelakalkandarkoottai Jaggery Manufacturers' Co-operative Society namely Sri Karuppa Nadar and Sri Kannappa Nadar got loans of Rs. 20 each from the society, joined as members in the local milk supply society by paying this amount as share capital and got interest free Government loans of Rs. 250 each for purchase of milch animals. They then purchased milch animals, paid off the society loans of Rs. 20 and out of the sale of milk have also repaid the eight instalments that have fallen due to the milk supply society. Within a period of two more months they will be the full owners of these milch animals. The above two members have also saved Rs. 80 and Rs. 10 respectively by way of home safe deposits through Hundi Boxes.

(ii) One Sri Karuppanna Nadar of Manachanallur Jaggery manufacturers' Co-operative Society received a loan of Rs. 10 for opening a poultry farm. Out of the income he repaid the loan and got a fresh loan of Rs. 50 from the society. With this he purchased kids and lambs and has thus taken up sheep farming as his subsidiary occupation. Now he has paid off the whole of the society's loan of Rs. 50 and has saved three sheep as his own out of the business.

(iii) Two ex-tappers of Thoranakkalapatti and three ex-tappers of Pasupathipalayam have taken up trading in tobacco and jaggery in shandies with the help of the loans given to them through the jaggery manufacturers' co-operative societies concerned.

(iv) In Chinnadharapuram area out of the small loans issued through societies and small savings made in the sale of jaggery 42 small new houses have been constructed by the ex-tapper members.

Production of Jaggery

The ex tapper members who have taken up jaggery manufacture were issued licences under the Madras Sweet Toddy Rules as follows:—1947-48: 1453, 1948-49, 1786, 1949-50 till date 1950. In 1947-48, 87,118 maunds of jaggery were produced and sold for Rs. 4,10,470. In 1948-49, 69,963 Mds of Jaggery were produced and they have been realised a sum of Rs. 3,69,501 by their sale. The 1949-50 jaggery season is just commencing.

General

There are 42 Jaggery Manufacturers' Co-operative societies in this district and they are functioning without any financial assistance from the Central Bank or Government. They depend for their working completely on their share capital and home safe deposits from members. However, many of them are affiliated to the local District Central Bank. For the sale of the jaggery produced by the members all of these societies in the Karur taluk have become members of Karur Co-operative Marketing Society Ltd., 3 Senior Inspectors of Co-operative Societies under the control of the Special Development Officer are working at Government cost for the supervision and development of these societies. During 1948-49 according to administrative figure 26 societies worked at a profit.

Facilities for Cane Crushing in South Kanara

In view of the steep rise in price of sugarcane jaggery, there has been a tendency on the part of some of the ryots to increase cultivation of sugarcane for manufacture of jaggery. In this district, sugarcane is grown extensively in Mangalore and Udipi taluks. There are no power-run mills for crushing sugarcane. Ordinary crushers, either animal driven or driven by human labour, are used. Poor cultivators cannot afford to buy such crushers investing large amounts. Only the rich can go in for them. It is only after satisfying their needs first, that these owners lend the same to others levying exorbitant hire. The poor cultivator will therefore have to wait for the convenience of the owner of the crusher besides paying exorbitant hire. The inconvenience is all the more great when the number of crushers available in a particular area is small and the acreage of sugarcane cultivation goes on increasing.

To relieve this difficulty, especially among the poor sugarcane cultivating members, the Panambur co-operative society in Mangalore taluk has just purchased two cane crushers as an experimental measure, one at a cost of Rs. 850 and another slightly smaller at a cost of Rs. 550. This is a brisk centre of sugarcane cultivation. There are about 200 sugarcane growers in the area and the acreage is about 200. The society intends to let the crushers on reasonable hire to members first and then to non-members if need be.

The cane jaggery production commences in about the month of November and lasts till about March. Private owners of crushers generally levy a hire of Rs. 5 and Rs. 6 per day per crusher. The society intends to charge only a reasonable hire at Rs. 4 per day for the bigger machine and Rs. 3 for the smaller one. The hire proposed to be levied when compared with the local rates prevailing is much lower. The members of the society who do not own crushers will therefore have a distinct advantage to the extent of about Rs. 2 per day. The two crushers are likely to meet the demand of about 16 members in a period of 4 months of the season. The two crushers purchased by the Panambur society together will be able to serve about 2½ acres and produce about 25 candies of jaggery in about 40 days. From November to February about 7½ acres of cane cultivation owned by about 16 small scale grower members can be served. The income of the society at Rs. 7 per day for the two crushers will amount to Rs. 810. It can however be safely put at Rs. 700 for the season, the investment being Rs. 1,400 only. The member who takes crushers for use supplies his own bulls and labour. The society need not spend anything except for repairs and renewals if any. Minor repairs can be attended to by the village blacksmith. The cost of cleaning charges, oil for the

FACILITIES FOR CANE CRUSHING IN SOUTH KANARA

machine, etc., will not be much. All these are not likely to come to more than Rs. 100 at the most. The society will therefore have a safe income of about Rs. 600 for a season, from the two crushers. The attempt is the therefore worth making.

The following is the economics of a grower owning one acre of sugarcane cultivation.

	Rs.
Cost of seedlings	...
Cost of manure	...
Cultivation charges	...
Manufacturing charges including maintenance of buffaloes, labour charges etc	...
Hire for crusher	...
Rent due to Land lord	...
	1,210

Cost of 10 candies of jaggery will be Rs. 1,700 leaving a margin of about Rs. 500 to the cultivator.

