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

Luz, Mylapore, Madras.

President:

SRI BHOGARAJU VENKATARATNAM.

Authorised Capital	... Rs. 20 lakhs.
Paid-up Capital	... „ 14,32,300.
Reserves	... „ 25,82,845.

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

The principal of and the interest on these debentures are guaranteed by the Government of Madras. They are **Trust Securities** and are also approved securities under the Insurance Act, 1938. A **Redemption Fund (Sinking Fund)** is constituted to pay off the debentures on maturity.

Summary of Balance Sheet as on 30-6-'50.

Liabilities.	Rs.	*Assets.*	Rs.
Paid-up Share Capital ...	14,32,300	Cash on hand and balance with Banks ...	17,251
Reserve and other Funds...	25,82,845	Loans to Primary Banks ...	3,88,32,224
Debentures ...	4,39,31,700	Sinking Fund Investments...	83,48,530
Deposits, Loans and Overdrafts ...	31,97,937	Other Investments ...	42,07,098
Sundry Liabilities ...	5,89,516	Sundry Assets ...	6,78,457
Profit ...	3,49,262		
Total ...	5,20,83,560		5,20,83,560

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

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We are Proud to be a Part of The Co-operative Movement

Since the end of War, the Co-operative Movement in India has reflected a steady growth in membership, number of Societies and volume of business. Statistics released recently on Co-operative operations for the year ending 30th June 1949, reveal that the number of Co-operative Societies has gone beyond 13,000 in Bombay State alone.

Membership of our Society as on 31-12-'49 has reached over 23,000, and the business in force has reached over Rs. 3,57,00,000.

Please Assist us to Further Expand our Business in 1950.

For Life Insurance, Please Consult.

THE BOMBAY CO-OPERATIVE INSURANCE SOCIETY, Ltd.,

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THE INDIAN CO-OPERATIVE REVIEW

VOL. XVI OCTOBER—DECEMBER, 1950 No. 4

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The INDIAN CO-OPERATIVE REVIEW

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JOURNAL OF THE INDIAN CO-OPERATIVE UNION

PUBLISHED QUARTERLY

THIS ISSUE CONTAINS:

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1. Contributions are invited from advanced students and active workers in the co-operative field on aspects of co-operation with which the Indian Co-operative Review will deal from time to time.

2. Articles should in general not exceed 10 pages (approximately 3,000 words) typewritten (foolscap.)

3. Articles contributed to the Indian Co-operative Review should be sent exclusively for it and should not be sent to any other journal for publication unless and until intimation is received that the Review cannot find space for them.

4. Manuscripts of articles not accepted for publication will be returned to the writers, if they so desire.

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THE INDIAN CO-OPERATIVE REVIEW

VOL. XVI OCTOBER—DECEMBER, 1950 No. 4

EDITORIAL NOTES

Co-operation In Andhra Desa

The Hon'ble Sri P. S. Kumaraswami Raja, the Chief Minister of Madras, in his inaugural address to the 17th Andhra Co-operative Conference complimented the Andhra co-operative leaders and workers on the high level of their achievements. The programme of the State Government to bring within the co-operative fold 50 per cent of the villages may be said to have been achieved in Andhra districts, while the population that were enrolled as co-operators and their dependents were but 18 per cent of the rural population instead of 30 per cent, which was the target aimed at. It was not further expansion that was needed, but consolidation of the work where societies had been already set up. For this some extension of time was needed. The Hon'ble Minister urged that land mortgage banks should not be content with clearing prior debts but should help in the execution of irrigation projects. He meant not merely the construction of petty individual works like wells but also of the smaller tanks and river-works which would serve a large number of people in the locality. He exhorted the would-be beneficiaries to come forward with their own contribution so as to induce the State and the land mortgage banks to take up their share of the burden in expediting such works, even as the ryots in Tinnevelly came forward with a loan of Rs. 1.26 Crores to carry out the Manimuthar Project.

He emphasised the national importance in this food crisis of bringing more fallow land under cultivation, in which more than a hundred societies were engaged in Andhra desa and they were helping in particular the Harijan landless labourers. Seven hundred and fifty village societies were entrusted with the work of the distribution of chemical fertilisers and oil cakes, much to the relief of the staff of the Agricultural Department who could therefore devote more attention to their legitimate work of technical advice and demonstration. The policy of the Government, however, in this respect seems to have been misconstrued, or at any rate frustrated in effect by administrative action. This is brought out by a resolution passed at the Conference. Government had allotted the sale of fertilisers to private dealers and co-operative societies on a 50 : 50 basis. The societies sold away their supplies at the rates stipulated and now have no stock left. The dealers would not sell at first and now demand very high prices. This is the usual trick of the private traders which the Government should have known and guarded against, whenever a commodity is in scarce supply.

Sri Kala Venkata Rao, General Secretary of the A.I.C.C. and an ardent co-operator himself, expatiated in his Presidential address on the Congress ideal of establishing a just order of society, raising the standard of living of the masses, utilising fully the natural and human resources of the country, achieving national and regional self-sufficiency wherever possible. He pointed out how for realising every one of these ends co-operation could play a vital role. He was conscious of the increasing attention paid by the States and the Centre in revitalising the movement, offering in particular financial aid and the loan of services of expert administrators. But he wondered what became of the recommendations of the Vijayaraghavachari Committee on Co-operation (1939-40) on which he himself had served as a member—in particular of the central recommendation that village societies should in general be based on limited liability and not be saddled with unlimited liability. He wanted more societies of the Alamuru type with limited liability and multipurpose aims. He pleaded for one Registrar to be in charge of administration and another to be in charge of propaganda and development. He had a feeling that Madras had able men with administrative ability but lacked in official personnel with abundant and infectious faith in the co-operative cause. We do not know how far this feeling is shared by co-operators in the Andhra desa, who were more keen on having a separate Registrar for each linguistic area. Officials have

their own limitations which perhaps could be overcome by the tallest among them, such as Sir Frederick Nicholson or Mr. R. Ramachandra Rao. It is for the Government to find out and appoint only such men as Registrars or leave the field of organisation as well as propaganda, to non-officials of eminence and render them all assistance.

* * *

The Bombay Provincial Co-operative Conference

The Bombay Provincial Co-operative Conference, which had been generally held at Bombay or Poona, was this year held at Dharwar on the 4th and 5th November last. This departure from the general practice in the interest of mofussil co-operators and popularisation of the movement was a distinct success. Shri G. R. Nalavadi, Chairman of the Karnatak Divisional Board, in the course of his welcome address, pointed out with legitimate pride the high place that Karnatak, and Dharwar district in particular, occupied in the number and variety of successful co-operative societies in the Bombay State. He was happy that Karnatak had the earliest and most successful cotton sale societies but sorry that it had no industries to boast of. He hoped that Karnatak would strike a new path and organise industries on co-operative lines.

Prof. D. G. Karve, Vice-Chairman of the Bombay Provincial Co-operative Institute, under whose auspices the Conference was held, in the course of his welcome address pleaded for the deliberate choice of the co-operative way in preference to that of nationalisation or Socialism which 'pursued blindly will only end in serfdom'. Judged by the figures of growth during the last decade, there was ample room for hope. The number of societies had doubled, to over 10,000, providing roughly one society for two villages and bringing within their fold every third person in the State. With the increase in peoples' faith in the movement the quality of service has improved. For all this, no small measure of credit was due to the work of the Bombay Provincial Co-operative Institute. On co-operative farming and similar ventures, he rightly said that 'an ounce of practical result was more valuable than a ton of oral and written propaganda'. He exhorted the co-operators to make full use of the district co-operative boards and the divisional councils.

The Hon'ble Shri M. P. Patil, Minister for Agriculture and Forests, Bombay, in the course of his inaugural address, outlined the Bombay Government's scheme of Rural Development through agencies, official and non-official, at various levels, in some of which fullest use is to be made of co-operative organisations that exist. Much of the agricultural extension service, intended to bridge the gulf between cultivators' practices and scientific agriculture, is expected to be performed by these co operative organisations—especially at the village and taluka levels. Forest labourers' co-operative societies have been organised for the exploitation of forest coupes worth Rs. 23 lakhs, which used to be entrusted to private contractors who hired the workers and pocketed profits.

Co-operative farming societies, for which a lot of State aid had been rendered, were still in the region of experiment. Lift irrigation societies were more promising and the Government is to subsidise the land mortgage banks which agree to lend to cultivators for construction of wells and purchase of machinery and implements. A well merited tribute was paid to the work of the Bombay Provincial Marketing Society, which, he expected, would integrate marketing so well as to eliminate the middleman.

The presidential address of Shri R. M. Deshmuk, Director of the Reserve Bank of India and an ex-minister for Co-operation, was spirited and independent, though somewhat unorthodox. He pleaded for a certain degree of compulsion in matters co-operative, even as it had been resorted to in matters of land tenure, education etc. It is not clear what measures of compulsion he would like to introduce and enforce. But he cited in passing the case of co-operative joint farming, of which he would like to make all eligible people in the locality members and make them collectively credit-worthy. He said that "all these experiments (at joint farming) are stated to show excellent results and therefore should be made universally applicable." That is not the impression that students of co-operation have received of the experiments made in India, of

which accounts have been published. But whatever be the results, the ends do not justify the means. This growing trend to compulsion was the subject of an article in this *Review* by Dr. E.M. Hough, author of the *Co-operative Movement in India*.* We only wish to draw the attention of our readers to her article and the conclusion she arrived at after considering a number of cases: "The admission of the wolf of compulsion into the co-operative field is in any case unjustified and fraught with danger. It represents the thin edge of the totalitarian wedge." As Dr. Rajendra Prasad said at a Conference of Registrars in 1947: "There is an element of democratic freedom inherent in co operation and this freedom has to be prized above all things". It is significant that we find no resolution passed at the Conference on the subject, though the President Shri Deshmukh invited the delegates to consider and express their view.

• • •

Co-operative Marketing of Cotton in U.S.A.

We are grateful to Sri. K. Subrahmanyam Naidu, Joint Registrar of Co-operative Societies, Madras, for contributing to this issue of the Review a first hand study of the working of a leading co-operative cotton marketing association in one of the southern states of the United States of America, which he visited last year. The scale and range of this association's operations are indeed impressive. Last year it transacted business amounting to Rs. 20 crores in all, though it received only ten per cent of the total cotton crop raised in the four contiguous States it aims to serve. It did a great volume of business in the purchase and sale of fertilisers, of selected seed, of feed and other farm supplies. It has as members not only individuals but institutions serving as centres of collection of cotton and of ginning it or engaged in distribution of farm supplies. The central association helps these constituents in the supply of finance, trained personnel for purchase and sale, and in audit and advertising services. The association acts as an agent of the Federal Government of the United States in its price support programme through warehousing services, getting loans from the Government. All these are, within the limitations of space

* Vide *Indian Co-operative Review*. (Oct.—Dec. 1949), p. 279.

available, lucidly explained, as well as the method of fixing prices and advances payable and the hedging of cotton with a view to prevent losses from fluctuations in prices. Readers of this contribution might still have doubts to clear, or new information to ask arising from this account. We hope that Mr. Subrahmanyam will not grudge to spare some time to satisfy such readers. We ourselves would like to know how far the price support programme has really succeeded.

Whether co-operatives should hold up produce in expectation of a rise in price or dispose it of as early as possible, avoiding any speculation, cannot be laid down on any clear cut lines without reference to factors such as the nature of the produce, its rate of deterioration or improvement (as in the case of paddy), the readiness of the State to import or export, some of which can be ascertained in advance and some not. We feel that the policy will have to be decided by each country, according to its own conditions, and cannot be copied.

The success of the Atlanta Association is attributed not only to the efficient organisational set up at all stages but to the hedging arrangements and the provision of comprehensive services—especially farm supplies and ginning, though not pressing, which is still done by commercial presses. (We may take a little pride that we have societies in Gujarat which have succeeded even in this line.) Success of the Atlanta Association is said to be not a little due to the personnel engaged, trained and maintained by it and the independence given to the manager and other high officers, who are left in sole charge of the day-to-day administration without any interference by the board of management. Mr. Subrahmanyam is naturally oppressed by the contrast found in this country, where the members of many a board of management have an itching for interference in details of administration and are anxious to wield the power of appointment and dismissal of not only the manager or the secretary and other high officials but all employees, except perhaps the menials. We are not quite sure ourselves whether we have still evolved in our country managers of the type, referred to by Mr. Subrahmanyam, who are so devoted to the cause of

co-operation, so loyal to the institution they serve, or so willing to take up responsibility as to be vested with the power of "hiring and firing" all employees. Surely, the board of management is too unwieldy, even if not heterogeneous, a body to be invested with the power of appointment and dismissal. But there is a case for entrusting this power to a small executive committee of the board, which will be reasonable enough to attach due weight to the recommendations of the manager or other high officials concerned.

* * *

Small scale Industries and Co-operation.

We publish, with pleasure, an extract from the Report of the International Labour Office on the possibilities of Co-operative Organisation suited to Small scale Industries and Handicrafts, specially prepared for the Asian Technical Conference on Co-operation held at Karachi in December last. The report is not merely a summary of the existing situation in Asiatic countries but sets out the achievements of co-operatives in certain lines adopted in some European countries and commends for adoption similar action in Asiatic countries. Societies in India have been for the most part confined to the help of handloom weavers and some metal workers. The report shows the possibilities of helping a much wider range of workers plying their trade at home or outside in scattered areas and willing to use co-operation not only for credit, supply, and marketing but in organising methods of production more efficiently, though decentralized. A field little explored by co operatives in India but is fully exploited by co-operatives in the west is the processing of agricultural produce, preservation of articles of food and conversion of some of them into products of smaller bulk and longer keeping quality. The report also points out the possibilities of organising co-operatives for different types of labour needed for carrying out public works, as has been effectively done in Italy, Palestine and New Zealand. The importance of federating local co-operatives, not only for effecting some economies, but for improvement of quality of goods by developing new designs and for accounting and auditing has been stressed.

There is a note of warning for co-operative enthusiasts: "In spite of these advantages of co-operative organisation, it would be short-sighted to regard the principle of co-operative association as a panacea for resuscitating uneconomic handicrafts or those adversely affected by competition from larger industrial units. There are industries which may be unable to find any satisfactory economic place in modern industrial society, no matter what form of organisation is contemplated for their salvage. It is only where handicraft industries are economically viable and capable of adapting their methods of production to modern standards that co-operative organisation is likely to prove valuable."

This may be a valid economic generalisation; but as it is of the question-begging type, it is not very helpful. What we want first with regard to the development of small industries is a fact finding committee of the type set up in 1941 on how far handloom weaving could survive the severe competition by powerlooms and the forms of aid that it needed. A similar committee which would objectively examine how far handspinning could be saved seems to us to be called for at present. Doubts of the success of handspinning or the *khadi* industry, for which the Congress party has worked so hard, are pointedly raised when we find such staunch Congressmen as the Chief Minister of Madras felt obliged to support the idea of a spinning mill and the General Secretary of the A. I. C. C. did not seem to have raised his voice against the resolution passed at the last Andhra Provincial Co-operative Conference requesting the Government of Madras to organise a power spinning mill to supply yarn to the members of handloom weavers' societies who, for economic or technical reasons, fight shy of handspun yarn for use on their looms. A close investigation of the technical and economic aspects of each industry is an essential preliminary to the formulation of a clear cut or consistent policy with regard to its development.

NEWS AND VIEWS

The Second Conference of the Tamilnad Branch of the Indian National Trade Union Congress, held at Madurai in October last, passed a resolution suggesting consolidation of fragmented holdings into economic units and prescribing the maximum holding that an agricultural family could hold and distribution of the surplus land to families pursuing agriculture but with no lands of their own. Abolition of absentee-landlordism was also favoured. The Conference suggested the adoption of co-operative farming as a first step in the cultivation of lands held by temples and *mutts*.

* * *

The Agraian Sub-Committee of the Government of India Planning Commission Advisory Board and panel on agriculture recommended that loans by the Government to cultivators should be channelled through co-operative societies, instead of being given direct and that a unified co-operative credit structure should be organised to provide short, medium and long-term credit to the farmer. Considerable importance was attached to measures for improving the administrative mechinery and to organise adequate extension services linked with village multipurpose societies and private demonstration farms. Legislative measures to enforce use of improved seed, composting and better methods of farming were also advocated.

* * *

According to the revised Report on the Marketing of Milk in the Indian Union, issued by the Agricultural Marketing Adviser, Government of India, the annual production of milk in India was estimated at 4,816 lakh maunds (1 md. = 82 lbs.) valued at over Rs. 354 crores. But it is only about a fourth of the production in U.S.A., although India had 60.7 million milch cattle (411 lakh cows and 196 lakh she-buffaloes, aged three and above) against 38.9 million in the U. S. A.

The Report states that the average daily per capita consumption of milk, including milk products, in the Indian Union was about 5.45 ounces, as compared with the pre-war consumption of 41 ounces in the United Kingdom and 36 ounces in the U. S. A. Within the country the average daily consumption varied from 18.8 ounces in Saurashtra to 1.2 ounces in Assam. Of this meagre quantity not more than 36 per cent was consumed as fluid milk.

Co-operative societies and Unions were, in 1949, handling about 2,850 maunds of milk per day, but the part played by them is exceedingly small in comparison with the private trade in milk.

* * *

The United Nations Economic Committee, with a view to promoting land reform in the world's under-developed areas, called for an analysis by the Secretary-General of existing forms of agrarian structure, with particular stress on the 'system of land tenure.' The investigation was expected to pay particular attention to: (1) Institution of appropriate land reform; (2) Methods by which Government could aid farmers through credit facilities, institution of co-operatives and loans; (3) The possibility of Government-financed small factories and workshops; (4) Improved taxation systems; and (5) The promotion of family-owned and operated farms. The General Assembly ratified the resolution.

* * *

The Co-operative Department of Madras had submitted to the Government of Madras a scheme for organising 540 co-operative banks in the State at the rate of one bank in each municipality and major panchayat. The scheme has been approved by the Rural Banking Enquiry Committee. The banks are expected to tap savings in rural and semi-urban areas: It is proposed to provide initially a subsidy of Rs. 840 to each bank to employ qualified men as secretaries and other responsible officers. The total annual expenditure of the scheme is estimated to amount to Rs. 18 lakhs. Each bank is to be provided with a building at a cost of about Rs. 20,000. It is recommended that the Government should give each bank Rs. 10,000 as subsidy and another Rs. 10,000 as loan, free of interest. This would entail an expenditure of Rs. 108 lakhs. It was proposed that the above expenses should be shared equally by the State Government and the Central Government.

* * *

A Bill to amend the Reserve Bank of India Act was introduced in the Union Parliament in November last; it was referred to a select committee. The main idea of the Bill was to extend, from nine months to one year, the period of accommodation that the Reserve Bank may make available for productive finance in the field of agriculture and co-operation.

* * *

The Government of Madras, it is said by the Director of Fisheries, aimed at distributing Rs. 10 lakhs worth of yarn among fishermen for making their nets. The distribution will be done at less than cost price —Rs. 7½ lakhs only—if only they were members of co-operative societies.

* * *

It is said by the Chief Minister of Madras that efforts are being made by the Government of Madras for rural housing on a co-operative basis. Houses will be provided at less cost of construction in consideration of the repaying capacity of the working classes.

* * *

Hon'ble Shri K. M. Munshi, Food and Agriculture Minister, Government of India, said in Parliament in November last that the results of some scattered and local surveys conducted in some of the States after 1939 showed that there had been a substantial reduction of rural indebtedness compared with the pre-war period. This was reflected by the improvement in the debt position of co-operative societies in 1945 in the States of Madras and Bombay.

* * *

The Government of India have rented a room in the luxury British ocean liner, Queen Mary, plying between London and New York, with a view to provide a showroom for exhibiting the products of our cottage industries. The handicrafts emporia in all States have been asked to send their best products for display at the showroom, which will be made available for sale.

* * *

The Madras State Handloom Committee, at its meeting held in November last, recommended the grant of subsidies to select primary weavers' societies which will train weavers in improved methods of weaving.

* * *

Sir C. P. Ramaswami Ayyar of Madras observed in the course of a speech declaring open the Park Fair and Exhibition at Madras in December, that in Switzerland, which he had recently revisited, the village was the centre of the electrical industry and the most exquisitely turned-out modern wrist-watch was the product of cottage industry. There was enough power in the villages to produce parts like main-springs, dials, etc., and all these parts were collected by the Government, co-operative organisations or great mercantile firms once or twice a year from the villages and used in the manufacture of wrist-watches in certain centres. That is the line on which, Sir Ramaswami Ayyar said, India too could progress; but no organisation could work with people who were half-fed or unfed.

* * *

The First I. L. O. Asian Technical Conference on Co-operation was inaugurated at Karachi on 26th December last, by Pirzada Abdus Satar, Pakistan's Minister for Labour and Agriculture. Mr. Zahid Husain, the Governor of the State Bank of Pakistan, and leader of the Pakistan Delegation, was elected Chairman of the Conference. India was represented at the Conference by Mr. J. C. Ryan, Registrar of Co-operative Societies, Madras and Mr. Shyam Nandan Sahaya, M. P., Chairman of the Bihar Provincial Co-operative Bank. The subjects for discussion at the Conference were: 1. General discussion on the practical application of measures for co-operative development; 2. Establishment of organic or working relationships between co-operatives; 3. Training of co-operative office-bearers and employees; and 4. Co-operative organisation of small-scale cottage and handicraft industries.

*　　*　　*

The Hyderabad Agricultural Co-operative Association was started in Hyderabad recently. The Association is a central organisation, embracing every kind of co-operative activity from credit and marketting to housing, rural uplift and cottage industries. Its three main functions are: 1. co-operative production and marketing of agricultural produce; 2. supply of requirements on a co-operative basis and 3. encouragement of co-operative living among rural communities. The Association has about 120 centres spread over the State, through which it arranges distribution of fertilizers, steel and cement for agricultural purposes: it supplies, erects and services oil engines and pumps and pipes and accessories. It also undertakes ploughing by tractors either on acreage or daily hire basis.

*　　*　　*

The Government of Hyderabad have decided to establish land mortgage banks in the State. The Government will guarantee the principal of and interest on debenture bonds that will be issued by the Central Co-operative Land Mortgage Bank. A considerable percentage of the shares of the Bank will be purchased by the Government themselves. Loans for repayment of old debts, for improvement of land and agriculture, for purchase of costly machinery, for purchase of land to constitute economic holdings will be made available. These will be repayable in a period of 20 to 30 years. The Government have also sanctioned some supervisory staff.

CO-OPERATIVE MARKETING OF COTTON IN THE U.S.A.

The Cotton Producers' Association, Atlanta, Georgia

BY

K. SUBRAHMANYAM NAYUDU, M.A.,

Joint Registrar of Co-operative Societies, Madras.

Marketing co-operatives in the U. S. A. have made most remarkable progress. There are over 7,400 marketing associations, and they handle grain including rice, dairy products, fruits, vegetables, cotton etc.

We visited, among others, the Cotton Producers' Association, Atlanta, Georgia. This is a very big marketing association serving a large area in Georgia, Alabama, South Carolina and Florida States. Cotton is the principal single source of agricultural income in South Carolina, Georgia and Alabama, but yields to citrus crop in Florida. We learnt that much of this area had been in cultivation for 100 to 200 years and the failure on the part of the farmers to observe soil conserving practices had led to a general depletion of the soils. Most soils required heavy application of fertilisers to produce the best results, particularly those growing cotton. In addition to marketing, this association steadily moved into supplying fertilisers to its members. We were told that the influence and competition of this association had benefitted cotton producers in Georgia, Alabama and South Carolina by getting them a higher price for cotton and reducing their costs of fertiliser, seed and farm supplies through co-operative handling. Organised in 1936, it is now one of the leading farmers' co-operative cotton marketing associations.*

Organisation Structure

The association is a co-operative corporation formed under the Co-operative Marketing Act (Georgia). It is a non-stock organisation in which members are not required to pay any fee or take shares. Any producer of agricultural products, or co-operative association of such producers, may become a member who has only one vote. The association is not of a purely federal type; it is a central type consisting of both individual farmers and co-operative

*In the absence of Mr. Brooks, General Manager, at Washington, Mr. Funderburk, Assistant Manager and Treasurer, was good enough to explain its working and operating methods and give us the information we desired. We had, however, the pleasure of meeting Mr. Brooks, before we left Atlanta and had a general discussion with him on the subject. We are deeply grateful to both.

associations. It owns warehouses in order to help it carry out more effectively its marketing functions through its affiliated farmers' mutual warehouse associations; it operates five fertiliser plants, two seed cleaning and processing plants and one wholesale farm supply warehouse. It is a member of Co-operative Mills, Inc. Cincinnati, Ohio, from which it obtains its feed requirements; it is also a member of the United Co-operatives, Inc. Alliance, Ohio, from which it obtains metal products, lubricating oil, paint and other supplies for distribution through its affiliated co-operative associations and private dealers. It is a member, too, in two other regional co-operative organisations, from which it purchases fertiliser materials and seed.

Membership

The association consists of the following members: —

(*a*) Individual farmers (who are served by cotton receiving representatives for marketing or by private dealer agents for farm supplies);

(*b*) affiliated farmers' mutual warehouse associations (which are registered co-operative institutions and which operate warehouses, receive cotton from farmer-members and pay the price fixed, store and dispose of the cotton as agents of the central association);

(*c*) affiliated farmers' mutual exchanges (which are also registered co-operatives but which confine their business to the distribution of fertiliser, seed, feed and other farm supplies mostly made available by the producers' association and which function more or less as stores); and

(*d*) independent member co-operative associations (which make purchases of fertiliser, seed, feed and farm supplies from the association for distribution to their members.)

While the associations in (*b*) and (*c*) are closely tied up under marketing agreements or management contracts with the producers' association, those in (*d*) are not. Under management contracts, the affiliated exchanges (*c*) receive help from the producers' association in respect of trained personnel, accounts, finance, audit and advertising services. For instance, the Gainesville Farmers' Mutual Exchange took a loan of $30,000 for construction of its sales emporium; its staff is chosen from the trained men made available to it by the central association. These exchanges act, in effect, as branches of the association and facilitate the distribution of its fertiliser, seed, feed and other farm supplies under a " co-operative agreement " entered into mutually by them.

The mutual warehouses are local co-operative associations. Though they are registered corporate bodies, they function more or less as agents of the central organisation in relation to its major function of marketing cotton. We saw a fairly big institution of this type viz. The Farmers' Mutual Warehouse at Carrollton. It has grower members on rolls and operates over a large area and manages two big warehouses with a capacity of 10,000 bales (a bale weighing 500 lbs.) In addition, it supplies fertiliser to its members. It does not function as a store; on orders placed by its members, it authorises them to receive supplies from the fertiliser plant at the same place belonging to the central association. The mutual warehouse enters into agreement with the central institution to operate the latter's warehouses, subject to certain conditions as to payment of taxes on warehouses, fire insurance, depreciation etc.

It is interesting to note that while all mutual warehouse associations are members of the central association, it is, in turn, a member of each of these associations. Generally they select their manager from the men trained by the central association and with its approval. Some of them use the auditing and accounting services of the central association. There is thus established a close working relationship between the two. In addition, by being a member in the local warehouse, the central association gets its share of patronage refund in respect of the rent paid by it for storage of cotton purchased by it and kept in the warehouse till it is disposed of.

I may add here that the Cotton Producers' Association acts as an agent of the Federal Government in its price support programme. Cotton is one of a number of agricultural products coming under this programme and it is open to a cotton grower to place his cotton bales in Government loan and take 92.5 per cent of the *parity price* fixed for cotton. The Mutual Farmers' Warehouse carries out, on behalf of the central association, this part of the latter's responsibility. In the Carrollton Mutual Warehouse, we were told, 75 per cent of the cotton stored went into the Government loan account. The classer (or grader) in the local co-operative is one licensed by the Federal Government and on his classification, the loan, under the price support scheme, is made to the farmer immediatly on delivery, whereas in the case of a commercial warehouse which acts on behalf of the Federal Government in its price support policy, a farmer has to wait until his cotton is graded by the appropriate authority. I may add, to complete this part of the picture, that if the farmer releases his cotton from the Government loan account before the prescribed date, he has to pay the rent, insurance and other charges incurred by the local co-operative in connection with the storage of cotton; or if the cotton should ultimately get into Government account the Government pays these charges.

Management.

The Board consists of 15 directors, 3 representing affiliated institutions and the remaining 12 representing the individual farmer members. For purposes of election of the latter, the area is divided into election districts, and the members in each district elect a director. To conform to the legal requirements, the directors who secure the largest number of votes in each election district are, as a matter of course, elected at the annual general meeting of the members. The directors are elected in rotation or, as they put it, their terms are "staggered". Each director holds office for three years. Each year the Board appoints, from among its members, an executive committee of five members including the President and the Vice-President.

The Board employs and fixes the pay and allowances of the General Manager and it is the latter's responsibility to carry on the affairs of the association under its direction. The General Manager is appointed on an annual basis, and his services may be terminated at any time at the discretion of the Board. It is, however, significant that the Manager and the Assistant Manager have been in the association since its organisation in 1936, and their intimate knowledge and experience of cotton production and trade and their business ability have been placed at the disposal of the association. And this circumstance, among others, seems to us to have contributed to its steady growth and the vast dimensions which it has attained.

I may, at this stage, stress this point a little further. When we visited Richmond and had discussions on the working of the Southern States Co-operative Inc., a mighty regional purchasing co-operative association, we found that it had among its officers a Management Counsel, to whom we were introduced. This gentleman was no other than its previous General Manager who, after twenty-five years of devoted service, voluntarily retired and is now helping it with his advice and guidance. He was in fact one of the founders of this co-operative and stood by it in all its struggles and trials notwithstanding the too strong temptations, which powerful commercial concerns held out to him and to which

ordinary men, without that co-operative fervour and devotion to the cause of the farmer, might have easily succumbed. He was succeeded by the Assistant Manager who too had a long record of co-operative service.

At Spartanburg, we saw the Assistant Manager and Treasurer of the Peach Growers' Co-operative Association, Mr. Croenenberg, who had been employed for about 15 years since its inception and who had, it seemed to us, a complete knowledge of trade in peaches.

It is these men that carry on the day-to-day administration and business of the associations. Each type of association, dealing as it does in a particular variety of agricultural produce and presenting problems which are peculiarly its own, is in need of experienced specialists who alone can bring to bear on its problems knowledge, experience and business ability which ensure their ultimate success. They are well paid too; and though in private business or trade comparable to that carried on by the co-operatives they may get more, it is a tribute to their co-operative spirit and sense of devotion that they stick on to their jobs. It has forcefully struck us that business is business, whether it is co-operative or commercial, and the successful among the farmers co-operatives which we saw, are more than alive to this fact and in their operating methods, appear as efficient as any commercial organisations. The view is held in responsible quarters that marketing co-operatives may, in a sense, be regarded as 'capitalistic' in so far that they aim at getting more and more money to the farmer through group action, while in the commercial organisations profit goes to a few proprietors or share-holders. It follows then, according to this theory, that excepting in their objectives and outlook, the co-operatives are essentially business enterprises and that it is upon the business knowledge and ability of the men at the helm of affairs that their success almost entirely depends. And there is widespread recognition too that such men should be adequately paid, and from what one could see, they are worth their hire. This position needs to be appreciated and followed up by co-operatives in this country. Experts in business and trade should be depended upon to guide the destinies of co-operative organisations much more satisfactorily than amateurs or honorary men.

Other members of the staff are appointed by the General Manager and their pay and allowances are generally fixed by him or at his instance. The Board does not ordinarily concern itself with such appointments. This is, according to the co-operators

The following is an example of the method of fixing prices:—

New York Cotton Exchange Futures Quotation: Middling 15/16 inch white cotton. ...	32 cents a lb.
Mill's price 1 cent 'on' for delivery at the mill ...	32 plus 1=33 cents.
Deductions:—Average deduction to cover loss in weight, fixed expenses and salaries, association overheads and margin of safety ...	0.40 of a cent a lb.
"Hedging" ...	0.03 "
Average carrying charges for 3 months.	0.36 "
Average selling commission ...	0.12 "
Average transportation charge ...	0.30 "
Miscellaneous ...	0.04 "
Total ...	1.25 cents a lb.

Price advanced to the producer 33—1.25=31.75 cents. The total deduction may vary from time to time according to circumstances.

The methods adopted, though perplexing to a casual visitor, are based on well-understood principles and have attained almost scientific accuracy. The deductions are worked out in terms of points and the payment made to the producer is reckoned as so many points "on" or "off" the 'base' price.

Method of Payment:—Payment is made to the producer usually by means of sight drafts drawn on the Cotton Producers' Association and sometimes by personal cheques. If it is by the latter, the agent replenishes his funds by drawing a sight draft on the association at the end of each day. This draft is accompanied by the warehouse receipts for the cotton received and the original copies of cotton invoices showing that the cotton had been turned over to the association.

It is interesting to note that each day the agent sends samples of cotton to the central office, where it is independently graded by the experts and the results are communicated to him. This ensures a definite check on the grading of cotton by the agent.

Cotton is stored in the warehouses owned by the association or hired on its behalf until the central office orders it to be shipped or despatched to mill-purchasers or others. Sometimes cotton is

received at railroad platforms from the farmers, especially where there are no sufficient warehouse facilities and transported to one of the association's concentration points. Agents are expected to execute promptly and efficiently the shipping orders received from the central office. They maintain the necessary records relating to the cotton received, payments made etc.

Pools:—There are different systems of 'pool' in vogue in marketing co-operatives in the United States. It is rather difficult for one to understand the details or subtleties unless one has touch with the practical working of the pools. I may, however, refer to this briefly. When a producer delivers cotton to the association, the title to the physical possession of the produce passes to the association, and the individual identity of his bales is no longer maintained. Otherwise, marketing will be rendered extremely difficult. On delivery, payment is made to the producer on the basis already described. The payment represents an 'advance', or in effect the amount which the producer will receive for his cotton until the end of the season when the savings or losses of the cotton division of the association are determined.

The producers may choose one of the options or pools available to them in the matter of the sale of cotton. The pools are of different varieties such as 'Immediate Fixation Pool' or 'Daily Pool', 'Call Pool', 'Seasonal Pool' etc. They differ in detail, but Mr. Funderburk told us that they all constituted what he would term a 'merchandising pool' and that, in effect, they all merged into one kind of pool. The cotton growers in Georgia, we were told, have long been accustomed to selling their cotton for the full market value at harvest time. The practice has been that they do not wait for full settlement and because the crops are generally pledged or mortgaged for the purchase of seed, fertiliser, etc., the mortgagees force them to sell to the highest bidder as soon as cotton is ginned. It is for this reason, we are told, that daily or immediate fixation pool is popular among growers. Under this arrangement as soon as a grower delivers his cotton or the warehouse receipt, as the case may be, to the receiving agent of the Cotton Producers' Association, he receives a cash advance based on the market price on the date of delivery. Generally this advance represents the full sale value of cotton in the local market at the time of delivery. As has already been stated, the title to the cotton passes to the association at the time the advance is made. The Cotton Producers' Association *hedges* the cotton as soon as practicable, whom we met, a healthy arrangement because all other employees are directly responsible to the General Manager, and not to the Board, and it is logical that he should be in a position, in the American parlance, "to hire and fire the employees", that is to say, to employ them and deal with them or even remove them. It is the General Manager alone that is responsible to the Board for the conduct of the affairs of the association.

The bylaws provide that any person except a director, or a relative of a director, may be employed to serve as General Manager. This is considered a healthy provision, and we noticed that in some co-operatives the provision goes still farther and lays down that no relation of any member of the Board of Directors shall be employed in any capacity by the association.

As in the case of big co-operative associations, the Board of Directors of the Cotton Producers' Association confines itself to important matters of policy; it is a policy-making body. The General Manager exercises supervision and control over all the activities and business of the association, and is responsible to the Board. He acts, of course, subject to the general directions of the Board.

Methods of Operation

The association has two departments, each handling a distinct type of service. The cotton division or department deals with co-operative cotton marketing and the other known as the purchasing division with purchase, manufacture and distribution of farm supplies.

COTTON DIVISION.

This division receives and markets cotton for its members and for this purpose maintains "receiving representatives" at all important points throughout the area of its operations. The central office at Atlanta maintains its administrative staff, a central classing or grading office, a sales service and accounting department. It also maintains two field supervisors who keep in close touch with "receiving agents" and help them build and maintain an efficient cotton receiving service, to carry on educational and membership programmes by providing advertising material and assistance in membership meetings. We learn that these fieldmen concert measures to increase membership and train young men to serve as receiving agents of the association and in the off-season, teach them the technique of cotton receiving, grading and pricing.

Cotton Receiving Agents:—The association employs on a salary or commission basis 'cotton receiving agents' at all important points where farmers deliver cotton. Full-time employees not only attend to the receiving of cotton but also secure orders for fertiliser in which the association deals. Commission agents are usually local businessmen with other interests and receive cotton for the association as a side-line; they are paid on the basis of the bales received.

The affiliated mutual warehouse associations (owned and controlled by local farmers) also receive, weigh, sample and store cotton and issue warehouse receipts on each bale of cotton stored.

The receivers take in the cotton delivered by the farmers, weigh, class or grade and price it according to the pool prices fixed by the central office. Sometimes, the farmer delivers his cotton to a local cotton warehouse in his neighbourhood, where it is weighed, graded and stocked by the warehouseman. Such warehouses are public warehouses and are subject to the provisions of the United States Warehouse Act. The warehouse receipt describes the bale number, weight, grade and staple of the bale and the producers' name. In such cases the receiving agent makes the advances on the basis of grade and staple fixed by the grading officer of the warehouse.

Method of Fxing Prices:—The fixation of prices and the payment of advances based on such prices seemed to us somewhat complicated and perplexing. The receiving agents as well as the head office of the Cotton Producers' Association get every 15 minutes New York Cotton Exchange quotations. A 'base' is fixed. A variety known as "Middling 15/16 inch cotton" is used as the base. Prices are adjusted or regulated either up or down for differences in the grade and staple of the cotton delivered by the members. An addition is made to this to the extent of the premium, which mills or other buyers are willing to pay for spot cotton. Deductions are made from this to cover the operating expenses of the association, carrying charges such as interest, insurance and storage, freight charges and a margin of safety for the association. The price thus arrived at is taken into account in making the advance to the producer. If there is a profit at the end of the year, the surplus is returned to the producer in the form of a patronage dividend. If there is a loss, it impairs the member's equity to that extent. The loss is, however, sought to be prevented by "hedging", to which reference will shortly be made.

as a protection against fluctuations in prices; that is to say, it sells future contracts that cover an equal quantity of cotton in order to avoid a risk of price decline. When payment is made, allowances are of course made, as has already been indicated, for estimated operating expenses as well as deductions for transportation for proper destinations, 'hedging', insurance, warehouse charges etc.

Theory of "Holding up of Produce":—I must here stress the fact that the Cotton Producers' Association is not interested in holding up cotton or in speculation. I was told that the theory of holding up produce with a view to get increased prices was given up by co-operative marketing associations. It may be interesting to note that some of the early programmes in respect of cotton price-control included acreage reduction, destruction of a portion of the growing crop and holding cotton off the market. One of the principal objectives of big cotton associations originally was to gain control of a large percentage of crop and thereby dictate prices. 'Orderly marketing' was also strongly advocated. In course of time, however, these objectives were found to be unsound or impracticable and were, therefore, given up. Mr. Brooks, General Manager of the association, made it clear that mere holding up of cotton was no good and that in a competitive market the risk of falling prices could not be overruled or eliminated. We were told that cotton marketing co-operatives now confine their activities to the marketing of cotton for their members and endeavour to obtain the highest possible price and return a maximum percentage of this price to growers, by minimising their handling and operating costs, and they also encourage payment for cotton on the basis of quality.

I only wish to stress that the theory of controlling the market by holding up produce failed of its purpose in the United States of America. What is now sought is to contact domestic and foreign markets and secure as high a price as possible and through economy in operating and handling expenses, pass on the savings to the producer. There is in our country a school of co-operators who think that by holding up produce a marketing association would confer maximum benefits upon its members. This does not appear to be, from what we learnt of the United States' practice, a correct or sound approach to the problem of marketing. By efficient organisation and operating methods, by warehousing and processing and by establishing trade contacts in all important centres, marketing associations can secure greater benefit for the

growers than by merely holding up the produce or taking it off the market. For instance, the experience of the Cotton Producers' Association, Atlanta, in handling and marketing cotton has demonstrated that greater success could be obtained if cotton warehouses were owned by it. In 1937, four years after it was started, it purchased its first warehouse at Carrollton partly from the capital subscribed by the local members in that area, partly by 4 per cent ten-year debentures floated by it and partly by a loan from the Columbia Bank for Co-operatives. Since then it has purchased 14 more warehouses under the same arrangement. As has been stated earlier, the association undertook the manufacture and supply of fertiliser for its members. In due course, seed purchasing and processing services were organised. In addition to fertiliser plants, it owns seed plants where seed is processed and bagged before distribution. It arranges the production, under its supervision, of improved variety of seed through select growers on payment of premium. It is through organisation of such comprehensive services that the association confers definite benefits upon its members. And it is through such range of services and expansion of activities, marketing associations in this country may expect to help their members.

Hedging:— As soon as the central association takes physical possession of, and title to, cotton delivered by the growers and the advances are made on it, it proceeds to 'hedge' in cotton futures market as a protection against fluctuations in prices. When a local agent gets a total of 25 bales in the course of a day, he immediately wires the central office in Atlanta so that this quantity of cotton may be 'hedged.' This process is reported each time he receives additional 25 bales. At the end of each day he confirms his telegrams by mail and also reports any additional cotton received late in the day. If less than 25 bales are received in the course of a day's business, a report showing the number of bales is mailed to the central office at the close of the day. When the telegraphic and mail reports are received in the central office, they are consolidated and the association knows the number of bales of unhedged cotton. When there are 100 or more unhedged bales, that number is sold for delivery in some future month. Hedging is done in units of 100 bales and the future delivery month into which hedge is placed is determined by the General Manager and the Sales Manager of the association.