The Chennimalai Weavers' Co-operative Sale Society, Ltd., No. K. 885.

(Ingrur R. S.) CHENNIMALAI P. O. (Coimbatore Dt.)

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M. P. NACHIMUTHU, B.A., B.L.,
President.

Multipurpose Co-operative Activity in Madras

[Readers are well aware that the chief feature of Co-operative Development in Madras as in some other parts of the country is the re-organisation of rural credit societies as multipurpose co-operatives. Fairly brisk work is seen in this direction in all the districts. With a view to acquaint the public with the progress of the work in this direction, we propose to publish periodically in these pages notes on the working of some rural credit societies which have taken up multipurpose activities. The first note is on the progress in Chittoor district published in our September 1949 issue.—*Editors.*]

1. The Pillur Co-operative Credit Society (North Arcot)

This Society was registered on 25-3-1916 and started on its work on 19-4-1916. It is situated in the Kalasapakkam Firka which is selected for intensive development in the district. There are sixty members on the rolls with a paid up share capital of Rs. 1,005.

The society has recently expanded its activities. Since July 1949 it borrowed Rs. 9,100 from the Co-operative Central Bank Vellore for financing its members and at the end of February 1950 a sum of Rs. 7,534 was due to the Central Bank. During this period, it issued short term loans to the members to the extent of Rs. 9,500. The outstanding against members at the end of February 1950 amounted to Rs. 7,972-8-0 and only a sum of Rs. 48-8-0 out of this amount was over due. There were no over dues to the financing bank. The society has raised fixed deposits locally to the extent of Rs. 1,500 and six of its members have saved a sum of Rs. 31 since July 1950 through hundi boxes. The Reserve Fund of the Society amounted to Rs. 2,309 and the entire amount has been invested in the Co-operative Central Bank.

Side by side with the development of credit business it has under taken non-credit activities also. It is running a ration shop. It procured 149 bags of paddy to the value of Rs. 2,471-2-0 locally and distributed them to the villagers. The value of paddy sold from July 1949 to February 1950 was Rs. 843. The society has also under taken supply of agricultural implements, manure and other essential commodities. The transactions under these heads from 1-7-49 to 28-2-1950 were as follows.—

Name of commodity.	Quantity	Sale amount	Members benefitted
1. Mumty blades	... 350	Rs. 243-12-0	370
Iron slieves	... 20	Rs. 51- 6-0	
Frying pans	... 3		
2. Groundnut cake	... 40 bags	425-10-0	40
3. Sugar	... 1 bags	90- 2-0	200
4. Bengal gram	... 2 bags	75-10-0	240

This is one of the 4 societies selected in the special firka for the distribution of agricultural implements to poor and deserving ryots at half cost. It has purchased implements worth Rs. 227 (half cost) from the Agricultural Department for this purpose.

This society has on hand a proposal for the construction of a godown cum village hall on a plot of land which has been offered to it as a free gift by the local gramasangham. The godown is expected to cost Rs. 5,000 and the society proposes to meet the cost in the following manner.

	Rs.
1. Donations from villagers.	... 1,000
2. Reserve Fund in excess of 20 per cent of working capital in the Co-operative Central Bank Ltd., Vellore.	... 600
3. Government loan	... 1,400
4. Government subsidy.	... 2,000
	5,000

2. The Pambethady Co-operative Society (South Kanara)

This Society was registered on 10-11-1919 and started on work on 8-6-1920. The area of operations extends to the villages of Pambethady and Kalmadka of Pattur Taluk. This is one of the very good working societies in Pattur Taluk.

The society is located in an areca growing area. There are 94 members with a paid up share capital of Rs. 5,694. The society had just Rs. 3 358 on 1-7-1943 under share capital. Since the godown construction scheme was taken up by the society and multipurpose activities enlarged, the paid up share capital has been increased considerably.

The society is a real multipurpose society, undertaking several of the activities contemplated in Registrar's Circular regarding reorganisation of Rural Credit Societies. The following are the main activities undertaken by the society at present.

1. *Sale of food-stuffs, etc.*—The society has amended bylaw 2 (2) making provision for sale of controlled articles, etc. It is running a ration shop. It deals in rice, paddy, kerosene, sugar, agricultural implements, mill cloth etc. The transactions during the 9 months of 1949-50 are as follows.

	Rs.
(1) Sale of controlled articles (such as rice, kerosene and sugar)	... 8,606
(2) Mill cloth	... 560
(3) Other articles	... 693
(4) Agricultural implements such as spades, pick-axes, etc.	... 684
	10,543

2. *Joint purchase and distribution*:—The Society has effected the following joint purchases and distributed the same to members:—

Particulars.	Quantity.	Value.
(1) Jaggery ...	28 candies	
(2) Coffee Seeds ...	1 Cwt. 1 Md.	
(3) Punac, Horsegram, etc...	26 candies	Rs. 16,950 - 0 - 0
(4) Oils ...	54 tins	
(5) Salt ...	80 bags.	

3. *Joint Sale of members' produce*:—The following are the transactions under this head. These stocks were got sold through the agency of the South Kanara Agriculturists' Marketing Society at Mangalore.

Particulars.	Quantity.	
(1) Areca ...	448 candies	
(2) Raw Plantains ...	14670 in number	These items would
(3) Pepper ...	11 maunds.	have valued at
(4) Ramapatre ...	4 mds. 61 lbs.	about Rs. 20,000.

4. *Issue of loans on pledge of produce*:—The society issued Rs. 23 000 in 1949-50 on pledge of produce mainly Areca. The produce pledged is either got released by the member after paying the dues or got sold through the society through the Agency of the South Kanara Agriculturists Marketing Society at Mangalore which is a trade centre. If produce pledge is got released the member has to pay a release fee of Rs. 17-8-0 per candy. If he agrees to get the stocks sold through the society, the society gets the usual commission from the Marketing Society.

5. *Encouragement of Thrift*:—The Society is encouraging thrift also among its members. It has collected Rs. 773-6-0 under Hundi deposits during the 9 months of the year, through about 20 hundi boxes.

6. *Social and Recreational activities*:—It is running a small reading room, which is used by the villagers. Besides the management is conducting Yakshaganas and Bhajanas, regularly.

7. *Godowns*:—The society has constructed a godown at an estimate of Rs. 10,000 with 50 per cent grant in 1949-50. Rs. 1,000 are collected locally towards building fund and Rs. 4,000 are used from general funds. The godown is almost complete. When the building is opened, the society expects to expand its activities all round.

Apart from non-credit activities the society is getting on very well under the credit side. It has canvassed local deposits to the extent of Rs. 6,400. This together with the cash credit allowed by the Central Bank, the society has an outstanding amounting to Rs. 34,495 including produce loans of Rs. 20,275. The Central Bank has allowed a cash credit of Rs. 25,000 for produce loans separately.

The management is in the hands of enlightened gentlemen. After the opening of the godown, they hope to establish a good library and expand the reading room.

3. The Durgi Co operative Credit Society, (Guntur district.)

This was started on its work on 4-2-49, On 30-1-50 there were 67 members with a paid up share capital of Rs. 2,194.

The society was sanctioned a cash credit of Rs. 2,175 by the district co-operative bank for the purpose of doing business in controlled commodities. Another sum of Rs. 10,000 was also sanctioned as short term loan for disbursement to its members. But the society did not draw these amounts within the stipulated time and hence it has to renew its application for fresh sanction.

It has been doing only non-credit business since July 49, after its starting in April. Till the end of December, 1949 it sold mill cloth worth Rs. 8,692-4-7, Handloom cloth worth Rs. 2,485-8-7, matches worth Rs. 128 and coffee seeds worth Rs. 39-12-0. In January the society sold mill cloth, handloom cloth, kerosene oil, matches and sugar worth Rs. 917-7-5, Rs. 299-6-0, Rs. 158-0-2, Rs. 39-15-6 and Rs. 90-4-11 respectively.

In the General body meeting convened on 30-1-50 this society adopted amendments changing its name as the "Durgi Multipurpose Rural Credit Society". The society has applied to the Tahsildar for a quota of rice. The Panchayatdars are working enthusiastically so as to work it as a model society, by enlisting as many members as possible with a view to see that every family is represented by at least one member.

4. The Nindra Co-operative Credit Society, (Chittoor District)

Origin of the Society.

Nindra is one of the major villages in the Nagari select firka in Chittoor district and is situated 12 miles by road towards east of Nagari Railway Station and is connected by bus from Nagari Railway Station. The village has a population of about 4,000 and there is a panchayat board. There are in the village a District Board Rural Dispensary, a district Board Elementary school and a grama seva sangam. There is also a Post Office.

The organization of the society was taken up during the early days of the inauguration of the intensive rural reconstruction scheme in select firka, as this village is in the Nagari firka, the one selected for Chittoor district. The society was registered as an Agricultural Credit Society on unlimited liability basis on 11-2-48 (No. V. 608) with the following multi-purpose objects among others:—

1. To borrow funds from members or others to be utilised for loans to members for useful purposes.
2. To produce good seedlings and make them available to members.
3. To act as an agent for the marketing of the members' produce.
4. To disseminate knowledge of the latest improvements in agriculture.

5. To sell or to distribute seedlings, manure and implements to its members.
6. To maintain stud bulls.
7. To act as an agent for the joint purchase of the agricultural, domestic and other requirements of its members.
8. To encourage subsidiary occupations.
9. To improve the sanitary and health conditions among its members.
10. To detract members from bad habits and customs and avoid unnecessary expenditure.
11. To render necessary assistance for the education of members' children.
12. Generally to encourage thrift, self help and co-operation among the members.
13. To undertake the marketing of raw materials and finished products of other co-operative institutions.
14. And to promote social and recreational activities in its area of operations for the benefit of members and non-members and to raise necessary funds therefor by way of donations or subscriptions from the public or grants from Government.

The area of operations of the society extends over 3 villages viz. Nindra, Gajasingarajapuram and Akkagaripeta situated within a radius of 2 miles from Nindra. All the villages in the neighbourhood are included in one co-operative society or other, the nearest society being Kidambakkam co-operative society.

2. *Working of the society.*—The society started on its work on 16-2-48 with 78 members and Rs. 1,910 as paid up share capital. It had the unique honour of its work being inaugurated by the Honourable Sri B. Gopal Reddy, Minister for Finance. The society is fortunate in having a very enthusiastic and active set of seven panchayatdars. They have been evincing keen and sustained interest in the work of the society, from its very inception, and have made it a very useful institution to the community with its many-sided activities.

The membership and share capital have steadily risen and on date there are 101 members with a paid up share capital of Rs. 1985. 34 of the members in the society are harijans, 16 of whom have been given a profitable subsidiary occupation of mat weaving by the society.