The office maintains a machine which automatically goes on typing the New York Cotton Exchange price quotations every

15 minutes on a long sheet of paper and it is this that guides the office in deciding the future delivery month.

The general practice is that cotton remains hedged until it is sold to the mills or other buyers. When a buyer fixes his price, he intimates the American Cotton Co-operative Association to buy the necessary contracts and quotes the basis month. This association (to which reference will shortly be made) executes the contracts on behalf of the Cotton Producers' Association, Atlanta, in accordance with the instructions and policy of the latter and confirms the execution to the buyer and the Cotton Producers' Association.

We learnt that in the matter of hedging the Cotton Producers' Association often faced two problems. One is in respect of hedging late receipts of cotton—quantities of less than 25 bales which are reported by mail to the central office from interior receiving points and not received by it until the following morning. In order to protect itself against losses by overnight price changes, the association anticipates on the basis of past experience the number of late arriving bales likely to be received each day and hedges that number at the close of the day's market. This is said to serve as a partial protection against loss.

The second problem relates to periods of severe price declines. During a day, the price may often drop by 2 cents a lb. This is said to be the maximum price change allowed in a day under cotton exchange regulations. It is gathered that during periods of such rapid declines buyers are reluctant to make purchases because of the possibility of buying at a lower price. With a few interested buyers, it is considered difficult and sometimes impossible to *hedge* cotton. In such cases the association may lose considerable amount of money because of its inability to *hedge* cotton it has received. On the other hand, when the market advances rapidly there is a gain for the association. On the whole the losses and gains, we were told, balance themselves.

The American Cotton Co-operative Association

This association with its Headquarters at Memphis, Tennessee, was organised in 1930. It has regional or State cotton co-operatives as its members. When a number of State and regional cotton associations were formed, the need for a national sales agency for selling cotton was felt. It was considered that in the absence of such agency, the regional and State associations would be competing with each other in both domestic and foreign markets and that

it would be too expensive for an individual association to operate a world-wide selling organisation, or in many cases to maintain a domestic selling organisation. The principal functions of the American Cotton Co-operative Association are to provide (i) a *hedging* service for its members and (ii) a brokerage service for spot cotton. It is federal in character and has on its rolls five Regional or State Marketing Associations. It has a seat on the New York Cotton Exchange and maintains its own brokerage office in New York. The Cotton Producers' Association gets its hedging service through this national organisation at a lower cost, by virtue of patronage refunds which it receives from the latter, than if it employed other channels for hedging.

The American Cotton Co-operative Association maintains sales offices in all important domestic and foreign markets. The salesmen call on mills in the domestic markets, negotiate prices and settle transactions on behalf of the regional organisations. The charges for hedging and brokerage services are fixed from time to time and savings are distributed to the members as patronage refunds at the end of the year. The member associations are free to market their spot cotton outside the American Cotton Co-operative Association, but then they are required to pay a fee to it on such direct sales.

The Cotton Producers' Association, Atlanta, markets 10 per cent of the total cotton production in its area. The domestic and foreign markets are studied closely. It maintains contacts with a number of mills by personal visits, by telephone or telegraph and supplies a considerable part of their requirements through direct sales. This method is said to be attractive to mills because it enables them to deal directly with the association and obtain at short notice the exact quantity of cotton they require. We were told that Mr. Brooks, General Manager, would be proceeding shortly to Europe to study the markets there.

Role of Cotton Producers' Association in Government Price Support Programme

Cotton is, as I have stated earlier, one of the agricultural commodities included in the price support programme of the Federal Government. The Commodity Credit Corporation set up by the Federal Government carries out this price support policy. On behalf of its members the Cotton Producers' Association acts as the agent of the Commodity Credit Corporation and makes loans on the same basis as cotton loans are made to individual producers by from it at half the cost, plant the seed, maintain certain farm practices and sell the seed when ready to the association at an agreed premium (generally 5 cents) over the market price at the time of delivery. The principal seeds grown and handled in this way are cotton, corn, peas and soyabeans. Seeds that cannot be produced by the farmers in its area of operation are purchased in bulk from outside co-operatives and other sources of supply. They are bagged in the association's branded bags and sold.

(4) The association purchases all other farm supplies such as metal products, paints, lubricating oil, tyres, insecticides etc., from The United Co-operatives Inc., Alliance, Ohio, a national farm supply purchasing organisation in which the Cotton Producers' Association holds membership and financial interest. A few other miscellaneous items are purchased from private and other co-operative sources.

The association makes supplies through three types of retail agencies; no service is made directly to the farmers. The agencies are—

(*a*) Affiliated co-operatives—Farmers' Mutual Warehouse Associations and Farmers' Mutual Exchanges;

(*b*) Independent member-co-operative associations; and

(*c*) Private distributing agencies.

Generally the association tries to sell farm supplies through co-operative associations. In areas where this is not possible, the association and the local farmers together select a dealer who is qualified and willing to render adequate service. He acts as agent and is compensated for his services through retail margins which he adds to the wholesale prices of farm supplies. These margins must be fair. The farmers who make purchases through these agents also get patronage refunds in the same manner as members of co-operative agency. A recent development is that the association undertakes insurance of its members' farm properties.

General

It is interesting to note that if a member fails to deliver cotton to, or purchase supplies from, the association for three years, his name is placed on the inactive list and remains there until such time as he again patronizes the association. According to the by-laws, "if following a hearing, the Board of Directors shall find that a member has ceased to be a co-operative association or a producer or a patron of the association, the right of such a member to vote or voice in the affairs of the association

shall automatically be suspended until such time as the Board of Directors may find that such member is again qualified for membership in the association".

Membership relations are promoted by holding district and local meetings for affiliated warehouse associations and mutual exchanges whereat representatives of the cotton and purchasing divisions discuss matters of common interest and explain the working of the Cotton Producers' Association and the advantages of co-operative membership. It has been suggested that these meetings should be all-day affairs and that in addition to the presentation of annual reports, holding elections and voting on general policies, provision may be made for a talk by at least one prominent outside speaker, for a good lunch and for plenty of visual information on the operations and accomplishments of the institution.

The success of the Cotton Producers' Association, Atlanta (or similar co-operative organisations in the U.S.A.) is due to several factors.

(a) *Efficient organisational set-up* for receiving, warehousing and paying for the cotton delivered. The system is somewhat pyramidal—local warehousing associations consisting of cotton growers (or receiving agents,) the central association consisting of local institutions and individual farmers (which is a regional organisation) and a national organisation at the top. For a vast cotton belt area perhaps this set-up may be necessary. Because of this efficient system of organisation, the Cotton Producers' Association, Atlanta, was able to do business of about 50 million dollars in 1948 (over Rs. 20 crores).

(b) *Efficient and experienced top men and well-trained staff.* The General Manager, the Assistant Manager, and heads of the Departments are experts in their line and have had long experience in cotton business. They know their job and conduct the business efficiently. They recognise that cotton marketing is a highly specialised business and that it requires experience and training on the part of men who are in charge of the association. They are paid well and are expected to take all possible precautions to safeguard the interests of the association and its members. They are coversant with all factors such as supply and demand, future crops, domestic and foreign markets etc.

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the Commodity Credit Corporation. Loans may be made up to 92.5 per cent of the *parity price* fixed by Government. The farmer may sell his cotton through the association if he chooses—provided, however, that such a sale is made prior to the time that the Commodity Credit Corporation takes title to cotton under the loan programme. If a member wants to take his cotton, he has to pay interest at 3 per cent and other expenses such as insurance, storage etc. If he does not exercise the option before the date fixed by Government, the title to the produce passes to the Corporation. In the latter case, the member need not pay interest or other expenses. Government meets all expenses. It is gathered that a fairly good number of producers are taking advantage of the Government price support scheme. In the Carrollton Mutual Warehouse Association we noticed that 75 per cent of cotton stored was in Government loan pool. All unsold loan cotton, the title to which passes to the Commodity Credit Corporation, is turned over to it by the association.

The mutual warehouse associations (which are affiliated to the Cotton Producers' Association) operate warehouses rented out to them by the central association and receive, weigh and sample cotton and issue warehouse receipts on each bale of cotton stored. They levy fees for services rendered. These services vary from place to place. Some of them operate cotton gins, while many of them supply feed, fertiliser, seed and other farm supplies to the producers. The central association fixes and advises the local association on the advance or price payable to the producer. It is open to the latter to market cotton through the association if he is satisfied with the offer. Generally a ten-year period membership agreement is entered into between the mutual warehouse and the member, and a member must agree to store at least one bale of cotton every year (if he produces that much). It is, however, open to either party to terminate the agreement by notifying the other during the month of May in any year. We were told that marketing agreements were not strictly enforced as it was not considered desirable and that it was open to any member to withdraw at any time he likes. It may be noted that co-operative associations deal with non-members as well, and provided their business with non-members is less than that with members and provided also that non-members are paid patronage dividend, they are entitled to Federal and (State) income-tax exemption.

Most of the warehouse associations distribute the savings on a patronage basis in the form of non-interest bearing revolving fund

certificates of indebtedness. The refund is calculated separately for cotton storage, ginning or other services. The certificates are of a revolving type and redemption is made after a period of years, the oldest outstanding certificates being paid off first.

PURCHASING DIVISION

In the course of its development and evolution, the Cotton Producers' Association has enlarged the range of its services and built up this useful and interesting division. This deals with the purchase or manufacture and wholesale distribution of all farm supplies handled by the association. This division is in charge of a manager under the direction of the General Manager and consists of six departments, each under the supervision of a departmental head—fertiliser, feed, seed, other farm supplies, distribution and accounts. We had an opportunity of visiting the association's fertiliser plant at Carrollton, where we observed the process of manufacturing superphosphate. It is not necessary to deal in any great detail with all the operations of this division ; it is enough to indicate the broad outlines of its work.

(1) The association owns and operates five fertiliser-mixing plants and two of them manufacture superphosphates on the formula worked out by its experts in collaboration with the officers of the State Colleges of Agriculture and Experiment Stations in its area of operations. The plant we saw had a daily output capacity of 400 tons and all the others combined had a daily output capacity of 1,350 tons.

(2) The feed requirements of the association are obtained from Co-operative Mills, Inc., Cincinnati, Ohio, of which the association is a joint owner along with three other big co-operative purchasing associations. As the association operates in an area where poultry-farming has been making very rapid progress (and also dairying in some measure), the demand for feed has been on the increase.

(3) The association operates two seed plants where the seeds are received, processed, bagged and stored for shipment. It tries to handle high quality seeds and in order to ensure purity and high germination qualities, it sends samples of each lot to the State testing laboratory at Atlanta. The results are communicated to the seed cleaning service and labels showing the quality of the seeds are printed and attached to the bags.

The association obtains most of its seed from select farmer members who enter into contract with it, obtain planting seeds

The association selects and employs young men with farm background and men educated in agricultural colleges. After selection these men are placed in "on-the-job" training for a period of 1 to 3 years in cotton warehouses, central classing office etc. After general training the employee is given further training in the specific line of work for which he is qualified. Practical training is given in all details of work. The association spends a lot of money on employee training programme.

(c) *Hedging*—Hedging is a very important factor which has helped the growth and working of cotton marketing associations. It is realised that there are many factors which affect price variations, and *hedging* tends to reduce the loss caused by such variations.

(d) *Provision of comprehensive services.*—Many of the local associations own and operate gins while compressing is got done generally through commercial compressors. We were told that a fairly large number of co-operative cotton gins had come into existence in recent years, because the cotton growers felt dissatisfied with the high rates charged for ginning, the high percentage of damaged cotton during the ginning process etc., by private gins.

The marketing associations also help the growers to get quality seed and fertilisers at reasonable prices and distribute patronage dividend on their purchases. As Mr. Funderburk said, the farm supplies business brings the member and the association into continuous and close contact and strengthens his loyalty to his association.

(e) *Membership relations*—A good deal of educative propaganda is carried on amongst the members through periodical meetings, folders, pamphlets, etc. Their loyalty is thus enlisted and promoted. It is on this loyalty that business is built up.

CO-OPERATIVE MARKETING OF AGRICULTURAL PRODUCE IN UTTAR PRADESH

BY

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Lucknow University.

Co-operative marketing societies in U. P. have been organised chiefly for sugarcane, ghee, milk, and cereals; Societies for the sale of potatoes, fruits and vegetables, eggs and poultry etc., are rather negligible. Cane societies account for the largest share in co-operative business and practically 70 to 80 per cent of cane crushed by factories, valued at Rs. 10 to 16 crores annually, is supplied through the co-operative organisation.[1] The ghee societies handle annually about 5 to 6 thousand maunds of ghee.[2] The distribution of milk through co-operative agency has not made much progress although there is vast scope for co-operative societies to undertake milk collection and sale in urban areas. A plan for this on a modest scale is actually being implemented. Co-operative marketing of cereals is done by the marketing unions, cane societies, central banks and the Provincial Marketing Federation. These handle a total of about 5 to 6 lakhs maunds of cereals every year.[3] The Provincial Marketing Federation is the premier marketing society of the State and does in addition distribution work, besides helping the unions with proper guidance and, at times, necessary finance. In the year 1945-46 it had peak sales amounting to Rs. 440 lakhs, and it earned a profit of Rs. 8 lakhs.[4]

The rapid development of marketing societies since the autonomy together with a shift in the emphasis from credit

[1] In 1948-49 the societies are reported to have sold Rs. 20 crores worth of sugarcane to mills, which was about 86.8 per cent of the total crush.

[2] Six thousand maunds of ghee valued at Rs. 12 lakhs was handled by the Ghee Unions in 1947-48 (vide *Review of the Co-operative Movement in India. 1946-48.*)

[3] The business done by the marketing unions amounts to nearly 3 lakh maunds of grain valued at Rs. 26 lakhs annually out of a total business of Rs. 51 lakhs worth of food grains handled by all the societies annually. (Figures for 1944-45. See *Annual Report on the Working of Co-operative Societies in U.P. for the Year 1944-45.*)

[4] This has considerably declined in recent years. Thus in the year 1946-47, the Federation had a sales turnover of only Rs. 26 crores and its profits declined to practically half of that in the previous year, viz. Rs. 4.4 lakhs. It has decided to switch over to co-ordination of the multipurpose activities of new District Development Federations and to act as their wholesaler, 'both in respect of arranging supplies of essential commodities required by the producers' or consumers' organisations at wholesale rates and arranging co-operative marketing of producers' goods within the province or outside. (The *Fifth Annual Report on the Working of the U. P. Co-operative Development and Marketing Federation Ltd., Lucknow, for the Year 1946-47*).

capital or reserve fund; and sometimes they function merely because of State subsidy.

The co-operative movement in Uttar Pradesh as elsewhere in the country, has 'outrun co-operative education'. To remedy this, a wide literacy campaign combined with an all out effort to educate the members and the public in the essentials of co-operation is indispensable. At present, very little publicity is given to co-operative achievements. For the purpose of co-ordinating the activities of the unions, specialised commodity associations on a provincial scale should be formed. There should be a clear demarcation between the activities of marketing unions and societies and the unions should as far as possible deal with the members only through the societies. We should plan for a well-integrated movement and for that the establishment of a research and planning section, more particularly of a planning board, in the Department is essential. This should be an official-cum-non-official co-operators' body which will review from time to time the progress of co-operative marketing, chalk out programmes in consultation with other Development Departments and advise the Registrar on matters of policy and actual working of the schemes laid down by it. A full-fledged publicity department, a statistical section and a research bureau will be integral parts of this scheme.

The marketing co-operatives should provide not only production but also consumption credit to the cultivator, if his full allegiance is to be sought. For this purpose intensification of the credit activities of marketing unions and societies is highly desirable. The unions should eschew the present unsatisfactory practice of outright purchase and sale and take to the safer and better method of sale on commission and deposit systems. This all the more emphasises the necessity of their becoming full-fledged financing institutions. The cost of business should as far as possible be minimised; the present rates of interest must be drastically reduced and co-operatives should aim at giving satisfactory and adequate facilities for finance. The cane development unions should undertake to regulate the area under their jurisdiction. Sometimes the supplies are in excess of the mill demand with the result that there is a glut in the sugarcane market. The cane unions should try to find alternative methods for the disposal of sugarcane of their members. The marketing unions should further expand their activities and embrace such other commodities as are at present either neglected or marketed on a very small scale by them.

Side by side with the development of producers' co-operatives, safeguard of consumers' interests is also necessary, particularly in those branches of co-operative activity where producers' organisations undertake distribution work as well. Separate societies of consumers should be formed and their conflicting interests with those of producers' societies harmonised by a producers-cum-consumers' co-ordinating agency (such as proposed in milk collection and sale), failing which adequate representation should be given to the consumers in the Board of Management of the existing producers' co-operatives.

Above all the need for Government assistance in all the important spheres must be emphasised. Co-operative marketing in order to flourish must be assisted by legislation that would prevent or regulate private sale. This implies that it sheds its voluntary nature, as it brightens its chances of orderly development and expansion. The history of co-operative marketing movement leads us inevitably to conclude that co-operation, in order to be successful, must be applied with a certain degree of compulsion. This is all the more necessary in a country like India, where a mass movement at the base is sorely lacking, where anything that has been done is due to Government initiative and enterprise, where the mass of the peasantry are apathetic and ignorant, and where non-official collaboration in the extension of the movement is extremely inadequate. The great achievement of cane co-operatives in this State would not have been possible but for the compulsion applied by the Sugar Factories Control Act. Legislation on the model of the U. P. Agricultural Produce Marketing Bill is, therefore, the need of the hour. Legislation for standardisation of weights and measures, and for grading and sampling, regulation of market practices and scaling down of market dues, establishment of licensed warehouses, and prevention of adulteration and other malpractices, such as under-weighment and under-payment, must be enacted and strictly enforced. The Reserve Bank of India should give adequate facilities for finance to central banks and unions through the Provincial Co-operative Bank. At present the provision in its Act relating to discount of agricultural paper is practically a dead letter.[1] And lastly, the Government should come out with liberal grants for the construction of pucca godowns, purchase of costly equipment and plant and training of members and staff, and allow

[1] This is no longer true. Vide Publication No. 8 of the Agricultural Credit Department of the Reserve Bank of India, p. 6.—M. Ed.

co-operation towards non-credit aspect of the movement is apparent from the fact that while the number of agricultural credit societies increased by 41.60 per cent during 1938-39 to 1944-45, that of production and sale societies (agricultural) registered an increase of 80.44 per cent during the same period. The percentage of agricultural credit societies to total agricultural societies (credit as well as non-credit) declined from 71.92 in 1938-39 to 59.61 in 1944-45 (a fall of 12.31 per cent), while that of agricultural marketing societies increased from 10.92 in 1938-39 to 11.52 in 1944-45 (an increase of 0.6 per cent). This increase would have been much greater but for the classification of certain agricultural primaries (production and sale) into central societies during recent years. The comparatively happy financial position of the marketing societies is borne out by the fact that while the owned capital of agricultural credit societies increased by 38.58 per cent during 1938-39 to 1944-45, that of production and sale societies (agricultural) multiplied more than two-fold, showing an increase of 115.36 per cent during this period. The percentage of borrowed to working capital is, however, great in the case of marketing societies, because of comparatively larger sums involved in business, smaller percentage of local deposits and the heavy disbursements they have to make for purchase of members' products by outright method.

Co-operative cane marketing is the single achievement of this State which can compare favourably with the co-operative undertakings in other States or, for the matter of that, in any other country in respect of its staple commercial product. Cane development unions have not only arranged a regulated and orderly supply of cane to mills but also developed the cane area under their jurisdiction, and the production of much of the improved cane crop is due to their efforts. The marketing unions are fast developing into multipurpose societies of the Kodinar type and do general marketing and distribution. Sometimes the unions have taken to finance of marketing operations and supplied credit for production as well as consumption needs of the cultivator. Thus the cane development unions grant credit on the security of the cane crop, the ghee and milk unions for the purchase of cows, she-buffaloes and cattle-feed, and the marketing unions for unspecified objects on the security of goods pledged with them. They have also helped in standardisation of crop, improvement in yield, elimination of diseases and pests, prevention of adulteration and fraud, and in general assured a ready and dependable supply

to the consumers, besides ensuring better prices to the member producers on account of lower market charges and reduced cost of handling.

But economic analysis undertaken reveals certain drawbacks in the basic structure of the co-operative marketing organisation and suggests lines of rationalisation to strengthen it in the future.

The greatest drawback of the movement is that it is not unified. There is no supervisory and co-ordinating agency over the activities of marketing unions and societies. The Co-operative Marketing Federation but poorly performs this function. There is a tendency among the marketing co-operatives to develop along the lines of specialised commodity associations. State organisations, however, in any of the commodities dealt with have not yet been evolved—not even in sugarcane which can claim for itself the largest single development. The marketing unions till recently were suffering from inadequate facilities for finance due to inefficient inter-lending This defect has now been removed by the establishment of the Provincial Co-operative Bank. Still the difficulty in regard to effective guidance and control over non-credit activities exists. The Co-operative Department issues off and on circulars in regard to actual working and business policy to be adopted. But it is not itself quite competent for the task. Marketing is a specialised business and can be undertaken only with the help of marketing experts. Many of the defects of marketing co-operatives have not yet come to light, thanks to the extremely favourable circumstances created by the war. Much of their haphazard development is also to be accounted for by that reason. But in the coming years, when prices will sooner or later be stabilised at some fair level, it will be difficult for many of them to function satisfactorily or on the present scale.