3. *Credit activities.*—The society borrowed a sum of Rs. 6,728 from the Chittoor district co-operative Central Bank Ltd. and issued short term loans to 54 of its members to the tune of Rs. 4,850 mostly for agricultural purposes and utilised the balance for its non-credit activities. It repaid its obligations to the Central Bank promptly, and as on date a sum of only Rs. 1,995 is outstanding due. Under members' Loans, a sum of Rs. 2,120 is

outstanding on date. On account of the partial failure of the monsoon the entire amount due from members has become overdue.

4. *Multipurpose activities.*—The society is keenly following advice and guidance of the ameliorative staff and at its instance has been implementing many of the multipurpose objects in its bylaws generally and systematically even from its inception.

(a) The society is a recognised dealer in foodgrains and has been running a successful rural ration shop. It purchased foodgrains worth Rs. 4,103 and sold stock to the tune of Rs. 5,046 and made a fair and equitable distribution of all the commodities entrusted to it for distribution.

(b) It is also a recognised procuring agent for foodgrains. It procured 35 bags of paddy and one bag of ragi valued at Rs. 668.

(c) The society is a licenced dealer in mill made cloth. It purchased cloth worth Rs. 11,485 and sold stock worth Rs. 11,265. This activity of the society has been very much appreciated by the villagers, and has conferred on them incalculable benefits.

(d) Another useful direction to which the society turned its attention is the purchase and supply of the hides and skins necessary for the manufacture of water-balling buckets, one of the essential requisites for the agriculturist. The society manufactured 39 such leather buckets for Rs. 650 and sold 38 of them for Rs. 669.

(e) The society has recently taken up the joint purchase and distribution of agricultural implements for the benefit of its members. It has so far been able to purchase 60 mumi blades for Rs. 31-14-0 and distributed them to 50 of its members. Arrangements are being made with agricultural Department to supply the society with other varieties of agricultural implements also.

(f) The society has not forgotten the thrift aspect and has just purchased and distributed among its members 5 hundi boxes to start with to encourage savings and thereby improve the economic conditions of its members. It hopes to distribute more hundi boxes shortly after doing some more propaganda in that behalf.

(g) The society has taken up the cottage industry of palmyrah mat making and has engaged 16 of its harijan members in the job. The owners of the trees were persuaded to lease out their trees to the harijans free of cost. The women folk of the harijans also engage themselves in the cottage industry during their leisure hours. The society has so far manufactured and supplied to the Chittoor District Co-operative Wholesale Stores and the Chittoor Co-operative Marketing Society 167 mats costing Rs. 38-5-6.

5. *General.*—The society earned a net profit of Rs. 36 during the year 1947-48, within 4 months of its starting on work. The net profit has increased to Rs. 144-9-0 during 48-49. It has already built up a reserve fund of Rs. 90-5-0. The society has just entered the third year of its useful existence and promises to have a bright future.

G.O.'s and Circulars

Copy of Food and Agriculture Department Memorandum No. 40211-A/49-11 dated the 22nd February, 1950, Government of Madras.

Sub:—Civil Supplies—Foodgrains—Entrustment of distribution work to co-operative societies—Registrars' proposal—Orders passed.

Ref:—1. From the Registrar of Co-operative societies Rc. No. 105161/49 x-5 dated 10-9-1949.
2. From the Registrar of Co-operative societies Rc. No. 59261/49 S-2 dated 19-9-1949.
3. From the Board of Revenue (Civil Supplies) Ref. No. 015690 U 4/49-1 S dated 5-11-1949.

The Registrar of Co-operative societies in his reference first and second cited has made the following proposals:

1. The collectors may be directed to dispense with the existing dealers and grant licenses to rural credit societies when these societies are recommended by Special Development Officers or the Deputy Registrars concerned as competent to run ration shops:

and 2. the Collectors may be instructed to consult the local Special Development Officers and Deputy Registrars, whenever agents for distribution of foodgrains are to be appointed and appoint private dealers only, if these officers report that there are no co-operative societies competent to undertake the task.

As regards proposal above, the Government consider that it is not quite essential that rural societies should take up distribution of foodgrains as a step in the direction of adopting multipurpose activities and that the object of the scheme can be achieved by a systematized policy of resorting to other non-credit activities. The Government consider it not desirable to replace existing private retailers who are doing their work satisfactorily by the rural societies. They however direct that whenever vacancies arise in future, preference should be given to these societies in accordance with the instructions issued in paragraph, 1 (ii) of Government Memorandum No. 67800-D 47-1 (Food) dated 9-1-1948.

As regards proposal (2) above the Government direct that the instructions in Government Memorandum No. 12524-A 49-4 Food dated 25-5-49 should apply to the appointment of co-operative societies as distributing agents.

(True Copy)

OFFICE OF THE REGISTRAR OF
CO-OPERATIVE SOCIETIES, MADRAS.
Dated 16-3-1950

Endorsement Rc. 105161/49 X-5

(Forwarded/by order)

A. PALANIAPPAN,
For Registrar.

G.O.'S AND CIRCULARS

Copy of Memorandum No. 12524-A/49-4 dated 25th May 1949 from the Government of Madras, Food Department.

Sub:—Procurement—Foodgrains—Co-operative Societies—Local Officers of the Co-operative Department to be consulted in the matter of appointment and disciplinary action against Co operative Societies—Instructions—Regarding.

Ref:—Memorandum from the President, Coimbatore Central Co-operative Stores dated 25-11-1948.

It has been represented to Government that the local Officers of the Co-operative Department should be consulted in the matter of appointment of Co-operative Societies as procuring agents and taking disciplinary action against the Co-operative Societies. The attention of the Board of Revenue (Civil Supplies) is invited to its proceedings at L. Dis. 4578-K 1/56-4 dated 5-2-47 wherein instructions have been issued that the local officers of the Co-operative Department should be consulted before any action is taken against any Co-operative Society doing foodgrains distribution work for breach of rationing rules. The Government now direct that similarly, the local officers of the Co-operative Department should be consulted before appointing any co-operative society as procurement agent or before taking disciplinary action against any co-operative society doing procurement work.

(True Copy)

Copy of Government of Madras, Food Department. Memorandum No. 67800/47 dated 9th January 1948.

Procurement and distribution—Food grains—Entrustment of distribution work to co-operative societies—policy of Government—Instructions Issued.

Read again Government Memorandum No. 31382-A/47 dated 10-6-47 communicated to Collectors with Boards's L.D. Dis. No. 60541-U-111 47 dated 25-6-49.

The following revised instructions are issued with regard to the selection of agencies for the entrustment of work relating to the distribution of foodgrains and other controlled commodities:—

(i) the existing agencies of distribution whether the co-operative societies or private dealers will be allowed to carry on their work undisturbed provided they are efficient.

(ii) other things being equal preference should be given to suitable co-operative institutions that sponsored by the Government particularly those in the selected firkas and centres under the "Firka Development scheme" whenever agents for distribution have to be newly appointed.

The Collectors of districts are requested to follow the above instructions in future in the matter of entrustment of distribution work and to obtain the orders of the Government in cases of doubt whenever necessary.

(True Copy)

Circular of the Registrar of Co-operative Societies, Chepauk, Madras.

SRI J. C. RYAN, M.A., REGISTRAR.

Rc. 1,09,335/49. X. 3.

Dated 22-3-50.

Sub:—Prohibition—Amelioration—Community centres—construction by Gramasangams—Grant of subsidy by Government—Instructions—issued.

Ref:—(i) G. O. Ms. No. 807 Development dated 1-3-'50.

(ii) Registrar's Rc. 21160/49-X.3. dated 25-12-'49.

In this office reference cited, the Special Development Officers, and the Deputy Registrar, Nilgris were asked to defer submission of proposals for sanction of subsidy to Gramasangams for the construction of community centres, pending formulation of general principles by Government in this behalf. Government have in their order cited—(Copy enclosed)—indicated the principles to be observed in granting subsidies to these institutions for the construction of community centres. The Special Development Officers and the Deputy Registrar, Nilgris should take steps to see that Gramasangams avail themselves of the opportunity and undertake the construction of community centres wherever possible. The following instructions are issued for their guidance in this behalf.

(i) **Registration of Gramasangams:—**Before submitting proposals for the sanction of grants for the construction of community centres, the officers should take steps to get the Gramasangams registered under the societies' Registration Act XXI of 1860.

(ii) **Selection of sites:—**It is imperative that suitable sites should be selected by the gramasangams for the construction of community centres. Care should be taken to see that the site selected is accessible to all the villagers, is centrally situated and is in a healthy locality. The area of the site should also be sufficiently large so that there may be enough open space all around the building for the conduct of games, meetings etc. After the site has been selected, steps should be taken to acquire or purchase it for the sangham. Where Government lands are available, and can be got, the Special Development Officers should obtain applications for alienation of such lands and obtain the orders of the Collector thereon. If no Government lands are available, and where private lands cannot be secured with ease by negotiation, the officers may obtain applications for land acquisition proceedings from the sanghams concerned and forward them to the Collectors. As far as possible acquisition proceedings should be avoided as they involve delay. Alienation of lands also involves delay, and should, therefore, be avoided as far as possible. It is best to secure private land by negotiation. This will obviate delay in securing the site.

(iii) **Plans and estimates:—**The Consulting Architect to the Government of Madras has been requested to furnish copies of the two type designs approved by Government, and they will be sent to the officers separately. The Gramasangams which undertake to construct community centres with the aid of Government subsidy should adopt one of these designs.

2. The maximum amount of Government grant that will be available for each Gramasangham is Rs. 3,000. The balance of the amount will have to be found by raising voluntary subscriptions. The following points should be borne in mind before proposals are submitted for sanction of subsidies to Gramasangams for the construction of community centres.

(i) The ability of the Gramasangams to undertake the construction of the community centre with reference to its financial position, viz., the amount already collected, building materials, if any, on hand etc.

(ii) Whether the Gramasangams will be able to raise from the local people the balance of the funds required for the construction of the building.

(iii) Whether there is a Panchayat Board in the village and whether it cannot undertake the construction of the community centre; if not, whether it can contribute any funds for the purpose.

(iv) Whether there is a rural credit society in the village and if so, whether it cannot undertake the construction of a Village hall-cum-Godown, and

(v) the gramasangams undertaking the construction of community centres in the District should not be all in one area, but should be scattered over the whole district.

Proposals for the construction of community centres by Gramasangams should be submitted only after the officers are satisfied that the conditions specified in the G. O. cited will be adhered to in each case and that the type design approved by Government will be adopted by the institution concerned.

The Registrar considers that this is a splendid opportunity for the officers for doing constructive rural uplift work, and desires that they should bestow necessary attention in this behalf, and submit suitable proposals.

J. C. RYAN,
Registrar.

Copy of G. O. Ms. No. 807 Development Department dated 1st March 1950.

Sub:—Prohibition (Amelioration) Community Centres—Construction by rural credit societies and Gramasangams—Grant of subsidy—orders passed.