The co-operatives handle an insignificant portion of the total marketable produce of the State excepting, of course, sugarcane. They do not promote genuine co-operative life in the villages. In practice they have failed to adopt true co-operative principles. Much of their business consists of outright purchase and sale, not only from members but also from non-members in order to ensure sufficient turnover. They seldom undertake to grade the produce before sale. At times, the sales are conducted through regular business channels. The cane co-operatives have extensive areas of operation which, though excusable from the business point of view is indefensible on other grounds. Reliance on external sources of finance is still very great, the co-operatives having very little share concessions of railway freight and octroi duty for the movement of agricultural produce belonging to co operatives.

The overall picture of co-operative marketing movement in U. P. may be sommarised as follows :—

1. The movement is very young and has not yet fully stabilised itself.

2. Its structure and organisation, methods of business and finance are all in a state of flux and have not yet crystallised into organisational or business policies. No standardised model can be said to have emerged.

3. The deviations from accepted norms are not in every case to be viewed with alarm. In some cases at least, the new experiment may help in moulding out a better pattern or structure of organisation and finance which may be more in conformity with local requirements, though radically different from traditionally accepted norms or principles (Cf. Cane development unions and primary units).

4. There is no uniformity in respect of these, viz. structure and organisation, methods of business and finance. Much of this is no doubt due to haphazard development and lack of planning and co-ordination.

5. From the structural point of view, the tendencies towards (a) centralised association and (b) federated organisation are noticeable. Co-operative cane unions and marketing unions (cereals) are examples of the former type.

6. Again, the tendencies viz. towards organisation on (a) regional, and (b) commodity basis are met with, though the difference is gradually fading away in every case.

7. Marketing is being linked with (a) credit, (b) supply of essential requirements, (c) development activities, and (d) marketing of multiple or by-products.

8. No demarcation of function between central and local associations has been made nor has any effective link been forged between co-operative credit and marketing activities. Our proposal is that these should be combined in the marketing union.

9. The survey shows what a popular Government can do in the development of co-operative marketing. Much of the progress in the organisation and business of co-operative marketing unions dates from 1937-38—the year of the formation of the first Congress Ministry.

10. It also reveals the effects of compulsion as applied to co-operation. Co-operative marketing can succeed better, if assisted by a certain measure of compulsion exerted on the individual cultivators to organise themselves for the purpose of marketing coupled with due restraint on the activities of private business channels. The findings in this regard may militate against the time-honoured concept of co-operative conduct or even against co-operative ideology but has to be accepted as inevitable.

11. The developments in recent years has thrown into clear relief "the consequences of a partial and one-sided approach (earlier followed) to the rural economic problems with relative over-emphasis on credit co-operation and comparative neglect of the essentials of co-operation in other important spheres of a farmer's life". The co-operative movement has recently become more broad-based due to conscious policy followed by Government. Incidentally it has helped to stabilise the co-operative credit structure which was tottering underneath the burden of frozen capital assets and heavy overdues—a legacy of earlier misguided policy and effects of the agricultural depression of 1930s.

12. The survey also reveals the effects of war on co-operative movement. Almost the whole of the distribution business in recent years is a gift of the war.

13. The movement is not unified. There is no necessary connection between the activities of centralised associations and primary units. Many of these do not federate themselves into district or provincial associations, with the result that co-ordinated programmes to which all might agree have not yet evolved.

14. Although there is a tendency to organisation on a commodity basis, specialised associations on a provincial scale have not yet evolved, with the result that supervision is slack and guidance and control over the activities of innumerable primary units cannot be effectively exercised. The Co-operative Marketing Federation but poorly performs this function; the Co-operative Department is ill-equipped for this task.

15. Co-operatives in general have not shown any substantial results so far. They handle only an insignificant portion of the total marketable produce of the State. They have not devoted any attention to regulation of output or area given over to a particular crop (e.g. sugarcane) or regulation of the price of commodities they deal with. Co-operatives in America particularly sought to regulate output and price (though not often successfully) with a view to avert

the catastrophic fall in prices during 1930s. So far regulation of supply, reduced costs of marketing through economies in handling, higher prices to the cultivators, checking the various malpractices and fraud prevailing is what our co-operatives have achieved.

16. Consumption credit should be given to the cultivator if his full allegiance is to be enlisted. There is no risk involved in this, since marketing co-operatives give loans only on the security of crop or goods lodged with them, and need not maintain a cumbersome *haisiyat* statement. They have, so far, advanced loans only for productive purposes in the form of seed, manure, improved implements etc., which the cultivator can avail of only to a limited extent, and seldom for purposes other than marketing or production. For these requirements he has constantly to refer to the village *mahajan* or *bania* with the result that his allegiance is divided between the two and he more often leans towards the latter for obvious reasons.

17. Co-operative movement has 'outrun co-operative education.' Members loyalty is lax, management inefficient and appreciation of co-operative principles very slight.

18. The co-operative movement by its very nature is confined to upper and middle class peasantry—those who have *haisiyat* and therefore can get credit or those who have marketable surplus and can avail of the services of marketing society or union. This accounts for much of the progress of co-operative marketing in the western districts of U. P. as compared with the eastern districts where subsistence farming is the rule and the peasantry are on the whole poor with no (or very little) marketable surplus and cannot avail of the services of marketing co-operatives. For them reorganisation of production is the main task, without which the benefits of co-operative credit or of co-operative marketing cannot be effectively realised.

WOMEN IN INDIA AND THE CO-OPERATIVE MOVEMENT

BY

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No movement for the uplift of the masses can be successfully run unless women take an active part in it. The co-operative movement has not paid sufficient attention to the special features of the position of women. Many still doubt whether it is possible to introduce co-operation amongst the women of this country; but I believe that women cannot be ignored by a movement which aims at the general well-being of the whole community.

There are so many difficulties in the smooth working of women's societies, but I think that co-operative associations for the teaching of nursing, midwifery, first-aid, hygiene etc., can easily succeed in cities, where it is possible to draw upon the voluntary services of a number of medical practitioners. There is success awaiting also the sale of co-operative products of sewing, knitting, embroidery and similar women-crafts.

The participation of women is of particular importance for the success of activities engaged in by consumers' stores, industrial societies, dairies and voluntary health societies. The activities of women which can be placed on the co-operative plan fall broadly under two heads: economic and social. In the former are included ways of promoting income, thrift, wise-spending, and prevention of waste; and in the latter, hygiene and general social welfare. Thrift, wise-spending and prevention of waste make for a sound domestic economy as they result in a better distribution of funds among different domestic needs.

A consumers' society provides unique scope for women's efforts as women are in a better position than men to determine the quality, variety and price of goods required for the home. Similarly the co-operative thrift and savings society will induce women to take away quietly to a saving account the small surplus laboriously collected by them. The co-operative movement enables women to develop various home and cottage industries and crafts and thus augment their family income. Especially after the partition, women have leared to earn their livelihood by pursuing various home and cottage industries and crafts in these hard days of economic upheaval. No doubt the Department of Rehabilitation has started various homes of this kind and they are doing useful work; but it would be more beneficial if these homes were converted into co-operative societies or stores. By this method, the articles made by these refugee homes will go directly into the hands of the consumers and eliminate the middleman's profit and the consumer will get the article cheaper.

Women have not been unfriendly to the co-operative ideal. There has been a system of "committee", specially in the Punjab. The same committee system is also found in Southern India, Japan, and China. This committee is formed by ten or more women each of whom subscribes a fixed and equal sum for a series of months equal to their own number, and the total collection is paid over in each month to a member on whom the lot falls. Nothing can be more attractive to the unreflecting mind. A few committees now award the sum to the member who applies for this and shows the urgency of the need; but no member can receive the sum a second time until and unless all had it once.

Co-operation Among Women in Foreign Countries

In foreign countries women have actively associated themselves with the co-operative movement by enrolling themselves as members along with men in composite societies as well as by constituting societies exclusively for themselves for activities for which they are specially qualified. While they have participated in most kinds of co-operative enterprises, thay have been particularly associated with the stores movement. A special type of organisation, which has grown successfully in local areas of England and been integrated into national federations and even spread to the international field, is the Women's Co-operative Guild. The guild is a democratic institution working for the development of the spirit of co-operation for the furtherance of its principles and practice for the improvement of conditions of home life and for securing peace among nations. Its activities include the holding of meetings, regularly conducting schools, organising entertainments, imparting instruction in household matters and carrying on campaigns for the reform of domestic work and campaigns against alcohal, food wastage etc. It is a crying need of India to form such kinds of societies which can save the country from the present economic crisis.

In U. S. A. women play an important part in the educational work of the Department of Agriculture. Selected men in each county known as "County Agents" are employed for visiting

farms and advising farmers. Women selected as "Home Demonstration Agents" do the work of advising farmers' wives on such matters as the canning, freezing of farm products, child care, preparing of nourishing foods, gardening and house-hold arts. These Home Demonstration Agents now number 2,284. There are also 279 Assistant Agents in the more important counties. They have so far organised 52,445 Home Demonstration Clubs which have 11,61,005 members.

In England there has grown a very highly organised women's movement known as the Women's Co-operative Guild, which is a self-governing organisation of women. It works through co-operation for the welfare of the people, 'seeking freedom for their own progress and the equal fellowship of men and women in the home, the store, the workshop and the State.' It has about 1,300 branches, with a membership about 65,000. Welfare work among infants and in connection with maternity is also undertaken. These co-operative women of Europe have joined together in the International Co-operative Women's Guild, which is now a very strong body and holds annual conferences and exercises real influence on the decision of international questions. In the memorandum of Disarmament which it presented to the commission for the Disarmament Conference in 1929, this International Guild described itself as follows:

"Founded four and a half years ago, it now embraces ten national organisations: in Austria, Belgium, France, England, Holland, Ireland, Norway, Scotland, Sweden, and Switzerland. It has members in Germany, Czechoslovakia, U.S.S.R., U.S.A. and Japan. It is in contact with the co-operative women of Canada, Australia, New Zealand and South Africa and has also connections with several other countries."

The main activities of the Guild are:

(a) A maximum wage for women employees and encouragement of Trade Unionism.

(b) Extension of co-operative membership, specially of the poor, and co-operative production. "Push the sales and save in your stores" compaigns were organised by them.

(c) The Guild has advocated the provision by co-operative societies of sick room appliances for the use of their members.

The value of the Guild's work lies not only in the actual relief measures it has secured, but still more in the creation of organised relations between women and Government Departments concerned with women.

(i) The Guild has helped in the reduction of hours of work for children and securing compulsory attendance of classes.

(ii) It has helped the Government in wartime in securing war relief workers.

Co-operation Among Women in India

The germ of co-operative mentality lies already there only awaiting to be developed. Our women display less recklessness; they are more susceptible to the idea of responsibility. They bear their burden cheerfully and are prepared by habit to make willing sacrifices for the common good. Thrifty by nature, moderate by temperament and industrious by habit, they would take care to put the co-operative mechanism to fruitful uses and contrive to reap the greatest benefit out of it.

Women by nature exert a steadying influence on life. Experience in all countries has proved that in matters of social and economic reforms their counsel and active aid are essential for attaining a maximum amount of success. The spread of co-operation among women in India should serve to make the co-operative movement itself strong and progressive.

I would like to request my sisters who already are taking keen interest in the development of the co-operative movement to divert their attention to this side more. It appears that cottage industries among women on co-operative basis may prove successful. Milk production in villages would prove an ideal co-operative industry for women. Poultry farming is also another such kind of industry in which women can have much success. Production and marketing of vegetables especially in the neighbourhood of towns and cities may prove amenable to co-operative handling with benefit to all parties.

Women's Societies in the Punjab

Perhaps the Punjab is the first province in India in which systematic efforts have been made to introduce co-operative movement among women. It was in 1926 that the first women's society was started. By the partition of the country, a serious blow was given to this movement; but with the able guidance of Ch. Ram

Sarup, Registrar, Co-operative Societies, it has been revived again and its progress is steady.

The East Punjab has the following societies according to the report of 1947-48.

		For Women alone	Mixed
No. of societies	...	73	56
No. of members	...	1,753	1,037
Working Capital. (in lakhs of Rupees)	...	158	123

An indication of the social position of the members of the societies or the persons who take more interest in this movement can be gathered from the following table :—

Craftsmen	...	852
Government Servants	...	764
Zamindars	...	440
Businessmen	...	427
Labourers	...	176
Lawyers	...	119
Doctors	...	57

Lady welfare workers have done the following useful work in the Punjab according to the 1947-48 Report :—

Chimneys prepared	...	1,439
Hay boxes prepared	...	747
Pit Latrines prepared	...	16
Kitchen gardens prepared	...	572
Ventilators prepared	...	1,408
Dust bins prepared	...	1,223
Model village houses prepared	...	423
Patients attended for minor ailments	...	49,612
Ladies who attended library classes held by them	...	1,038
Ladies who received lectures on hygiene and rural uplift	...	3,297
Girls trained in domestic classes	...	1,112
Amount of Knitting and sewing	Rs.	2,196
Durrees prepared	...	997
Nawar prepared	...	4 Mds.
Sweaters prepared	...	3,015
Table covers prepared	...	921

Conclusion

In the end I would like to make a few suggestions for the uplift of our women. First of all, I would request the State Government to appoint a committee of enquiriy and report in detail on which line work can be undertaken.

I would request the All-India Women's Conference to appoint a special Co-operative Committee, whose work should be :—

(*a*) to call provincial conferences of women to discuss ways and means of co operative organisation among women.

(*b*) to establish provincial bodies to carry on the necessary propaganda in teaching in hygiene, economy and thrift by means of plays, and songs.

To-day rehabilitation of refugee is the crying need of the country. I suggest that all the women homes may be converted into co-operative societies which will make them self-supporting and they will be an asset to our country. Similarly all the refugee camps may be converted into multipurpose, industrial and social co-operative societies.

Social workers should visit the homes in villages, talk to the women folk on better living, and organise child welfare and simple medical aid associations.

Women should also be encouraged to join consumers' and better living societies along with men or exclusively as the case may be.

In urban areas, women should be encouraged to join all types of co-operative activities, particularly health and multipurpose societies and stores.

Women should be trained in home crafts and cottage industries such as tailoring, embroidery, knitting, lace making, pickle making, hand spinning, hand pounding of rice, basket making, net weaving and making of fancy articles, which should come in the market for sale and be sold through co-operative emporia of their own, which will eliminate middlemen's profit.

CO-OPERATIVE MOVEMENT IN SOUTH-EAST ASIA

BY

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Although the co-operative movement in the South-East Asian countries is not as developed as in some of the western countries, a study of the movement there can prove beneficial to other countries. The present note is a brief study of the movement in four countries viz., Ceylon, Burma, Malaya, and Thailand.

Ceylon

The thirty seven years' old co-operative movement of Ceylon has been an outstanding success since 1942. In that year the total number of co-operative societies was 2,000 and their trade amounted to Rs. 1.4 crores. In 1948 there were 6,559 societies and their trade amounted to Rs. 22.7 crores. The population of Ceylon is 65 lakhs and the membership of the societies is 11.5 lakhs. If every member be taken to represent five persons, we can say that the gospel of co-operation has spread all over the island. Upto 1942, the credit societies predominated. As is evident from the table overleaf, consumers' stores predominate, though the credit societies held that position till 1942. The stores have the highest membership per society (263), but the working capital per society is highest in the savings societies and the marketing and production societies. There is lack of capital in the retail stores societies, which have only Rs. 3,628 per society. The retail stores have a capital of only Rs. 14 per member, the lowest The highest capital per member is found in the case of limited liability credit and savings societies.

In Ceylon the co-operative societies have made remarkable progress in every field. In 1948, out of 6,559 societies, there were 1,133 societies of superior class, 4,490 societies of an ordinary class and only 936 societies of the other class. During the war period, the amount of overdue loans of the unlimited credit societies declined by 15 per cent, but during 1947-48 it suddenly increased to 26 per cent. The amount of loans also went up. The reason for this is that though the prices of the agricultural commodities were rising, a comparatively greater increase took place in the cost of living. On an average the societies advanced a loan of Rs. 74 per member and the average amount of each loan was Rs. 91.5.

Type of society. (1947-48)	Number of societies	Member-ship	Working capital (in Rupees)	Member-ship per society	Working capital per society (in Rupees)	Working capital per member (in Rupees)
Ceylon Co-operative Federal Bank	1	199	45 333	166	45,333	373
Central Banks ..	44	2,651	61,66,015	363	15.41,504	2,325
Banking Unions ..	66	293	3.82,585	49	63,764	1,342
Credit (Unlimited Liability) ..	1,837	57,138	41,30,365	31	2,248	73
Credit (Limited Liabilility) ...	122	8,472	11,86,157	70	9,722	139
Savings ..	228	21,308	29.42,668	94	12,096	129
Supply Societies (Retail Stores) ..	3,887	10,21,984	1,41,00 901	263	3,628	14
Marketing and Production ...	193	23,165	59,43,402	120	10,795	90
Wholesale Unions ..	93	3,356	38,65,514	36	21,564	599
Others ..	188	19,055	4,91,575	101	2,615	26
Total ..	6,559	11,57,588	3,92,54,515	—		

It is thus evident that approximately one-fourth ot the members did not contract any loan. Three-fourth of the members took loans; 96.1 per cent of the loans were advanced for productive purposes. A higher percentage of loans was advanced for unproductive purposes (9.27 per cent) by limited liability credit societies.

Most of the unproductive loans are taken from the savings societies. During 1945-48 the amount of savings showed an increase from Rs. 119 to Rs. 136. These societies advanced nearly thirty per cent of the loans for the liquidation of old debts and social ceremonies. Nearly 34 per cent of the loans were advanced for medical treatment. There are two things discernible in the case of savings societies. Firstly, as the savings increase, treatment for sickness of the members also shows an increase. A large portion of the savings of these societies is spent in the form of loans for treatment. Secondly, whatever saving there is, it is not on account of the savings of the salaried persons themselves but it is due to the direct deduction from the salaries. The Sinhalese are falling a prey to diseases more and more on account of dearness and scarcity. Unable to effect any savings of their own due to the deductions from the salaries, they have perforce to borrow.

In Ceylon, during 1945-48, there was a marked progress in the strength of the marketing and production societies. The number of societies, which was previously 160, increased by one and a half times and their annual sales also increased by one and a half times. On an average a society has a sale of nearly Rs. 37,500 and a working capital of nearly Rs. 11,000. The societies purchase paddy, copra and other things at government controlled rates which are less than black market rates. But there are primarily three handicaps in the progress of the sale societies. Firstly, small cultivators promise to the middlemen and moneylenders, the disposal of their crops to them. Secondly, in bringing smaller amounts of produce to the society, more transportation expenses are incurred. Thirdly, transportation is itself not possible. Coconut garden keepers are heavily indebted to the moneylenders. In some cases the loan is taken on the mortgage of the garden. The moneylender thus gets a right over the garden. On the repayment of the loan, the garden is returned. One farmer mortgaged a garden for Rs. 300 and the moneylender had an annual profit at Rs. 1,200 from that garden. It often happens that even when the market rate is from Rs. 100 to 110 per thousand coconuts, the debtor has sold coconuts to the moneylender from Rs. 18 to 40 per thousand. The most valuable experience of these societies has been that wherever it is possible, the sale societies should also do the processing work. The five societies engaged in the work of oil-extraction from coconuts had a profit of Rs. 10.44 lakhs during April—December, 1948. This work involved a capital of the members to the tune of Rs. 1.74 lakhs. Another noteworthy society of Ceylon is the Jaffna Malayalam Co-operative Tobacco Sale Society, which had a sale of twenty to twenty five lakhs of rupees per annum during 1945-48. It utilises the government tobacco manufacturing factory on hire. During 1948, its share capital was only Rs. 20,000 but its reserve fund and other funds amounted respectively to Rs. 44.5 thousands and Rs. 3.57 lakhs.

The greatest handicap in the development of the milk, weavers' and fishermen's societies is that the Co-operative Department and Industries Department or Fisheries Department do not work together according to a well-planned policy.

The outstanding progress of the island has been in the field of co-operative stores. During 1940-41 the strength of these stores was nearly fifty but in 1942-43 it went up to 850. After two years there were more than 4,000 co-operative stores in the island. The membership was nearly ten lakhs and the capital was more than Rs. 1.5 crores. The monthly sales per society approximated Rs. 3,750. During 1947-48, these stores had a profit of Rs. 18.7 lakhs, which came to only one per cent on the sales. They face difficulty in respect of cash sales as the rural population, mainly, cannot pay cash down. Therefore the system of 'advance deposit' is being introduced. Secondly, the employees of these stores lack patience. The servants of the shops consider the customers talkative and a source of trouble. They do not know much about arrangement and window dressing in the shop. A third difficulty is that these stores have been selling till now controlled goods. Now they find it difficult to stand in the face of competition with private shop-keepers.