Read:—G. O. Ms. No. 1807, Development dated 2-4-1949.

Read also:—Letter from the Registrar, of Co-operative Societies No. 109335/49. X-3. dated 13-9-'49.

Letter from the Registrar of Co-operative Societies, No. 109335/49. X-3. dated 16-12-'49.

ORDER:

In connection with the proposals submitted by the Registrar of Co-operative societies for the grant of subsidies to certain rural credit societies and Gramasangams for the construction of Community Centres as an

ameliorative measure connected with Prohibition, the Government have examined the question of laying down some general principles for the grant of these subsidies. The Registrar has stated that Community Centres constructed by Rural Credit societies will be godown-cum-village halls whereas these constructed by Gramasanghams will be village halls only. In the G. O. cited above, the Government have already sanctioned a scheme for the grant of subsidies to Rural Credit Societies and Co-operative Marketing societies for the construction of godowns. His Excellency, the Governor directs that the construction of godown-cum-village halls by Rural Credit societies shall also be financed under the scheme mentioned above.

2. As regards the construction of village halls by Gramasanghams, His Excellency, the Governor approves the two type designs submitted by the Registrar of Co-operative Societies, and directs that the following principles shall be observed in granting subsidies to these institutions for the construction of village halls:—

- (i) subsidies may be granted upto 50 per cent of the cost of construction of the village halls subject to a maximum of Rs. 3,000 (Rupees three thousand only) in each case, provided the Gramasangham concerned collects funds locally either from individuals or from local bodies or meet from its own resources the balance of the expenditure;
- (ii) the subsidy from Government shall be disbursed only on post-payment system after the local collections have been made for utilisation according to the undertakings given by the sanghams.
- (iii) the gramasangham should get itself registered under the societies' Registration Act, 1860.

Loans will not be granted to Gramasanghams for the construction of village halls. The applications for subsidies should be submitted to Government for orders.

3. The expenditure on account of the grant of subsidies to Gramasanghams should be debited to a separate detailed head "Grants to Gramasanghams" under 42 Co-operation b. Superintendence. D. Rural Recreation Schemes-5 other charges

(True copy)

Copy of Government of Madras G. O. Ms. No. 1745, Development Department, dated 29th April, 1950.

Sub:—Acts and rules—co-operative societies Act—Rules rule XXVII—disqualification of expelled members for membership of committees of societies—amendments—confirmed.

Read the following:—

G. O. Ms. No. 706 Ms. Development dated 22-2-50.

(ii) Letter from the Registrar of co-operative societies Rc. No. 166340/49. S. 1. dated 18-4-50.

ORDER:

In the notification published at page 65 of the rules supplement to part I of the Fort St. George Gazette, dated the 28th February 1950, the Government of Madras published under sub-sections (1) and (2) of section 65 of the Madras Co operative societies Act, 1932 (Madras Act VI of 1932), certain draft amendments to rule XXVII of the rules issued under the Act. No objections or suggestions have been received by the Government. The amendments published are hereby confirmed. The appended notification will be published in the Fort St. George Gazette.

R. KOTESWARARAO,
Deputy Secretary to Govt.

APPENDIX
NOTIFICATION.

In exercise of the powers conferred by sub-sections (1) and (2) of section 65 of the Madras Co-operative societies Act, 1932 (Madras Act VI of 1932), His Excellency the Governor of Madras hereby makes the following amendments to the rules published with Development Department notification No. 264, dated the 1st August, 1933 at pp. 1178-1185 of part I of the Fort St. George Gazette dated the 1st August, 1933, as subsequently amended, the same having been previously published, as required by sub-section (3) of the said section. —

AMENDMENTS.

In rule XXVII of the said rules:—

- (1) in sub-rule (1), after clause (g), the following shall be added, namely:—or
- (h) has been expelled from a society under the provisions of its bylaws, provided that this disqualification shall not apply where more than two years have elapsed from the date of such expulsion or where the Registrar has, under the proviso to rule XVIII-B, sanctioned the re-admission or admission with in the said period of any such member as a member of the same society or of any other society, as the case may be"; and
- (2) in sub-rule (2), after clause (g), the following shall be added, namely:—or
- (h) is expelled from any society under the provisions of its bylaws.

OFFICE OF THE REGISTRAR OF
CO-OPERATIVE SOCIETIES, CHEPAUK,
Madras, Dated 5-5-1950.

R.C. No. 166340/50-S. 1.

Copy Communicated.

G VISWANATHAN,
For Registrar.

Copy of G. O. Ms No. 2045 dated 22-5-50 of Government of Madras Development Department.

Sub:—Acts and Rules—Co-operative Societies Act—Rules—Rule XXII
(i)—Transfer of decrees or orders passed by Civil Courts to Co operative Department for execution—Amendment Confirmed.

Read:—G. O. Ms. No. 800 Development dated 1-3-1950 from the Registrar of Co-operative Societies Rc. 14,096. L. dated 29-4-50.

ORDER:—

In the notification published at page 84 of the Rules Supplement to Part I of the Fort St., George Gazette, dated the 14th March 1950, the

Government of Madras published under sub-sections (1) and (2) of section 65 of the Madras Co-operative Societies Act, 1932 (Madras Act VI of 1932) a draft amendment to rule XXII (i) of the rules issued under the Act. No objections or suggestions have been received by the Government. The draft amendment published is hereby confirmed. The appended notification will be published in the Fort St., George Gazette.

(True Copy)

APPENDIX.

NOTIFICATION

In exercise of the powers conferred by sub-sections (1) and (2) of section 65 of the Madras Co-operative Societies Act, 1932 (Madras Act VI of 1932), His Excellency the Governor of Madras, hereby makes the following amendment to the rules published in the Development Department notification No. 264, dated the 1st August 1933, at pages 1178-1185 of part I of the Fort St. George Gazette dated the 1st August 1933, as subsequently amended, the same having been previously published, as required by sub-section (3) of the said section.

AMENDMENT.

In sub-rule (1) of rule XXII of the said rules, after the first sentence, the following shall be inserted namely :—

"Such Registrar shall, in cases where the application is for the recovery of any amount due under a decree or an order of a Civil Court, apply to the Civil Court which passed the decree or order, for the transfer to him of the said decree or order and the records specified in rule 6 of Order XXI of the First Schedule to the Code of Civil Procedure, 1908; and on receipt of such application the Civil Court shall transfer them to the Registrar of the district."

(True copy)

OFFICE OF THE REGISTRAR OF
CO-OPERATIVE SOCIETIES, MADRAS

Dated, 29-5-1950.

J. C. RYAN,
Registrar.

Copy communicated.

Memorandum of the Registrar of Co-operative Societies, Chepauk, Madras.

J. C. RYAN, M.A.,
Registrar.

Re. 131635/48 Q.

Dated 15-6-50

Sub:—Bifurcation—Bifurcation of the Madura circle

Ref:—G. O. 2338 Development dated 10-6-50.

Deputy Registrars and Special Development Officers are informed that Government have sanctioned the bifurcation of the Madura District into two co-operative circles with the following jurisdiction:

Madura:—Taluks of Madura, Thirumangalam, Melur and Nilakottai.

Dindigul:—Dindigul, Palani, Kodaikanal and Periakulam.

The ameliorative staff working under the Special Development officer will be absorbed in the regular line. The bifurcation will take effect from 1-7-1950. The Special Development Officer will take charge as Deputy Registrar, Dindigul on that date.

J. C. RYAN,
Registrar.

Circular of the Registrar of Co-operative Societies Chepauk, Madras.

SRI J. C. RYAN, M.A., REGISTRAR.

R. C. No. 83404/49, S-1.

Dated, 25-5-50.

Sub: Stores societies—security from paid employees—Rule XXVII-B—amendment to by-laws.

Under Rule XXVII-B of the Rules framed under the Madras Co-operative Societies Act VI of 1932, no society shall appoint any person as its paid officer or servant in any category of service without obtaining from him security in such form and according to such standard as the Registrar may fix for category of service. The question as regards the standard and form of security to be obtained from the different category of employee was considered at the conference of representatives of Co-operative Wholesale Stores held on 9-5-50 at Madras. The Conference recorded the following resolution.

Resolution:—Resolved that the security to be furnished by the different categories of employees of Stores Societies under Rule XXVII (B) may be in the shape of cash security or mortgage security of unencumbered immovable property wholly belonging to the employee for the sum specified against each.

Wholesale Stores.

Category of Employees	Amount. Rs.
1 Secretary (Non-official)	... 2,500
2 Assistant Secretary	... 1,000
3 Manager	... 1,000
4 Accountant	... 1,000
5 Cashier	... 1,000
6 Depot Manager	... 500
7 Purchasing Agent	... 500
8 Salesmen	... 500
9 Assistant Salesman	... 300
10 Godown Keeper	... 1,000
11 Reception officer	... 500
12 Depot Inspector	... 500
13 Purchasing Agent	... 1,000
14 Procuring Agent	... 1,000
15 Upper Division Clerk	... 250
16 Lower Division Clerk	... 200
17 Lorry Driver	... 300
18 Unloading Assistant	... 200
19 Hulling Supervisor	... 200
20 Attender	... 50
21 Peon	... 50
22 Watchman	... 50

Primary Stores

1	Secretary	...	500
2	Manager	...	500
3	Accountant	..	500
4	Purchasing Agent	...	500
5	Cashier	..	500
6	Salesman	..	300
7	Assistant Salesman	...	300
8	Godown-keeper	...	300
9	Lorry Driver	...	200
10	Packer, Measurer etc.	...	50
11	Peon	...	50
12	Watchman	...	50

If personal securities are obtained the security bond must be for twice the amount prescribed as cash or mortgage security.

The Registrar accepts the resolution and proceedings prescribing the scale of securities to be furnished by the paid employees of Stores societies are issued separately. Deputy Registrars are requested to communicate them to the Co-operative Wholesale Stores and primary societies in their charge. In order to bring the bylaws of the Stores Societies in conformity with Rule XXVII-B the following amendments to model bylaw No. 27 of the Stores Societies are suggested for adoption by the stores at their next General Body meetings.

2. The following shall be substituted in the place of model bylaw No. 27 of the Primary Stores societies,

27. (a) "No person shall be appointed as a paid officer or servant in any category of service in the stores without obtaining from him, security in the form and standard prescribed by the Registrar.

(b) No paid officer or servant shall be retained in any category of service in the stores if he does not furnish within such time as the Registrar may direct security in the form and standard prescribed by the Registrar.

Deputy Registrars are requested to see that the stores societies amend their bylaws accordingly at the next general body meeting. The Co-operative Wholesale Stores should also be asked to amend the corresponding bylaw as above.