Burma

The main constituents of the co-operative movement in Burma are co-operative credit and sale societies and co-operative consumers' societies. Out of the total 10,489 societies, 2,770 societies are of the first class and 7,104 societies of the second class. The co-operative movement in Burma was born along with the Indian co-operative movement, but instead of the establishment of co-operative credit societies, alone there had been established credit and sale societies. To help increase the capital of the society, there is a rule that for ten years from the enrolment of a member, the society is to credit his dividend towards his share capital. The progress of societies during the last four years has been as follows:—

Year	No. of Societies	Co-operative Help (In lakhs of Rupees)
1939-40	1,599	5
1945-46	1,599	3
1946-47	1,657	21
1947-48	2,319	49
1948-49	2,648	80

In 1931, the crashing failure of the societies made the tenants afraid of unlimited liability, but it is no longer there. Now the Grovernment has adopted the policy of providing complete financial help for the purpose of co-operative credit. This help is only for short-term and intermediate-term. There is no arrangement for long-term loans. The Government does not take registration fees and incometax upto Rs. 25,000 from the societies. There is governmental direction and supervision of income and expenditure. Every year fifty to sixty students are taught the five months' course at the Government Co-operative Training School, Rangoon.

During the second world war, the district unions and banks were destroyed. Now there have been established co-operative unions in some of the districts and cities and wherever possible, they undertake the work of wholesale purchase and sale for their societies. As there are large exports of rice from Burma, to obtain paddy co-operatively, it is necessary to establish a central co-operative export and import society.

Before 1947, there were no co-operative stores. At present it seems as if a flood has come of them. During 1949, these stores were expected to be 3,500. Their real number is more than 7,000. They also sell all types of general goods, like the societies of Thailand, and charge a commission from 6½ to 8 per cent. One-fifth of the profit is distributed among the members. This distribution is not according to the purchase of every member, but is in proportion to share capital. But profit cannot be distributed at more than 50 per cent of the share. As these stores sell goods to both members and non-members and the non-members do not get the dividend, their profits should be taxed. Their current capital is nearly Rs. 75 to 80 lakhs.

There are 365 co-operative production societies in Burma as shown below:

Fish ..	190	Tailor ...	2
Weavers ..	140	Marble ...	1
Catechu ...	16	Stone cutting ...	1
Ivory and Tortoise Skin.	4	Forest Commodity ...	1
Rice mill ...	3	Soap making ...	1
Salt making ..	2	Umbrella making ...	1
Wood and Slippers ...	2	Photo making ...	1

These societies are mostly in cities. There is a scheme for the settlement and development in the rural areas of the making of umbrella, cigar, cotton cloth, slipper (shoe) etc., and stone cutting, iron work, ivory goods and other industries. But there are three main difficulties—(1) Lack of capital, (2) Need of controlled export and (3) Capitalistic opposition.

Another important experiment of Burma is also worth mentioning. From 1914 to 1925 and then from 1935 onwards, it has been the Government policy that poor landless tenants and labourers should be settled in the form of members of a co-operative society. A society of 20 to 25 members is given nearly 1,000 acres of land. The society is the owner of the land and so long as the member cultivates and pays the fee of the society, he retains the right of cultivation. When he is unable to cultivate due to sickness—a short-term reason—the society gives that field to another person on behalf of the member for that period. The society takes the rent and repayment of loan, interest etc., in kind. This system has proved successful. From 1932, these societies have formed an union, which manages the sale of the paddy crop and giving of loans. Such societies have a bright future. There is a fear that there may not be timely procurement of the share of the crop from the farmer.

Malaya

Before the World War II, economic conditions were bad. The co-operative movement was almost on the point of collapse. Now, the Communist movement is gaining momentum. Even then, the co-operative movement has made sufficient progress

during the last two years. The situation of the co-operative movement in the beginning of 1949 has been shown in the following table:

Type of Co-operative Society.	Number of Societies.	Membership.	Working Capital (In dollars.)	Members per Society.	Working Capital per Member (In dollars.)	Working Capital per Society.
Thrift and credit Societies ... (*Unlimited Liability*)	139	4,631	2,02,472	333	44	1,460
Thrist and credit Societies ... (*Limited Liability*)	538	58,656	21,09,551	109	140	16,930
Thrift Societies ...	147	20,217	52,580	137	26	357
Consumers' Societies ...	10	6,313	1,06,521	631	17	10,652
Marketing Societies ...	3	191	1,480	64	9.8	493
Others ...	23	1,030	9,663	45	9.9	420
Total ..	860	91,041	84,82,267	...	...	...

(N.B. 6¼ dollars = One rupee.)

Of the total loans granted by credit societies 56.5 per cent were for agricultural purposes, 8.4 per cent for the purchase of bicycles, 6.8 per cent for the liquidation of debts and the rest for consumption expenditure. Monthly interest at one per cent is charged on loans and nearly all the loans are repaid in approximately two years. These societies lack co-operatively trained workers. Without the supervision of the Co-operative Department, they are not able to work successfully. But in these and other societies the capital is of the societies themselves. During the second world war, on account of Japanese occupation, principal as well as interest due to the societies was not repaid. Even then due to their own capital, the societies have forgone interest and are collecting the principal gradually. If the capital were raised on loans, the societies should have gone bankrupt.

Among other saving and credit societies, there are 304 societies of the labourers of rubber plantations. Out of 91,000 members of the Malaya Co-operative Movement, 27,500 are members of these labour societies. A majority of the labourers are Indian and they get their savings deducted from their pay. Due to the unsettled conditions on account of war and fear of revolt, the labourers began drawing their own savings from the societies. The societies are now progressing once more. Their working capital is nearly 11 lakhs of dollars.

As compared with the labour societies, the more developed and progressive societies are those of monthly salaried babus. The number of these societies is only 75, but the membership is more than 29,000. Six-seventh of the working capital (70.6 lakh dollars) of all the societies in Malaya is to be found among these 75 societies. These are first class societies.

Due to difficulty of sale, fishermen's societies have been a failure. The consumers' stores were unsuccessful due to lack of loyalty on the part of members and sale on loans. The Registrar of the Co-operative Department, Malaya, in his report of last year has admitted that the Co-operative Department did not undertake a well planned co-operative propaganda.

Thailand

In Thailand, more than 80 per cent of the population are agriculturists. They do their own cultivation. They lack knowledge and capital, they take loans at the rate of 30 to 100 per cent interest per annum and are compelled to sell their goods to the middlemen at low rates. The annual income of an average family consisting of five members is nearly 1,000 rupees. This proves inadequate for them.

At present there are nearly 6,460 societies and two lakhs of members in the country. About two per cent of the population of the country are members of these agricultural co-operative societies. This co-operative movement was started in 1916. The Thai Co-operative Department was established in 1920. Its functions are the education of the population and the establishment of the societies of interested and enterprising persons; the supervision and guidance of the societies and to advance the required capital to them. During 1947, a Bank for co-operatives having special connection with the societies was established. At present the Co-operative Department establishes societies, supervises them and their income and expenditure, examines the mortgages kept for the loans advanced by the co-operative bank, arranges for the repayment of loans and keeps accounts where the secretaries of the primary co-operative credit societies are illiterate. The Government guarantees the repayment of the loans advanced by the co-operative bank. The co-operative consumers' societies are preferred in selling the Government monopoly goods (*e.g.*,

wine and tobacco). Government lands have also been given to the co-operative agricultural societies.

The share capital of the co-operative bank is one crore Baht (4.5 Baht = One rupee). During 1948, the loans advanced by the bank were to the tune of 6.4 crore Bahts. There were received 5.2 crores of Bahts due to the sale of co-operative bonds and from mixed capital banks. It is worth mentioning that the co-operative stores have not, till now, borrowed the capital from this bank. Their work has continued due to their own capital and loans received from the bank. The Government still gives financial help through Co-operative Department to land improvement societies and colonisation societies. The co-operative bank has been working cautiously so that its capital may not be involved in losses.

In the table below are given the figures relating to the working of the societies in the country.

Name of the Society.	Number of Societies.		Members per Society		Increase or Decrease in the amount of average loans taken by every Society. (In 'Bahts').		Increase or Decrease in loans taken per member.	
	1941	1948	1941	1948	1941	1948	1941	1948
Limited Liability								
Credit ...	2,851	6,196	15	17	+4,800	+ 10,260	+320	604
Agricultural colonisation	7	19	25	28	—4,300	+ 4,560	+172	198
Cotton Colonisation ...	9	16	20	21	+...	+ 22,323	+...	1,047
Salt Colonisation ...	4	9	14	15	+...	+ 18,532	+...	1,199
Land Hire purchase ...	4	4	16.5	16	—2,914	+ 3,055	—265	192
Credit and Land Improvement ...	1	2	110	118	+59,395	+ 1,58,598	+540	1,344
Total members and loans of the Societies ...	2,886	6,246	44,556	1,10,459	crores 1.38	crores 6.45	...	...
Limited Liability					Per Society 1941	Working Capital (In Bahts')1941	(Direction of Charge)	
Consumers' Store ...	47	147	404	428	+...	...		
Land-improvement ...	10	10	91	92	+...	...		
Paddy Marketing ...	58	54	165	265	+6,254	8,832+		
Salt Marketing ...	...	1	...	128	...	9,900		
Palm Sugar Marketing.	1	1	329	329	14,186	...		
Total Societies and Members ...	111	213	28,952	87,705	...	...		

In Thailand, there has not still been formed a supervising union of the societies. There are three main reasons for this. The members of the societies do not recognise its necessity. It is doubtful if they will be able to do the work of the union, as they are often unable to do the work of the co-operative society. The burden of the subscription to be given by the member societies for the expenses of the union cannot be borne by them. It is still thought that there should be established a supervising union.

For the improvement of the conditions of the poor cultivators, who are indebted to private money-lenders, the Government has encouraged greatly the credit societies. Their establishment is also simple. There is unlimited liability in the case of credit societies and they are established on the lines of Raiffeisan societies. But only that farmer can be a member of the society, who has got land. He has to mortgage his land to the society. Majority of the cultivators have their own lands. There is no lack of land in Thailand. The cultivators can have land by clearing jungles. But in central Thailand, the number of landless cultivators is more. They cannot obtain loans from the above mentioned co-operative credit societies. The value of land has gone up by ten times due to inflation, but the Co-operative Department has allowed the credit societies to advance more loans by assessing the value of land only at three times the prewar value. Hence the debtors complain that they are not getting loans as much as they should have.

In Thailand, there have been established some land hire purchase societies for the settlement of landless persons on new land. The land is cleared at Government expense. The societies divide them among members. The Government expenses and the value of the land are realised from the members in the shape of loans through societies. In some cases, the members have an obligation of selling their produce through the societies. But the most noteworthy feature is that almost all such societies are liquidated after realising the value of the land. Every member gets nearly 7 acres of land. In this way, This have been settled on 6,400 acres of land. The land hire purchase societies have purchased nearly 1,600 acres of land. The price of land has to be paid in fifteen years. The society is often closed after the ownership rights are conferred on members. It may be argued that when the Government itself bears the burden of the land improvement, it could sell the land directly to the members. But it does so, through the co-operative societies to impart to farmers

a knowledge of co-operative principles and practice. The limited liability land improvement societies realise the expenses from the member in proportion to his land area and improve the land of the members collectively. These societies suffer from a lack of capital.

In the countryside paddy marketing societies sell the crops of both members and non-members. The members have to sell their crops through the marketing society. The societies immediately advance to the members seventy per cent of the price, calculated at the market rate. The societies face three difficulties *i.e.*, lack of capital, difficulty of transportation and the preference of the cultivator for the immediate payment of the full price. The private trader purchases the crop by paying ninety rupees at the house of the cultivator. The cultivators prefer these ninety rupees to seventy rupees of the society at present and thirty rupees afterwards. Those members who do not give their grains to the society, can be fined, but the society does not impose this fine. During the last two years, these co-operative societies together have purchased 73.16 per cent of the shares of the Thai Rice Company. Now they can manufacture rice from paddy. The company also gives financial help to these paddy societies for giving money in advance.

Upto 1947, ten co-operative stores were established only in villages. Due to dearness, these have been established in cities mostly by salaried persons. They have a bright future. There are two main reasons for this. Firstly, their capital is their own or received from wholesalers. Secondly, most of the societies sell cloth, oil, soap, domestic commodities, tobacco, wine, sugar, tinned articles, flour etc. In other countries, the co-operative stores which sell only the controlled goods, should take a lesson from these. At present there is a move for the establishment of a co-operative wholesale society.

During the last three years, the progress of the co-operative societies has been rapid. The Co-operative Department is paying more attention to the establishment of central wholesale society, supervising union, fishermen's society and saving and loan society of salaried persons. The Government arranges the training and co-operative education of youngmen through the Agriculture Institute, Bangkok. The Government has not as yet paid attention to the establishment of multipurpose societies in other fields, because the cultivators are ignorant.

RURAL CREDIT SOCIETIES IN HYDERABAD STATE

CONTRIBUTED BY

The Co-operative Department, Hyderabad.

The Co-operative Movement in Hyderabad was started in 1915. In the initial stages the movement was allowed to expand without due precautions. Loans were advanced irrespective of the repaying capacity of the members. Subsequent experience showed that a good number of them had already mortgaged their property with money-lenders, which resulted in difficulties in the recovery of loans. The period when the movement was first initiated was one of inflation, due to the first world war. Prices of land were soaring and it was on such inflated values that exhorbitant loans were borrowed. In 1929 the Department had to take stock of the situation by starting a vigourous campaign of rectification and consolidation.

The members in these credit societies were required to purchase shares of the value of Rs. 100 each resulting in a high proportion of share capital to the loans outstanding with them. In order to relieve indebtedness, it was decided in 1930 to adjust the share capital of those societies which were already ten years old. The value of shares was also reduced to Rs. 20 from Rs. 100. As a result, Rs. 14,93,505 were adjusted towards loans, thus reducing the amount of share capital. The societies were originally borrowing loans from the central banks at the rate of Rs. 9-6-0 and advancing at Rs. 12½ per cent. The margin available went to swell the owned capital of these societies, thus enabling many to function without further financial assistance from central banks.

A comparative statement is appended hereto showing how the movement re-acted to the policy of the Department as well as the boom and depression conditions during the last 25 years.

Number of Societies:—The number of societies has been increasing at a much higher rate prior to 1929 but later on due to the policy of consolidation and strict scrutiny in the matter of advancing loans etc., their number has not increased very considerably, although it has registered a 30 per cent rise during the last 10 years.

Number of Members:—Membership has been on the increase since the last 10 years, although the average per society from 1919

to 1939 was not more than 22. The average at present stands at 25 per society. Originally loans were advanced upon the valuation of the property mortgaged. This system was unsound. Since the policy has been to fix a maximum borrowing limit based on revenue assessment of the borrowing members, which curtailed their borrowing capacity and was more in line with their repaying capacity. It dissuaded people who tried to take advantage of cheap credit without due regard to their ability to meet liabilities. As a result membership did not increase disproportionately. Strictness was also exercised in seeing that the right type of people joined the movement. For a number of years, unless the Assistant Registrar himself visited the villages and checked the papers, no societies were registered.

Deposits:—Deposits of members were highest in 1934 and after that they have remained constant.

Grain Banks:—Since 1945 a re-orientation of the co-operative movement in the State has been effected. Experience shows that rural economy is still based on transactions in kind rather than in cash. The ryots are accustomed to borrow grain for sowing purposes at the very high rate of 48 per cent from the local merchants, which if not paid in time gets compounded and is eventually converted into a cash loan. It was considered feasible to start grain banks, where all transactions are in kind instead of cash. They have proved eminently popular.

These grain banks are agricultural credit institutions differing from others only in that they deal in grain. Such societies are a special feature in Hyderabad. There are, at present 14,004 registered grain banks with a membership of 6,85,334. During the short period of 5 years share capital stood at 2,88,43,553 seers which is a fair contribution to the relief of agricultural indebtedness.

Agricultural Finance:—The figures for 1949 show that out of Rs. 8,67,677 advanced a sum of Rs. 1,23,597 was borrowed for the purchase of bullocks, Rs. 3,86,058 for purchase of improved agricultural implements, Rs. 1,65,752 for wages and Rs. 1,92,263 for various other purposes.

In the beginning of the movement it was thought advisable to repay the loans to Sahukars and thus relieve members from their clutches. To a certain extent it proved useful but actually the Sahukar benefitted more than the members. This policy was discontinued and since the last 20 years or so loans for redemption of debts have been very few. A majority of loans are advanced for purchase of seeds, manure, agricultural implements and other productive purposes.

It is now a days contended that there is great surplus among the rural populace, which can be tapped by way of deposits or otherwise. As far as can be gathered from our experience, this is not borne out by facts. It is no doubt true that during the first one or two years when the last war started, there was a great rise in prices of agricultural produce. As there were no controls, the ryots were able to save some money in their hands. Most of it went to repay the money-lenders, but later on owing to the proportionate rise in the prices of cattle and other commodities needed by the ryots they were not able to have any surplus left with them. Levy and compulsory purchases take away the lion's share of their produce and in a majority of cases the agriculturists are obliged to purchase grains out of the income derived from commercial crops which are grown to fetch extra cash.

Progressive Statement of Agricultural Credit Societies

Year	No. of Societies	No. of Members	Share Capital	Deposits	Loans due by members
			Rs.	Rs.	Rs.
1914	22	581	...	360	73,122
1919	919	19,505	2,35,809	5,232	22,60,625
1924	1,425	31,578	11,10,707	10,393	44,67,164
1929	1,694	36,408	19,20,687	40,459	81,79,666
1934	2,272	45,065	17,22,309	2,18,444	91,44,8 1
1939	2,892	62,793	17,05,968	1,80,954	84,98,068
1944	4,101	99,432	22,64,469	2,65,214	77,18,231
1949	4,170	1,05,355	26,16,243	3,02,815	84,91,278

REVIEWS

YEARBOOK OF AGRICULTURAL CO-OPERATION 1950—*Edited by the Horace Plunkett Foundation, London.* (*Basil Blackwell, Oxford.* pp. 337; 21 S. net.)

This yearbook which we are glad to see regaining its pre-war size, begins with a general survey of the place held by co-operatives of all types in the national economy of different countries of the world—which is in essence a comparison of co-operative transactions with the total volume of comparable national transactions in the countries, where figures are available. The figures have been culled from the statistics of 73 countries. The pitfalls in collection and interpretation of co-operative statistics are pinted out in an appendix vide I C.R. We can only state here some interesting conclusions; In voluntary co-operation, Europe (excluding U.S.S.R.) leads the way. A quarter to a third of the population are in the movement. These institutions are active, flourishing and democratic. In America only 7 per cent of the population are in the co-operatives. This is said to be due to the weakness of the consumers' movement in U S.A. and Canada and the embroynic condition of societies in the South and Central American States. Even the farmers in new countries do not join co-operatives in large numbers as in Europe, because of easier conditions and the reward still open to private enterprise. The recent increase in co-operatives and their membership in India, China, Japan, Burma and Ceylon is suspected to contain a certain element of 'make-believe'—due to official stimulus and a desire to meet an immediate need, but is 'little calculated to secure genuine popular responsibility' In most parts of Africa attempts are just made to put native economy on a co-operative basis in scattered areas; there is a movement only in Egypt and in South Africa. In Australia and New Zealand, as in a score of other countries, 50 per cent of the main agricultural products are marketed through co-operative channels. But co-operative membership stands only at 5 per cent of the population in the continent, which may be due to the large holdings of the Whites and the poverty of the masses of natives.

The policy of State intervention in trade, industry, agriculture and in co-operation is traced in a number of co-operatively advanced countries; and the response of co-operators to such intervention is studied. The contradictory views held of State intervention as a menace to co-operation or as an aid to it are presented in this survey and found illustrated in the accounts pertaining to the movement in different countries.

Joan Tracey, librarian of the Horace Plunkett Foundation, furnishes information, a digest in fact, on the Taxation of Co-operatives—rather the exemption, in part or whole, of co-operatives from certain taxes—and the other privileges conferred on them incidentally. Such benefits seem to be more common than we were led to expect.

'The co-operative distribution and manufacture of agricultural machinery' is the continuation of a theme, dealt with in previous two year-books by E. N. Owen. The survey is not confined to Great Britain but extended to the United States, where mechanization of farming has advanced further. A noteworthy feature is the supply of parts, accessories like petroleum and the servicing or repairing done by the co-operative societies for agricultural machinery.

J. G. Knapp, who had been writing elaborately in the previous year-books on co-operation in the U. S. A., has this time only a short note, wherein he recounts the measures taken by co-operatives to integrate and co-ordinate their activities with a view to meet the downward trend in agricultural prices and also the anti-co-operative propaganda set up by vested interests. The Government, we are told, continued "aggressively to encourage agricultural co-operatives as a desirable public policy" through Farm Credit and Production Credit Administrations. The Rural Electricity Administration enabled 10 per cent more (*i.e.* 78 per cent) of the farms in the States to be electrified. Further fall in agricultural prices is feared; but it is believed that the co-operatives will maintain their strength, for 'they, are in a much stronger position than at the beginning of the war.'