J. C. RYAN, M.A.,
Registrar.

Announcement

Persons who have passed the Co-operative Supervisors' Training at the Co-operative Training Institutes of Anantapur, Coimbatore, Rajahmundry and Tanjore and who are still unemployed may send their names and addresses to the Provincial Co-operative Union so that the Union may put them in touch with any Co-operative Institution which may need hands.

P. NATESAN, M.B.B.S.
General Secretary, M.P.C.U.

Books in Brief

A Statistical Atlas of the Madras Province (1940-41). published by the Economic Adviser to the Government of Madras, 1949, pages 988, Price Rs. 100.

The Statistical Atlas of the Madras Province is a decennial publication of the Government dealing with subjects like topography, agricultural practices and developments, population and occupation, wealth, famine relief, etc. The present volume has been revised and brought up to the end of Fasli 1350 (1940-41 A.D.). Normally this volume should have been published earlier; but work was delayed due to war conditions. Thanks to the Economic Adviser to the Government of Madras, the book has now come out in an improved form. This edition of the Atlas is definitely an improvement on the previous decennial publications. Several new features have been introduced in this volume; for instance, district maps have been added and important aspects relating to the Province (now Madras State) and individual districts such as agricultural operations, extent under crops and agricultural holdings are represented by charts. These pictorial features go a long way to enhance the value of the book.

This volume is divided into two portions: The first which covers 20 pages is the Provincial Memoir which gives the general features of the Province, its climatic conditions, agricultural situation and vital statistics etc. Interesting notes on agriculture, animal husbandry, co-operative movement, etc., have been contributed to this section by experienced provincial officers. The progress of the co-operative societies during the decennium has been dealt with in detail and is of special value to co-operators.

The second portion which covers the rest of the book contains district reports of which there are 24. Each of them gives various particulars relating to the physical and economic conditions of the district, climate rainfall, agricultural development and practices, population and occupations, and development of co operative movement, etc. Most of the district reports contain the local time-table of agricultural operations, effects of unseasonable or abnormal weather on the various crops, and numerous statistical tables relating to size of holdings, growth of co-operative societies, classification of people according to occupations, live stock, population, etc. Each district report is followed by eleven appendices relating to area and population of villages, rent roll of ryotwari land, cropping in representative years, agricultural stock, water supply and irrigation, number of minor works based on ayacut, holdings and revenue from 1866-67 meteorological statements, average rainfall since 1870, variations of the rainfall, prices of foodgrains and famine relief since 1876.

At the end of each report are published charts relating to the average area of crops, agricultural stock, average rainfall, and number of holdings and a graph showing the trend of prices of food grains in the district. A fairly big map of the Madras Province also is contained in the book. The inclusion of a separate physical map of each district would probably have made the book complete on the pictorial side.

It cannot be denied that the book is indispensable as a reference book to any one who is interested in a study of the conditions of Madras for academic or administrative purposes.

The present volume deals with the conditions upto 1940-41. Much progress has since been achieved in Madras and it is necessary to follow up this present work with an other volume dealing with subsequent developments in the Madras State. It is hoped that this work will be taken up early and the next decennial publication will be brought out at a very early date.

Co-operative News and Notes

Sri J. C. Ryan, Registrar of Co-operative Societies, Madras, has been deputed by the Government to visit the countries of the Far East and study the working of the co-operative movement in those countries on behalf of the Food and Agricultural Organisation of the U. N. O. He left India on 29th June 1950. He would visit Ceylon, Singapore, Hongkong, the Philippines and finally Bangkok, capital of Siam, and return to India by the end of August. He would also be a co-operative consultant to those countries. Speaking at the Andhra Chamber of Commerce about his tour programme, Sri Ryan said that he would picture to those countries the experience he had gained in India in the co-operative movement and that he would also take note of any improvements those countries had made in the co-operative field.

Sri K. Subrahmanyam Naidu, M.A., Joint Registrar of Co-operative Societies (Resettlement) has been appointed as Registrar of Co-operative Societies during the period of the absence of Sri Ryan abroad on other duty.

The Salem Co-operative Central Bank, Ltd., has collected the entire demand under loans, principal and interest, of Rs. 46,71,322 and Rs. 2,87,018-12-0 respectively against the affiliated societies for 1949-50 and shown a nil balance by 31st May 1950 itself. This is the *sixth* successive year of "Nil" balance under demand.

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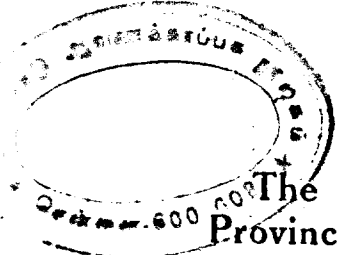
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Dr. M. G. Bhagat, M.A., Ph. D. Rs. 10.

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Paid up Capital ... Rs. 12,37,700.

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The Bank is the Apex Co-operative Bank for long term agricultural credit and issues debentures for 20 year on the security of first mortgages transferred to it 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 on maturity.

Summary of Balance Sheet as on 30-6-'49.

Liabilities.		Assets.	
	Rs.		Rs.
Paid up Share capital.	12,37,700	Cash on hand & balance with Banks.	48,685
Reserve and other Funds	24,20,000	Loans to Primary Banks	3,45,74.55
Debentures	4,20,92,000	Sinking Fund Investments	87.71
Deposits, Loans and Overdrafts	13,61,325	Other Investments	28.4
Sundry Liabilities	5,17,986	Sundry Assets	6.0
Profit	2,26,075		
Total Rs.	4,78,55,095	Total Rs.	4,78,55,095

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

Secretary