Dr. N. Barou, continuing to write on Collective Farms of U. S. S. R., reviews the attempts made by the Council for Collective Farm Activities to rebuild that vast organisation which had been badly damaged during the last war. Thousands of 'Links' have been set up to improve production. The State provided great quantities of improved seed; the machine tractor stations put in new machinery and improved tractors. Industrial development led to the introduction of new machines and implements. More vocational training was imparted. Livestock improvement was promoted by 75 new stations. Afforestation plans were pursued on more than 2 million acres, some of which were sandy tracts, and 16,000 forest nurseries were provided—the plan being the afforestation of 5 million acres by 1965. Efforts have been made to protect the land from the effects of drought and floods and soil erosion. As a result of all these measures, Dr. Barou claims that more land has been harvested, and the Collective farms have not only caught up but surpassed the pre-war level of production. We do not know how far these efforts were voluntary or imposed by the State or the party machine.

The policy pursued by the countries in South East Europe—Jugoslavia, Hungary, Rumania and Bulgaria—is not to socialise agriculture in Collective farms straightaway, but to organise small individual farmers in co-operative farms, where rent is paid to those who have been brought in land. "The plan is to lower the rent gradually until it disappears altogether and the land then becomes national property". Large farmers are reluctant to join these farms and the Governments do not want Kulaks in for fear of sabotage and demoralisation of members. They can become, members if they are considered 'politically and socially reliable'. It is admitted that "this co-operation is something different from what used to be understood by that term". Comment is needless. Our readers should have an idea of the variety of "Co-operative farms" in vogue.

We get a short account of the condition of the movement in about ten countries of Northern and Southern Europe, mostly bringing up-to-date the longer account given in previous year books. We would like to refer here only to two substantial contributions this year, one on Sweden by Sven Holmstrom of the Federation of Swedish Farmers' Association, which has been interesting itself in agricultural economic research for some years now and is to run, with the National Farmers' Union, a joint research institute which will study the earnings, profitability and organisational problems of agriculture and even the social status of the agricultural population. The Federation has helped to regulate the limits of producers' and consumers' societies and reported on economic and financial conditions required for price negotiations. It has a publishing house, 'L.T.', which is said to be one of the largest publishers of Swedish literature, especially for the rural population. It assists in producing good films on rural problems.

The other account is on Italy by Margaret Digby, well-known as an authority on Agricultural Co-operation and Secretary of the Horace Plunkett Foundation. She deals with the idealogical cleavages and practical conflicts between the Socialists and the Catholics, groups of large landowners and the Communists, who have captured the National League of Co-operatives and roused tenant farmers, share-croppers, and labourers to agitate for more land for themselves and compensation for improvements, etc., higher share of produce, greater security of tenure, higher wages, etc. More land may be got, says Digby, but much of it is marshy or arid or eroded, requiring heavy capital expenditure for reclamation —which can be best done as in the past by co-operative methods. To meet the needs of an expanding population, cultivation will have to be intensified—a move from sheep and cereals to fruit and improved animal husbandry. This would give scope for further co-operative action in processing, sale etc. But there is too much division within the co-operative movement there is no full-fledged State Department of Co-operation. The Agricultural Bank and the Labour Bank have not served their purpose, the peasants are ignorant and in their age-long struggle for land they have not acquired the mind for co-operative action. She sums up the needs of the Italian movement to day: leadership, a general co-operative strategy, the backing of public authorities and, above all, internal unity or at least internal reconciliation.

Outwardly at any rate, the greatest recent addition to co-operation in Asia has been in Japan, especially since the passing of the Agricultural Co-operative Association Law in 1947, when new societies were organised staff of Agricultural Experiment Stations in the States. The data have been collected by trained interviewers, guided by a qualified supervisor, with a manual of instructions and schedules carefully drafted.

Farm families in general are divided into four categories—young couples, contracting families, founding and expanding families—and three economic groups—upper, middle and lower economic groups. Information is presented in tabular forms as regards necessities, activities, customs and preferences of the various groups and families separately. These are needed to know the defects and inconveniences of families of particular economic groups in the farm houses constructed in the past and also to suggest the lines and degree of improvement.

The report is divided into four parts dealing with the present patterns of houses, household activities, household inventories and general preferences. A clear summary is given at the end of each chapter, based on statistical data.

The author concludes that many of the present-day farm houses in the north-east do not adequately satisfy the needs of many farm families. It is essential to develop space standards of the farm house for its equipment and storage purposes. Further analysis is necessary to have an exact idea of the extent of improvement of space standards. More investigation, it is said, is being made of the same and we may look forward to an early report by the author on completion of the investigation.

The book is beautifully printed on fine paper and very well got up. We wish some illustrations of housing conditions had been added.

G. S. DUTT.

STATISTICAL STATEMENTS RELATING TO THE CO-OPERATIVE MOVEMENT IN INDIA FOR THE YEAR 1948-49—(*Reserve Bank of India, Bombay, 1, 1950*; Rs. 2.)

It is a matter for satisfaction that this publication has been brought out earlier than usual; the *Statements* for the previous year (1947-48) was published only a few months before. The Statements for 1948-49 disclose allround improvement of the movement. The amount of loans and deposits held at the end of the year from members by primary societies, particularly non-agricultural societies, has almost doubled, when compared with the figure for the previous year, while that of agricultural societies improved by nearly Rs. 1.2 crores. The one important defect with the statements is that the figures relate to the *Co-operative year* 1948-49, which is not uniform in all the States. We are glad to be told that now, with the exception of a few States, all have accepted the recommendation of the Government of India to close the accounts on the 30th June every year and it is hoped that the few other States also will, in the interest of uniformity, fall in line with the majority. We eagerly look forward to the Statistical Statements for the next year in the new set of forms which, we are promised, will give a clearer and more comprehensive picture of the movement.

The Co-operative Clock, it strikes us, could exhibit usefully another circular band to indicate owned capital. Now that non-credit societies are growing up, is it not time to think of another clock to indicate the progress of their transactions, particularly of the store societies and marketing societies?

C.D.P.

ACKNOWLEDGMENTS

CO-OPERATIVE JOURNALS

INDIAN

The Bombay Co-operative Quarterly (The Bombay Provincial Co-operative Institute, 9, Bakehouse Lane, Fort, Bombay)

The Madras Journal of Co-operation (The Madras Provincial Co-operative Union, Esplanade, Madras).

The U. P. Co-operative Journal (The U. P. Co-operative Union, Lucknow).

The Orissa Co-operative Journal (The Orissa Co-operative Union, Cuttack).

Sahayog (The Provincial Industrial Co-operative Association, 9, Bakehouse Lane, Fort, Bombay).

Sahakaramu (Telugu) (Andhra Desa Co-operative Union, Rajahmundry).

Sahakara Prabodhini (Malayalam) (The Cochin Co-operative Union, Trichur).

The Travancore Co-operative Journal (Malayalam) (The Travancore Co-operative Institute, Trivandrum)

FOREIGN

Review of International Co-operation, London.
The Westralian Farmers' Co-operative Gazette, Perth.
The Co-operative Productive Review, Leicester.
La Revista della Co-operation, Rome.
Co-operative Information, I.L.O., Geneva.

OTHER JOURNALS

Indian Journal of Economics.
The Indian Journal of Agri. Economics.
The Madras Agricultural Journal.
The Indian Journal of Social Work.
Indian Farming.
The Hyderabad Government Bulletin on Economic Affairs.
The Indian Coconut Journal.
Sankhya, Calcutta.
Cottage Industries, Shillong.
The Mysore Economic Review, Bangalore.
Journal of the Ministry of Agriculture, England.
Scientific Agriculture, Ottawa.
International Labour Review, Geneva.
Bibliography of Agriculture, Washington.

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and affiliated. Japan has had multipurpose societies for a long time, but they are now more than 13,000 strong, foremost in the groups of societies. Details of the nature and volume of business done are not available. The tendency to form federations of societies seems to be strong. There are nearly a thousand of them, at various levels and for different purposes. Agricultural co-operatives have spread 'both horizantally and vertically'. They have captured a high proportion of the total volume of business in the country—in the marketing of produce, 60 per cent; purchase of requirement, 45 per cent; loans, 70 per cent; savings, 64 per cent. These are impressive proportions for a country whose movement is only as old as that of India. But it is said that there is no stability in the movement. A large number of employees were found interested, if not engaged, in private business. 'Rationalization of management' has led to the expulsion of some. Governmental policies like fixing of prices, control and rationing, changes in taxation system have all reduced the independence of societies. A democratisation of the apex institutions is demanded. There is a call to awaken the co-operative spirit in the farmer. But the political environment is not favourable yet.

The condition of societies in a number of Protectorates, particularly in Africa, is briefly dealt with. A number of societies have been organised with the stimulus of officials. Most of them are in an infant stage. Secondary organisations are still to be formed for many of them. Peasants are said to be eager to join the primaries, but the committees of illiterates are inefficient. There is a common complaint of lack of supervisory staff, in particular of European staff in whom greater faith is placed. The natives are trained, but very slowly. Cases of occasional corruption and dishonesty of employees also account for some set-back. The experience of these societies provides few lessons for us, except perhaps for societies of backward classes.

New books, surveys and reports, mostly on co-operation, have been briefly reviewed, which could be a better guide to those interested in building up a good co-operative library, if the prices of all publications were indicated.

CO-OPERATORS' YEARBOOK, 1950—(*Co-operative Productive Federation, Ltd., Leicester*; pp. 128; 1 Sh.)

The yearbook is a handy annual published by the Federation of Industrial producers' Copartnership Societies in Great Britain to which, however, only a quarter of the book is exclusively devoted. This part is, in the main, a statistical review furnishing figures of membership, capital, employment, wages, sales and trading results of different groups of industrial societies. This may be of some interest to co-operators in India concerned with industrial co-operatives, though our societies do not have the same outlook or worker-members of the calibre who could manage their own societies—which have, therefore, to be managed by departmental men or sympathetic

well-wishers, even as the 'self-governing workshops' of old were managed by the Christian Socialists. We wish more pages had been devoted to the problems, technical and economic, faced by these co-partnership societies in recent times, even though they may not be so heartbreaking as those encountered by the pioneers which Harold Taylor, President, C.P.F., narrates so feelingly.

This is not to say that the hundred pages of articles dealing with the consumers' societies, which far outnumber the industrial producers' societies and have an incomparably larger membership and transactions in Great Britain, and the articles dealing with the Co-operative Press, Co-operative Education, the Politics of Co-operation and the Co-operative Guilds of Women and Men are less interesting or instructive. We would commend in particular for readers in India the brief and brilliant review of the last 50 years of the consumers' movement by Prof. G. D. H. Cole, who sums up the achievements and deals pointedly with some of the shortcomings, an Analysis of Co-operative Retailing by J.A. Hough, the Research Officer of the Co-operative Union, the evolution of the Co-operative Press by W. R. Richardson, Editor of the *Reynolds News*, the Co-operative Wholesales by D. Flanagan, the veteran editor of co-operative journals. With so much of fine matter and several attractive illustrations (indicating the changes in the style of living between 1800 and 1850) all printed on art paper, the publication is well worth paying 1 shilling. K.C.R.

VILLAGE ABC—*By F. L. Brayne*, (*Oxford University Press, Madras*; pp. 136.)

Brayne of Girguon fame and the author of *Better Villages* has succeeded in compiling a compendium of the socio-economic aspects of village life in this small book, meant for the educated village folk and for rural workers. Arranged alphabetically the book embraces all spheres in the domain of the village, with maxims and queries, up from high ideals of conviction down to the simple duties of the villager. Selected hints on the care and management of the house-hold and the village as a whole are found in plenty. The farmer can have useful tips from this book for all his problems from ploughing to pest control. The need for self-help and the co-operative spirit in building up the battered village economy is well stressed. Novel yet simple devices, many of them illustrated, for better and more efficient use of the resources by the village folk are found in this book. Certain amount of overlapping is inevitable in a work of this kind. But rural workers are sure to get a better understanding of rural problems. The publication will serve its purpose still better when it reaches the villager in good translations. I. V. P.

FARM HOUSING IN THE NORTHEAST—*By Glenn H. Beyer* (*Cornell University Press, New York*, 1949; pp. 458). JL

This study presents in an analytical form the data collected on farm housing, by a random sample survey made of farm houses in twelve north eastern States of the United States of America with the help of the

CO-OPERATIVE CONFERENCES AND MEETINGS

THE TWENTIETH BOMBAY PROVINCIAL CO-OPERATIVE CONFERENCE

Held at Dharwar on the 4th and 5th Nov. 1950

The 20th session of the Bombay Provincial Co-operative Conference was held at the Municipal Hall, Dharwar, on the 4th and 5th November 1950 under the Presidentship of Shri R. M. Deshmukh, Director of the Reserve Bank of India. Shri G. R. Nalavadi, Chairman of the Karnatak Divisional Board and Prof. D. G. Karve, Vice-Chairman of the Bombay Provincial Co-operative Institute, welcomed the delegates. Shri M. P. Patil, Hon'ble minister for Agriculture and Forests, inaugurated the Conference.

Extracts from The Welcome Speech of Shri G. R. Nalavadi

It is a great pleasure to me to welcome you all on behalf of the co-operators of Karnatak to this, the 20th Bombay Provincial Co-operative Conference. Karnatak is the birth place of the co-operative movement in Bombay State. The first co-operative credit society was started at Kanaginahal, a village in Gadag taluka, in the year 1905. I am glad to say that the society is still working satisfactorily and has conferred immense benefits on its members. I may also add that for a long time Dharwar district held the lead in the matter of the number of societies, and though in recent years East Khandesh district has outstripped this district it is not due to any slackening of efforts. It is not in number only that mention should be made of Dharwar district; the district can legitimately take pride in the variety of societies that have been organised here. We have, a number of successful cotton sale societies and several other kinds of societies.

Recently many States have been added to the three districts, of Dharwar Belgaum and Bijapur. We all know that these States that have been newly added were very backward in co-operative field. It is now our responsibility to see that these areas which were co-operatively backward come up to the level of the other parts of the district to which they have been joined.

There are no two opinions as to the needs of increasing the agricultural production and economic betterment of the agriculturists. Equally are people agreed on the remedy for that purpose viz., co-operative farming. The agriculturist in our country by himself is too poor, too depressed to make any improvements in his methods of cultivation and to increase the yield from his tiny and poor plot of land. The unit of cultivation is uneconomic. Only by organising co-operative farming societies can we have economic units and only then it will be possible to take advantage of the researches of science and to increase the yield of the soil. Even in

this sphere Karnatak has been a pioneer. The Maharaj Peth Joint Cultivation Society in Hangal taluka was the first of its kind to be registered in Bombay State. Unfortunately the society has not been doing well recently. I hope that the management of that society will improve its working so as to give a lead to others to organise such societies. The Bombay Plan envisages the organisation of 112 joint farming societies in a period of 5 years. I shall not here discuss whether the target is satisfactory or too low. But I hope that in working it every care will be taken to see that a fair number of such societies is organised in Karnatak.

Karnatak has hardly any big industries to boast of. The region is practically entirely dependent on its agriculture. This is an unsatisfactory state of affairs and sooner or later Karnatak must have industries of its own. But in this sphere also Karnatak can strike a new path and instead of organising industry on the present day capitalistic lines it should, as the cradle of co-operation, make serious and planned efforts to organise industrial co-operatives. If it succeeds in establishing industries on co-operative lines it would give a lead not only to other parts of Bombay State but to the country as a whole.

Extracts from The Welcome Speech of Prof. D. G. Karve

Prof. D. G. Karve, Vice-Chairman of the Bombay Provincial Co-operative Institute, next welcomed the delegates and guests on behalf of the Institute and requested the Honble Shri M. P. Patil, to inaugurate the conference.

In the course of his address he said: I feel convinced that unless a deliberate and firm choice of principle and objective is made, and that choice is primarily for mutualisation of enterprise, our spokesmen will continue to talk of co-operative commonwealth, but will in practice hover for the most part between the cry of nationalisation and the pressure of private ownership. Workers in a great and world-wide social movement like the co-operative movement must have a moral faith and a sense of mission. We are in danger of losing both these on account of the prevailing enthusiasm for nationalisation and socialism, both of which within their proper spheres would support rather than weaken a co-operative State, but pursued blindly will only end in 'serfdom'. At this Conference of co-operators and on this day which is the International Co-operative Day let us unreservedly reaffirm our faith in mutualism, as distinguished from individualism and collectivism, as the main instrument of social and economic reconstruction.

We can at this conference muster sufficient confidence to declare our co-operative faith, as we have behind us a record of co-operative achievement which is not altogether disappointing. In fact during the last decade, and especially since the present Government assumed the responsibilities of office, co-operation has made striking progress in our State.

Confining our attention to the older areas of the State, that is excluding the merged areas for which comparable figures are not easily available, we find that the total number of co-operative societies has been more than doubled during the period. From a little over 5,000 they have risen to well over ten thousand, thus providing roughly one society for two villages. Membership of societies has increased from about six to over sixteen lakhs thus bringing within the influence of co-operative organisation, at reasonable calculation, every third person in the province. The working capital of these societies has increased from about sixteen to over sixty crores, which is equal to about three quarters of the total estimated rural debt of the province a generation ago. The progress of co-operation in the large areas that the merger of States has added to this province, while not as striking as in the older areas, is yet sufficiently real to warrant a hope that before long the entire area of the reorganised State of Bombay will move forward on the road to mutualisation at an even speed.

Not only in quantity but also in the variety and quality of our co-operative activity considerable progress has been made. Thanks to the strong and persistent pressure of favourable opinion on the subject of the improvement of rural areas the entire life of the villager, not only his borrowings as of old, is brought within co-operative sphere. As producer, as buyer and seller, as borrower and lender in all these essential capacities a villager now has the services of his own co-operative agency. Better farming, joint farming, sale and purchase, credit, multipurpose—all these types are in the process of expansion. While some allowance must be made for the impatience and optimism of enthusiasts it must be recognised that in all this progress there is in recent years a greater sense of realism and a greater element of popular initiation and constructive association than was the case under the old regime. Herein lies a hope, that while mistakes are occasionally inevitable, the people at large recognise their own responsibility for the same and are, therefore, more anxious to avoid them lest they have to pay dearly in the shape of retarded progress.

The institution on behalf of which this conference is being held, and on behalf of which it is my happy privilege to welcome you to this meeting, the Bombay Provincial Co-operative Institute, has supplied in an increasing measure that focus and that platform for developing constructive co-operative thought which transcends all boundaries of official and non-official, rural and urban, industrial and agricultural, banking or marketing. Whatever the particular problem may be, out of its accumulated experience and with the help of all interested in the co-operative way the Institute has been able to lead thought in constructive channels.

If the State in all its stages and departments were to realise that the only way for its social action to which by its declared professions it is committed is the co-operative way, the path of constructive and enterprising co-operators will be cleared. That co-operators would have to convince people of the superiority of co-operative organisation is indeed

to be recognised. For instance on the subject of co-operative farming, which will come up for discussion at this conference, it is the experience all over the world that an ounce of practical result is more valuable than a ton of oral and written propaganda. Not only for farming but for all other business activities such as industries, marketing, insurance and finance, this reponsibility of delivering better goods more cheaply must ultimately be borne by co-operative organisers. Public policy and governmental administration ought to be aimed at clearing the way for co-operative effort to prove its worth. I am convinced by my past association with co-operative workers in all spheres that what they ask for is no more than a bona fide opportunity to prove their method.

The cult of efficiency is as essential to the co-operative movement as its more frequently declared attachment to self-government and decentralisation. The Institute has latterly recognised the necessity for so reorganising its structure as to provide for decentralisation as well as co-ordination. The scale on which co-operation is being pressed into service to shape the structure of almost the entire economic life of the people renders it necessary that creation and organisation of opinion, the imparting of useful knowledge and information, and the shaping and testing of policy which are the purposes for which the Institute exists should be continuously pursued by all co-operative workers in all areas and fields of activity. This cannot be done unless the village and the district hum with co-operative discussion, exchange of information, training in better methods and propaganda in support of the same. If for no other consideration at least to make the regional language an effective instrument for people to establish contacts amongst themselves such a reorganisation was necessary. With the district co-operative boards, to which all registered co-operative societies would be eligible to join, as the foundation of the structure, co-ordinating functions for the regions, mostly based on convenience of language, would be discharged by divisional councils formed out of the boards and other important co-operative organisations in the area. The central institute for the Bombay State as a whole would thus have a balanced and strongly based organisation commensurate with its growing tasks and with the more obvious spirit of self-reliance among the people.

Extracts From
The Inaugural Address of Hon'ble Shri M. P. Patil

Inaugurating the conference, the Hon'ble Shri M. P. Patil said: It is my belief that the progress in the development of agriculture and forests mainly depends on the healthy growth of the co-operative movement. This belief, which is also shared by my colleagues in the Bombay Government, has shaped our policies and actions in devising the machinery for the development of agriculture and forests. Government has established agencies for advising, and at the lower levels for executing also, the various rural development schemes, from the State level to the village level. At the State level there is the State Rural Development Board under the chairmanship of the Hon'ble the Chief Minister. This Board consists of both officials and non-officials. Officers of all the Departments of Government connected with rural development, for example, Revenue, Agriculture, Co-operative, and Forests are members of these Boards. At the district level the function of the Boards is mainly advisory and to a certain extent executive. But when we come down to the taluka level the functions are mainly executive and only incidentally advisory. At this level, where executive work is involved, Government has decided to make the fullest possible use of co-operative organisations. Taluka development associations, which are bodies registered under the Co-operative Societies Act, were in existence throughout the State. Some of them were doing commendable work for agricultural development in their respective talukas but others were more or less dormant. Government has decided to reorganise these taluka development associations in such manner as to make them suitable for functioning as agencies for rural development work in the talukas. Reorganised taluka development boards would give the maximum encouragement to co-operative societies to participate in their activities and control their policies. At the village level Government has established a village food production committee in each village. Here again co-operative societies in the villages have been formed into village food production committees wherever suitable societies were in existence. It is only where such societies were not available that adhoc village food production committees have been organised by Government. Over 5,000 co-operative societies are at present functioning as village food production committees. Thus you will see that wherever possible we have taken advantage of the co-operative organisations in establishing the machinery for the proper execution of rural development schemes in the State. This pattern of organisation for rural development work is only the beginning. I envisage that in the near future these co-operative organisations, mainly the villlage food production committees and the taluka development boards, would take over the functions of propaganda, seed multiplication and distribution, the distribution of manures, fertilisers and agricultural implements, etc., from the Agricultural Department, which is at present carrying out these functions under what is termed 'Extension Service.' I think that the legitimate function of the State Agricultural Department is to evolve improved methods in agriculture and to leave their dissemination to organisations of cultivators, and to my mind, these organisations of cultivators must be their co-operative organisations. In other countries the 'agricultural extension service' is provided by the State Agricultural Departments only at the top and down below it is run by the cultivators' organisations. As I have said just now, organisations of cultivators other than co-operative organisations are not suitable to our country, on account of the illiteracy, poverty and the backwardness of our cultivators. Hence, if our State Agricultural Departments are not to fritter away their energies in providing 'agricultural extension service' for the cultivator from the

top to the bottom, the co-operative organisations of cultivators must fill in the role which cultivators' organisations fulfil in other advanced countries. It is with this picture in front of us that the beginning has been made by entrusting co-operative organisations with rural development work at the taluka and the village levels in the State.

Government desires that the entire profits of exploitation of the forest wealth, which are by no means small, should accrue to the forest workers themselves. This is a facet of the dream of a co-operative commonwealth. So far eighty forest labourers' co-operative societies have been organised and this year 138 forest coupes worth about Rs. 28 lakhs have been allotted to them for exploitation. This is a creditable achievement, when it is remembered that the work was begun only in 1947–48 in which year 16 societies were allotted only 20 forest coupes worth less than Rs. 2 lakhs.

Co-operative farming is perhaps the most advanced form of co-operation in the field of agriculture. Progress in this sphere is, therefore, bound to be slow. The Government has drawn up a five-year scheme for the organisation of farming societies. During 1949–50 as many as 57 co-operative farming societies with a membership of over 6,000 were organised. These societies controlled over 5,000 acres of cultivated land. Government has helped these societies by giving subsidies to the extent of $1\frac{1}{2}$ lakhs of rupees and loans to the extent of over 8 lakhs of rupees during the last year. Some of these societies have also been assisted by the loan of agricultural officers who work with them as Managers. The second item which I would like to mention is co-operative effort in the field of irrigation. A very large number of sites exist on the banks of rivers, *nallas*, etc., where power pumping units could be established. These units would individually irrigate only small areas but their aggregate would be considerable. As they are scattered, and each unit would be a small one, it would not be possible for Government to work them departmentally. This was, therefore, the most suitable field in which co-operative effort could show useful results. So far 85 co-operative lift irrigation societies have been organised. Seventeen other societies like multipurpose and co-operative farming societies have also undertaken lift irrigation schemes. These 102 societies will bring an aggregate area of over 20,000 acres under irrigation. Government assistance to the extent of nearly Rs. 18 lakhs by way of loans and subsidies is being extended to them.

Mechanization of agriculture has come to stay, at least as far as certain operations in certain tracts are concerned. Government has established an organisation for undertaking ploughing, harrowing, etc., by tractors for cultivators. This Government organisation is unable to cater to the needs of the cultivators all over the State. Moreover it is also not intended that it should be so. Such functions must ultimately be performed by cultivators' co-operative organisations. It is a service comparable to the supply of manures, seeds, etc. Government has, therefore, offered to co-operative societies to contribute 40 per cent of the cost of tractors and their ancillary equipment and also to give a loan to the extent of the balance of 60 per cent of the cost, at 4 per cent interest.

As a part of the Grow More Food Campaign Government is financing the cultivator by loans, for the construction of wells, purchase of agricultural implements, etc., at lower rates of interest, *i.e.*, rates lower than those which are usually charged by the co-operative financing agencies. This has naturally attracted the cultivator to Government, which has resulted both in the contraction of the operations of the co-operative financing agencies and also in undue pressure on the resources of Government. Government has, therefore, decided to subsidise the Bombay Co-operative Land Mortgage Bank to the extent of the difference between its economic rate of interest and the rates of interest at which cultivators can obtain loans from the Government and the Bank has agreed to charge the same rates of interest as charged by Government.

I would like to mention the decision of Government to transfer the work of distribution of manures, fertilisers and seeds of improved varieties of crops to co-operative societies. As I have said earlier, this work is legitimately that of co-operative societies of cultivators and I believe that Government was doing the work through its own agencies merely as an interim arrangement.

The Bombay Provincial Co-operative Marketing Society, which is a kind of apex organisation in the field of co-operative marketing, has already been functioning satisfactorily in respect of transport, distribution, etc., of manures and fertilisers besides its work of marketing agricultural produce in Bombay of co-operative organisations throughout the State. I envisage the integrated functioning of all co-operative marketing organisations in such manner as to virtually eliminate the middleman and give the maximum of the consumer's rupee to the producer.

Extracts from
The Presidential Address of Sri R. M. Deshmukh.

With freedom, India's course is now firmly set for establishment of a co-operative commonwealth. We now have Governments at the centre as in the States structurally altered, sympathetically inclined and firmly convinced of the ideal. I should be failing in my duty if I did not recognise the efforts made, particularly by the Government of this State, to encourage and foster the development of co-operation with the most practical of all helps, viz., financial help.

With the change indicated above has also come a change within the co-operative movement itself. The supply of men, and materials and motives and objectives have vastly improved. To my mind the greatest of all gains is that the mist of distrust between the officials and non-officials must tend to disappear now. Authoritarian departmentalism will no longer find a fruitful ground but must in future tend to yield place to mutual help and co-operation, so essential for the future development of the country.

With renewed confidence we can, therefore, plan ahead, and undertake to advise and offer suggestions to Government trusting that all reasonable and practicable help in men, money and measures will be assured. In fact the time appears to have arrived to plan together in a real co-operative spirit to achieve the ultimate objective which is the common and accepted goal of all of us.

In a vast country circumstanced as it is, that a great deal should remain to be achieved is but natural. We are full of problems, and very serious problems at that, not the least of it is our individualistic and comparatively limited outlook heavily overweighed with ignorance and illiteracy of the population.

Like most of us, I value individual freedom; but in the shape of things to come it appears difficult to imagine democratic ideals of Victorian age to be capable of offering to us, the prospect of survival with self-respect. I am therefore of the view that a large part of individual freedom will ultimately have to accept a subordinate place in the face of necessity of survival.

Taking our co-operative theories from comparatively easier times, voluntary association has assumed the proportion of a sacred principle. Talk of compulsion in this field is, therefore, almost a sacrilege. Yet, the limitations of individual efforts and of securing the objectives by training of the people purely by education, inducement and propaganda have to be recognised. The principle of voluntary association assumed sacrosance in a different age and circumstances, the like of which do not obtain now and for which it is difficult to wait. After all the principal objective is and should be the good of the people. It is not as though the principle of compulsion is novel or unfamiliar. Whenever a Government decides that a measure is required for a certain benefit to the people, it has, for accepted needs, resorted to compulsion. Such measures as compulsory education or prohibition or abolition of Zamindaris or even controls by common consent are accepted as beneficial measures of compulsion. I imagine what can be done for such objectives may without any fear of evil effects, be done for economic welfare of the comon man.

Even within the ranks of co-operative and economic thinkers the need for compulsion does not appear to have been denied altogether. For instance, I have found the Rural Banking Enquiry Committee mention stimulating of investments by intensive rural savings campaign and failing this savings by compulsion; the Bombay Provincial Co-operative Bank in its booklet about Agricultural Credit System appears to contemplate advances only to those who agree to sell their produce through purchase and sales unions. Government has had Debt and Tenancy Legislations and Land Legislations, which are so many manifestations of compulsion.

In order to obviate a possible misunderstanding let me say at once that I have no desire to see the nation regimented on a totalitarian model any more than I would wish to see it done on Communist model. But I do not hesitate to suggest that those with economic strength should be separately classified from those economically weak and unstable in order to be able to deal with their problems effectively.

Various committees dealing with the subject have found credit-worthiness as the ultimate limit for extension of co-operation. And it cannot be denied that a great bulk of the people must thus be left out, unless by extraordinary measures as many of them as possible could be enabled to group together for collective credit-worthiness. Herein, I feel compulsion may be found useful, not in a fanciful or haphazard way but in a planned manner all over the country.

To illustrate: let me refer to the facts of the greatest industry of the country, viz., agriculture. Various Legislations for debt redemption, for moneylenders' control, for giving the small men in the industry fixity of tenures, for breaking up concentrations in lands, have been and are being attempted. With the best of intentions one sure result achieved thereby has been increasing disturbance in the normal credit available to the indebted beneficiaries. Such measures on the whole have failed for want of an alternative credit system which could replace the sources of credit destroyed. Organisation of institutional credit has been much discussed but various Legislations did not wait for it to materialise. Lopsided development and worse plight emerged at each step, contrary to all the good intentions. In a planned system such a result could not come about as Legislation would not be undertaken unless alternative credit system was ready to take the responsibility of finance. This is what I mean when I urge the need for a master-plan for the country.

I am aware of the experiments in joint farming being attempted in various States in India. Some are made in connection with refugee rehabilitation in respect of newly broken lands; others are for the benefit of the scheduled and backward classes and yet some others appear to me to be not truly labelled at all. All such experiments are welcome and even necessary; for those who suffer from special handicaps need special attention and care for their upliftment. But special experiments for appeasement or benefit of sections by themselves do not make a plan. They would be more welcome as part of a general welfare plan with special bias for specially backward or temporarily distressed. But their effectiveness for general welfare so conditioned must suffer from serious limitation.

All these experiments are stated to show excellent results, if so, there is the more reason for them to be made universally applicable. Plans of sectional development savour of political shows, and the end to convert their beneficiaries into a spoon-fed section of population leaning more and more on patronage as something of an object of favour and pity from the Government. Such a growth from that point of view should be unwelcome in view of our vast experience of evils of sectional growth and development in the past.

I have already referred to the matter of organisation of rural population, whether credit-worthy or otherwise, for purposes of making them credit-worthy. But supply of cheap credit, even very cheap credit, by itself may not be adequate in this matter. Organisations to supply their essential requirements such as implements, bullocks and manures or domestic necessities of life on the one hand, and warehousing and marketing of their produce on the other must come about to form an integrated scheme of welfare. More people than we imagine are victims of misfortunes than of their improvidence or imprudence. Not the least of these is loss of agricultural cattle and of failure of crops due to failure of rains. To protect them against the latter various measures of minor irrigation, etc., are under way. As for the former at least, and if it should be found practicable as a protection against the losses from both, it is time that we considered some form of scheme of insurance.

I find that some of the problems that existed in the days of old are still with us. The Provincial Bank's report after recording the need for prompt and adequate finance records the need of prompt repayments and still has the need to complain of the failure of the punctual recovery of the dues and to complain about delays in obtaining awards.

It was gratifying for me to find that the directors of the Provincial Bank could find it possible to reduce their rate of advance to societies to 4 per cent as recommended by the Nanavati Committee with a view to afford loans at rates that the agricultural industry can bear. Various organisations, such as housing societies, milk supply societies, weavers' societies, industrial societies and the most interesting of all to my view, the forest labour society are commendable efforts and to my mind are some of the landmarks towards a happier future which other States may emulate with profit to themselves. In this matter the recent formation of a co-operative company for sugar manufacture under the advice of one of our eminent economists Shri D. R. Gadgil is a development which in my view is a development in a fruitful and a very desirable direction and even at the risk of appearing somewhat officious, I cannot resist the temptation of wishing the experiment the success it deserves.

I will, however, take the liberty of drawing your attention particularly to the societies which have undertaken the distribution of controlled articles and consumer goods and cloth in the rural areas. These societies have done excellent service and have fulfilled a very essential need, the scope of which is capable of extension on more or less permanent basis. Controls must go sooner or later, but it will be a matter of regret if such societies were to go along with it. The advantages of these societies should be consolidated with a view to establish them firmly in the soil, to enable them to function beyond the period of controls.

Men, competent and trained men, equally with money are vital to the need of the movement so vast as the co-operative movement. Money of course is important as a means to the end, but it is, after all, men that make the movement. Your efforts at education and training on that account, commendable as they undoubtedly are, made interesting reading to me. I would wish to see a large proportion of men within the movement obtain necessary training and qualifications. I would not hesitate to suggest such training should be compulsory. For the success of the movement right temperament equally with training is important, and I would suggest that properly evolved tests be applied as a part of education and training to the personnel responsible for the development of movement and its progress. There need be no hesitation in weeding our men temperamentally incompatible or unsuitable at all stages in the interest of the movement as a whole.

Since 4th November was the International Co-operative Day, the Declaration of the International Co-operative Alliance as well as the special message received from Prof. H. L. Kaji in this connection were read out by the President and adopted by the Conference.

Resolutions Passed

The following resolutions, among others, were passed by the Conference:

(*a*) Resolved that the Government of Bombay be hereby requested to establish at an early date a State Industrial Finance Corporation to finance industrial co-operative associations or societies through the district or regional industrial banks or through central financing agencies where there are no district or regional industrial banks in existence.

(*b*) Resolved that the Government should subscribe to the share capital of the district and regional industrial co-operative banks so as to inspire public confidence in these banks and to augment their resources. These arrangements should be similar to those which have been made by Government to subscribe to the share capital of central financing agencies through the Bombay Provincial Co-operative Bank.

(*c*) Resolved that the Government should be requested to guarantee a substantial margin of loans advanced by central financing agencies to the industrial co-operative societies whose members have no adequate tangible assets.

In view of the fact that the demands for non-agricultural finance are on the increase and that the resources of the existing central financing agencies are being fully extended, this conference is of the opinion that specialised central financing agencies should be established and developed without further delay.

This conference urges upon the Government the immediate necessity and desirability of establishing a co-operative housing finance corporation with a view to make available necessary capital to co-operative housing societies which are endeavouring their level best to solve the present acute housing shortage in a co-operative way.

This conference reiterates the opinion that premises belonging to co-operative housing societies should be exempted from the operation of the Rents, Hotels and Lodging Rates (Control) Act, 1947, and invites the kind attention of Government to the urgent necessity of introducing legislation to amend the Act by providing at least that Sec. 12 of the Act shall not apply to the premises belonging to co-operative housing societies.

(i) This conference recommends that the present arrangements for control through district supervising committees and Provincial Board of Supervision should continue.

(ii) The Supervision staff should in future have the status of permanent Government servants, having reasonable opportunity of promotion to higher grades.

(a) In view of the difficulties experienced by the central financing agencies in this State in providing finance to agricultural co-operative primary societies at the rate of 4 per cent as has been already decided by all such financing agencies, resolved that the rate of interest charged by the Bombay Provincial Bank for finance to central financing agencies for such purposes be reduced to a very reasonable rate so as to enable these agencies to finance agricultural primaries at 4 per cent per annum.

(b) Resolved further that the Reserve Bank of India should make funds available to central financing agencies more liberally for enabling them to provide finance both for agricultural and marketing purposes whenever such finances are required by them.

This conference urges upon the Government to assist in the promotion and establishment of crop and cattle insurance societies on co-operative lines with a view to benefit the rural economy.

This conference recommends that every effort should be made by agricultural credit and multipurpose societies to see that their members abide by the provisions of their by-laws and of the Bombay Co-operative Societies Act and the Bombay Agricultural Debtors' Relief Act regarding sale of their agricultural produce through the sale societies concerned. The central financing agencies should avail themselves of the facilities offered by the Reserve Bank of India through the Provincial Co-operative Bank and reduce the rates of interest on finance given to sale and multipurpose societies on the pledge of agricultural produce.

Resolved that Government be requested to instruct the Departments concerned to implement the policy of Government in regard to distribution of improved seeds, fertilisers, etc., through co-operative institutions and to rectify the present position in all cases in which it did not conform to their declared policy.

This conference recommends that the Government of Bomay be pleased to take early steps to establish a State Board for farming and irrigation societies to deal with the problems concerning these societies including technical assistance.

This conference is of the opinion that the financial position of a number of co-operative credit societies and of co-operative sale organisations is likely to be jeopardized on account of the uncertain policy of the Union Government in regard to control of agricultural produce including gur and resolves that the Government be requested to make sure that while fixing the ceiling prices, they take into account carefully the cost of production of the agricultural commodity concerned and to ensure that the middleman does not benefit at the cost of the agriculturist and the consumer.

XVII ANDHRA CO-OPERATIVE CONFERENCE
Held at Tenali, on 26-11-1950.

Extracts from
The Inagural Speech of the Hon'ble Sri P. S. Kumaraswami Raja, Chief Minister, Government of Madras.

I am a believer in co-operation and have always felt that co operative organisations can promote the economic interests of a large section of our people, especially the rural community. It therefore gives me great pleasure to be present here and open the 17th Andhra Co-operative Conference.

The Andhras have taken a notable part in the organisation and development of the co-operative movement; and the contribution which the veterans like the late Sri V. Ramadas Pantulu and Sri M. Ramachandra Rao made to the progress of the movement in the State is too well known to the co-operators to need mention. It is only appropriate that with the varied development of the movement, there should be stock-taking of the problems and difficulties facing the co-operators, and this conference affords an opportunity for pooling experiences, for exchanging ideas, for concerting measures to overcome difficulties and for planning future development.

The Madras Government are fully alive to the great utility and potentialities of the co-operative movement as an agency for promoting the economic well-being of the people and the policy of Government has been to utilise co-operative agencies as far as possible for carrying out some of those schemes.

In the sphere of rural credit, village credit societies have made notable progress. There are at present 6,252 credit societies with over 4.5 lakhs of members in the Andhra Districts. They cover 61.6 per cent of the villages and 17.70 per cent of the population. They issued loans to the extent of Rs. 3.36 crores during 1949-1950. 2,852 societies have undertaken multipurpose activities such as distribution of essential commodities, agricultural requisites, social and recreational activities, promotion of thrift, etc. You are aware that the Government have launched a two-year scheme for the reorganisation of rural credit societies with a view to cover 50 per cent of the villages and 80 per cent of the rural population in the

State and to make the societies undertake multipurpose activities. Government have given subsidies to central banks for the employment of additional supervisors to help them to implement the scheme. While fair progress has been recorded in carrying out the reorganisation plan in the Andhra Desa, much yet remains to be done. I agree that any forced or artificial expansion of rural credit societies is not healthy or desirable. That the successful execution of the plan needs an adequate number of zealous men for management and trained personnel for supervision which it is not always easy to find and that the work so far done during the last one and half years should be consolidated before further expansion is proceeded with. The Provincial Co-operative Advisory Council has suggested that the scheme may be extended for three more years. This will receive the careful consideration of Government.

To the Rayalaseema, Government have given special facilities by way of subsidies to central banks to enable them to lend the ultimate borrower at a reduced rate of interest not exceeding 5 per cent, to write off bad debts in village societies amounting to Rs. 1.62 lakhs and make a fresh start and to employ additional supervisors for intensive supervision of rural credit societies at the rate of one supervisor for every 15 societies.

In an evaluation of the results of the working of our rural credit societies, I would ask this conference to consider two essential points :—

(*a*) how far they have provided *all reasonable credit* needed by their members and prevented them from approaching the money-lender,

(*b*) Whether the societies have shown *promptness* and flexibility in giving their members financial accommodation.

The Rural Banking Enquiry Committee observed that in any scheme for a sound and efficient system of agricultural finance, sufficient emphasis must be laid on the building up of a sound structure of primary institutions—whether co-operative credit societies or multipurpose societies. The weakness of the co-operative structure seems to lie mainly in these intitutions and more thought and effort should be devoted to their development. The generally favoured plan now is the establishment of strong multipurpose societies able to employ competent paid staff for each group of contiguous villages.

The land mortgage banks have made steady progress. There are at present 54 mortgage banks with a paid-up share capital of Rs. 13 lakhs in the Andhra districts. They issued loans to the extent of Rs. 31.50 lakhs during 1949-50. Government have given special help for the promotion of land banks in the Rayalaseema. They have sanctioned a subsidy to the Central Land Mortgage Bank at 1½ per cent on all loans to be issued during the 5 years from 1-7-49 to enable the ultimate borrower to get his loan at 4 per cent. This rate, I may say, is the lowest for long-term loans in the whole of the Indian Union. The total Government subsidy on this account is Rs. 6.75 lakhs spread over 24 years.

The time has come when every effort should be made to utilise mortgage banks for the more constructive task of agricultural development. Government have been considering an amendment to the Co-operative Land Mortgage Banks Act of 1934 with a view to help large scale efforts of land improvement such as irrigation, erecting engines and pumping sets, etc. This will help to step up food production. I do not see why the banks cannot render service to the ryots and the State by actively participating, subject of course to the usual business safeguards, in the execution of irrigation schemes which need large capital. The demands on the State's finances are considerably on the increase and it seems to me that in future such irrigation schemes should be more in the nature of co-operative enterprise to which the State and the ryots should make their respective contribution. The ryots, who stand to derive benefits from the schemes, should come forward to finance in some measure the irrigation projects in their area. You are aware that recently the ryots in Tirunelveli district subscribed a crore of rupees for the Manimuthar Project, enabling the Government to undertake the execution of the project immediately. When ryots come forward to shoulder a part of the financial burden, it is only reasonable that priority should be given to such schemes. Land mortgage banks can be of great assistance to the ryots and advance the funds required by them. I believe the Central Land Mortgage Bank will address itself to this task with zeal.

Role of Co-operatives in Food Production

The food problem is a major problem facing us to-day and as you know, Government have launched various schemes to increase food production. They have recently transferred to co-operative societies the work of distribution of chemical manures, iron and steel and introduced a scheme for intensifying the cultivation of waste and fallow lands through village multipurpose co-operative societies in select areas in the districts of East Godavari, Guntur and Nellore. Arrangements have been made for the distribution of chemical fertilisers, groundnut-cake, iron and steel and other agricultural requisites to the farmers. About 750 societies in Andhra Desa have undertaken the work during the current season. About 250 societies have constructed compost-pits and 107 societies are making arrangements to take up about 8,000 acres of fallow land for cultivation.

It is my conviction that the distribution of chemical fertilisers, iron and steel should be the concern of co-operative organisations rather than the Agricultural Department, and that the latter Department is intended to render technical advice and help to the farmers and introduce improved methods and practices in farming with a view to augment agricultural production. It is in that belief that Government transferred this work to co-operative societies. I am sure that the societies will apply themselves to this task earnestly and carry it out efficiently and equitably.

I am glad to note that a positive contribution to food production has been made in the Andhra area, principally in the Circar districts, by what you call "Tenants' or Field Labourers' Co-operative Societies." You have 448 such societies with over 36,000 members who are all poor agricultural labourers, or Harijans. They have obtained on lease 35,590 acres of *lanka* and other Government waste lands and cultivated about 28,000 acres with food crops and 6,000 acres with commercial crops.

Co-operative Farming and Land Colonisation

The Government and the co-operators realise the importance of co-operative farming and land colonisation. The Grow More Food campaign itself aims not only at intensifying cultivation in existing lands through better methods but also its extension by bringing more land under cultivation. In all we have 41 land colonisation co-operative societies (for civilians and ex-servicemen) and there are 16 such societies in Andhradesa. These societies have been formed mainly with Government lands. Government have given over 22,000 acres of land to the 41 societies and an extent of about 18,600 acres have been so far reclaimed and brought under cultivation. Government have been giving these societies all possible initial help by way of subsidies and loans to enable the members to carry out reclamation and cultivation. You may be aware that recently we have constituted District Advisory Land Colonisation Committees in order that they may explore the possibility of bringing as much of land under cultivation as possible with a view to step up food production. I understand that there are 120 schemes involving an extent of about 50,000 acres of land at various stages of investigation and examination. Representations also have been made to Government to increase the scale of financial assistance to the members of these societies who are all landless poor people and Harijans.

Co-operative Dairying and Cattle-Breeding

Government have introduced a three-year scheme of urban milk supply through co-operatives and appointed special staff of Dairy Assistants and Co-operative Inspectors to work out the plan. We have to-day 571 co-operative milk supply societies and unions in the State. During the year ended 30th June 1950 they handled milk worth about Rs. 150 lakhs. In the Andhra districts there are 166 societies and unions and they sold milk to the value of Rs. 17.47 lakhs. Relatively the progress is very slow and somewhat disappointing. Dairying is an important rural industry which provides supplemental income to the agricultural classes and requires to be encouraged and organised on satisfactory lines. May I ask the co-operators to take stock of the position in this respect and concert measures to improve and strengthen the co-operative dairies in these districts?

The Ongole tract is noted for its high breed of cattle and supplies them to other parts of the State. The preservation and improvement of this breed should be a matter of zealous concern to the co-operators and all others interested in the cattle wealth of our country. This lends itself to co-operative effort. I understand that a cattle breeding society has just been organised at Ongole. Government have sanctioned a special staff and a non-recurring subsidy of Rs. 4,640 to meet the cost of stud bulls, etc. I hope the society will soon start work and fulfil its objects. Government have extended considerable help to a similar enterprise in Sugalimitta in Kurnool district. I am, however, afraid that these scattered efforts, however praiseworthy, may not meet the needs of the situation. I feel that the co-operators will do well to give this matter more attention.

Co-operative Housing Schemes in Andhradesa

77 new house building societies have been organised in the Andhradesa in the last two or three years. There are in all 116 such societies in your area with 7,800 members and a paid-up share capital of over Rs. 29 lakhs. Out of a crore of rupees provided in the Budget of 1950-51 to be given as loans to housing societies, a sum of Rs. 44.25 lakhs was allotted to Andhra Desa. Upto the end of October 1950 loans amounting to Rs. 32.52 lakhs were sanctioned to housing societies in the Andhra districts. At the end of September 1950, loans amounting to Rs. 48.50 lakhs were outstanding against the members of these societies. Apart from the houses built by their members in the past, at the end of September 1950, 587 houses were in different stages of construction in important towns in the Andhra districts. I learn that the progress in certain towns has been slow owing to the time taken in the acquisition of sites while in some other places mis-understandings among directors and members have retarded progress. The housing shortage is very acute in all urban and semi-urban areas and you will be doing great service to the people if you take full advantage of the facilities and funds provided by Government and speed up the execution of housing schemes. I need hardly tell that Government have provided some of the building societies in Rayalaseema with staff at half cost to work as their secretaries. A Special Land Acquisition Officer is attached to the Registrar to speed up acquisition proceedings. Special quotas of iron and steel and fittings are allotted to the Registrar for distribution among co-operative housing societies. Government timber is supplied by the Forest Department to co-operative societies at concessional rates. In spite of financial stringency we have provided a crore of rupees in the current year's budget for loans to these societies apart from Rs. 20 lakhs for rural housing societies. These constitute very substantial help.

Under the Rural Co-operative Housing Scheme, 12 villages have been selected in Andhra districts and 9 rural housing societies have been registered. This is an interesting and useful departure the Government have made in housing policy and further extension of the scheme will depend upon the results of this experiment.

Cottage and Rural Industries

I am glad that an exhibition of cottage industries' products in Andhra Desa has also been arranged. Andhra Desa is not lacking either in raw materials or in handicraftsman. The main handicaps facing the cottage and rural industries are want of finance and equipment, lack of organised

marketing agencies and of technical advice. The problems can be tackled on a co-operative basis as has been done in many other Asian countries.

The handloom industry, which is next to agriculture in importance in the State, has made considerable progress on a co-operative basis. It produces about one-third of the cloth requirements of our people. Out of the 5 lakhs of looms, nearly 30 per cent are organised on a co-operative basis. There are 940 weavers' co-operative societies with 1,47,000 looms headed by the Madras Provincial Handloom Weavers' Society with its net-work of emporia in the State and outside. Of these, 516 societies with 70,000 looms are functioning in the Andhra Desa. Out of the total production of Rs. 3.2 crores of handloom goods by the societies in the State during the year 1949-50, nearly Rs. 1½ crores worth of goods were produced by the societies in Andhra Desa.

The chief problem now facing the handloom industry, more than markets, is the shortage of yarn. Government are keenly aware of this and have made repeated representations to the Government of India. I hope the position will soon improve.

I must congratulate the Provincial Society on its decision to start at a cost of Rs. 30 lakhs a Co-operative Spinning Mill with 11,000 spindles at Guntakal in Anantapur district to supply at least a part of the yarn requirements of its affiliated weavers' co-operative societies. The society has requested the Government to contribute a third of the capital by way of a ten year loan and the request is now under the consideration of Government.

All of us know how the weavers carry on their work in insanitary and unhealthy surroundings and housing conditions. Government have been encouraging the weavers' co-operatives to provide decent housing conditions within the means of their members and towards this end they are giving the societies long-term loans at a low rate of interest. The Yemmiganur Weavers' Co-operative Society which is the biggest society in the Andhra Desa has been given a loan of Rs. 2 lakhs and 60 houses have been completed and 40 more are under construction. Similar housing schemes are in progress in Tenali and Rajahmundry also. There is no doubt that provision of suitable houses will contribute to the health and efficiency of the weaver and his family and greater outturn. I appeal to the other societies to show the same spirit of enterprise and undertake suitable schemes to improve the housing and social conditions of the weavers.

Besides, 940 societies for weavers the other cottage industries' societies have also been organised on a co-operative basis. There are in Andhra Desa 121 societies for metal workers, leather workers, carpet-making, basket-making, toy-making etc. The societies produced goods worth Rs. 16 lakhs during 1949-50. The bulk of the business is done by the twelve metal workers societies which produced goods worth over Rs. 9 lakhs.

One important industry which has developed in the State on a co-operative basis after the introduction of Prohibition is Palm Gur Industry.

This industry has received encouragement both from the Central and State Governments. There are at present 465 societies for manufacture of palmyrah and date jaggery in Andhra districts with 20,218 tappers as members. They produced jaggery valued at over Rs 18 lakhs last year. The industry has spread particularly in West Godavari district. The tappers have also been trained in improved methods of jaggery production under a scheme sanctioned by Government.

Many of our cottage industries are carried on, on very crude methods and have not taken advantage of modern mechanical appliances, tools and implements to improve craftsmanship. The problem calls for urgent attention. The time has come for action; a sustained and planned attempt should be made to have a net-work of cottage industries in all promising areas on a co-operative basis apart from the question of agency that may concern itself with their promotion. Government have placed at the disposal of the Registrar a sum of Rs. 45,600 for being given to deserving cottage industries' societies for the purchase of equipment and towards cost of establishment.

Government have recently constituted Regional Advisory Boards to develop select industries. They have also constituted a Cottage Industries Board to make a survey of cottage industries and take all necessary measures for their development. Deserving village co-operatives will be provided with tools free of cost and raw materials at cost price. The village societies will be federated into a firka cottage industries co-operative federation with the main object of distributing and supplying raw materials to the artisans in the firka. Where it is not possible to form a federation, co-operative stores or marketing societies may undertake this work. It is expected that as a result of operation of the scheme village industries will be promoted in select firkas so that the ordinary every-day requirements of villagers can be met.

Rice milling and cotton-ginning may lend themselves to co-operative effort. A bone-meal factory on co-operative basis round about the Kollair lake is yet another possibility. I am sure this Conference will devise ways and means of establishing societies for the organisation and development of cottage industries on a wide scale. I am sure now of all possible Government support to help them.

The movement has been making very rapid progress in several directions. The need for trained and efficient paid men to supervise and run the institutions is obvious. It is true that co-operation is founded on high ethical principles but please remember that co-operative societies are essentially business organisations. Honorary service supplies the idealism, zeal, direction, advice which these organisations really require. Their day-to-day management, development of business, maintenance of accounts or supervision of societies, etc., cannot however be attended to by amateures. A pool of trained employees is essential to the success of the movement. Its stability depends on their efficiency, honesty and loyalty. We have in Andhra Desa co-operative training institutes at Rajahmundry, and Anantapur which train candidates for employment in co-operative institutions. More men will have to be trained and if need be, more institutes will have to be established. It is not a sound arrangement to go on taking the loan of services of Government officers. The tendency to indent the services of departmental officers is still strong, and I suggest that you stop this as soon as possible. For one thing, the department has not enough men to attend to its statutory duties and for another, societies will have relatively to pay more by way of additional remuneration and leave and pensionary contributions of the officers lent. What is more is that when they become useful to the institutions, they are taken away for administrative reasons and their experience is lost to the societies concerned. This is an unsatisfactory state of affairs and needs to be remedied. The service condition of non-official staff should be rendered sufficiently attractive. I believe the Conference would consider ways and means of building up a trained body of non-official employees qualified to run the increasing number of co-operative organisations.

The tendency for party or sectional policies or local reactions to invade co-operative institutions is most undesirable and should at all costs be checked. Co-operative organisations are business organisations intended for the benefit of all members, irrespective of their political or party or communal loyalties or differences. Unless the movement keeps clear of local rivalries and factions, it cannot expect to command the confidence of the people or to be of real service to them. Andhradesa has a large body of veterans and workers in the co-operative field. I have every hope that with all their resources, they will fully exploit the potentialties of the movement and promote the economic well-being of their fellow-men.

Extracts from
The Presidential Address of Sri Kala Venkatarao, General Secretary, All India Congress Committee.

The great political organization, the Indian National Congress, has as its first article of faith "the establishment in India by peaceful and legitimate means of a Co-operative Commonwealth." The Father of our Nation never minced matters. He wanted not merely "Swarajya" but a "Swarajya" which would be a "Rama Rajya." Rama Rajya is no religious concept based on some mythological system of Government but is a political and economic order of society, whose picture *Bapuji* painted. He also shaped a living organism out of it.

Co-operation is a great 'Ism' like any other economic theory like Socialism, Communism, Fascism or Capitalism. It has no Christ like Marx nor a Bible like "Capital." Its authors were also humble workers, it had humble beginnings and grew out of the peasant's hovels and the workmen's slums and the craftsmen's unions. Its fundamental concept has always been union—union of the poor common man and the pooling of his poor resources. As J. J. Worley said : "A co-operative philosophy of society must rest on free, universal association, democratically governed, conditioned by equity and personal liberty." Co-operation can be compared and contrasted with other known economic doctrines. Co-operative production provides for the individual ownership of the instruments of production. This is against the conception of Communism. Co-operative distribution provides for the sharing of profits among the members. This is against the conception of capitalism. Co-operative membership provides for equal status to all the members—one member one vote and this is against the conception of Fascism. More than anything else, co-operation brings the producer face to face with the consumer and eliminates many middlemen. Co operation does not kill individual intitiative and incentive though it restricts the profits of the entrepreneur. What is saved out of the pool goes to the common reserve fund of the society. Thus certain evils of Capitalism are controlled and even eradicated. The abolition of private property and the doing away with class structure in Soviet Russia could not successfully create conditions of economic equality and sufficient incentive to the workers to labour for the common weal. We hear of the Stakinow movement, and the extra prize money to the worker who works harder is only a new name for the piece-rate system of the capitalist society. Even in Russia ornaments are manufactured (they are not production for social necessity) and there also there is a wage-differential and the difference between the highest and lowest wage is more than 12 times, a thing which our Gandhiji was prepared to concede. Instead of our classes, a new hierarchy in the shape of different cadres of officers is being established. On an appraisal of these and several other factors, I feel that the co-operative way is the better way and that co-operative commonwealth is the desirable economic state for which we Indians have to strive for.

Co-operation provides an answer to many of the problems facing our country to-day. To quote Rev. John A. Ryan:

"Reduction of prices to the consumer, increase of prices to the producer, democratic management of industry, education in self-help, in the capacity for community action and in the ability to manage business, are all within the reach of the masses, both in the country and the city, if they are willing to use methods that have been tested and approved in the co-operative movement."

Mr. Leon Henderson has completed the picture when he says:

"Co-operatives are definitely anti-authoritarian. They help in the redistribution of income. They are not afraid of better wages, not afraid of social security and not afraid of democracy. They are a people's movement."

The Indian National Congress in its resolution passed at Jaipur on Economic Programme *inter alia* said : "That all of the nation's resources, human and material, should be utilised to increase production." It also

said that all this must be done in a planned manner and that the plan should be one of decentralised production. All these ideas and many others formed the subject of our state planning. But for a time there was a co-ordinated effort on the lines suggested by the Jaipur Congress. This gap was filled up by the Congress Working Committee when, in January and February 1950, it passed two resolutions regarding planning and its implementation. The Working Committee rosolution on "Economic Policy" which requested our Central Government to create a National Planning Commission defined four objectives:

1. Establishment of a just order of Society.
2. Securing of a progressive increase in the standard of living through an adequate and expanding volume of production.
3. The best utilisation of resources through improvement in skilled and productive capacity of the nation by suitable technical training and education, and
4. Attainment of national and regional self-sufficiency.

The Government of India accepted the request of the Working Committee and appointed a National Planning Commission. The Planning Commission is at present evolving a long term and a short term plan. I am one of those who feel that the plans so evolved must be based mainly upon co-operation if they want to create a real benefit and prove successful. Ours is a poor country and it will be difficult for us to pool the required financial resources to invest in any costly scheme of planning. While I am not against the import of foreign capital for productive purposes, I do feel that we will not be able to succeed in our endeavour unless we utilise the internal financial resources to their fullest extent and the unemployed and under-employed manpower in India. Some people feel that we in the Congress are a bit ante-diluvian in our ideas and that we want to put the clock back in order to satisfy our whims and fancies. But these critics do not take into account certain of our national in capacities and deficiencies. Let us for argument's sake assume that the Congress will bid good-bye to *Khadi* and will advocate complete industrialisation for our textile needs. But how can this be achieved ? Now there are about 420 textile mills in this country with an investment of about Rs. 180 crores. There are more than 6 lakhs of workers in these textile mills. Even if you want to draft in two more lakhs of workers, it would mean a further investment of Rs. 100 crores. As against the minimum national demand of 660 crores yards of cloth at present we are producing only round about 380 crores yards of cloth. And in order to fill in the gap in our requirements, we need many crores of rupees for investment in this sector alone. Apart from money, where from are we to get the machinery ? The countries that will have to supply the textile machinery are themselves busy in reequipping their war-shattered textile industry and are not in a position to supply our needs for years to come. By ourselves we cannot manufacture the machinery without the establishment of heavy industries which in their own turn would mean a heavy financial investment and the import of capital tools and the know-how. Therefore, our country will have to continue along with the present controls which also in their turn are resulting in dissatisfaction to many of our people, especially in the middle and lower classes. Should we not in these circumstances, think of some collateral means to improve our supply of textile goods. Our villager is very much under-employed in spite of his being an agricultural worker. Should not his spare time and energy be mobilised and utilised for the production of the primary requirement of clothing himself and his family? The cause of the poor man is thus served with comparatively little investment resulting in greater out-turn and without the problems of industrial labour and their grievances facing us. Neither Gandhiji nor the Congress nor the Congressmen are ante diluvian in their ideas. The programme of *Khadi* is a practical proposition if we have got the will for it and a plan to spread it wide and enforce it. And I am certain that co-operation can play a great role in this endeavour.

The same can be said of our other programmes for industralising our country. We do not want to block industrialisation. As a matter of fact, we want to encourage industries, old and new, and achieve targets. But, as practical men, we must think of our capacity, financial and otherwise, and plan in a practical manner. It will be a surprise to know that between 1923-24 and 1934-35, the total amount of invested paid up capital of all Joint-Stock Companies in India was only Rs. 35 crores, and between 1939-40 and the present time, the average investment for a similar purpose is round about Rs. 26 crores per year. If we want to achieve any substantial agricultural or industrial progress, we would require an annual investment on the average of at least Rs. 300 crores per year. This would mean that we must save as a nation 6 to 8 per cent of our aggregate national income and see to its investment in a planned way. Though estimates differ, India is said to be producing at the rate of over Rs. 5,000 crores worth of industrial and agricultural goods per year. This national income we are consuming to the tune of over 98 per cent because a poor producer has to spend all his earnings for his food, clothing etc ; and to save 6 to 8 per cent of our annual production and re-invest it is a stupendous task. But we cannot afford to rest on our oars and feel helpless. We have to pool that much every year by austere living, by foreign borrowing and by increasing our overall national production. As the National Planning Commission has not yet reported, it will be futile to go on expanding on the subject.

The Nasik session of the Indian National Congress passed a resolution defining the Congress objective regarding our economic progress as the Establishment of a Welfare State wherein there is economic democracy, the national minimum standard in respect of essentials of physical and social well-being, a rising standard of living, full employment, elimination of exploitation and progressive narrowing down of disparities in income and wealth, so that there may be equality of opportunity to all for self development and growth of personality. A resolution also

demanded immediate action on these lines. Such an immediate action was, among other things, to be by the "Expansion of opportunities for gainful employment by planned development of village and small scale industries on co-operative lines as far as possible, and on the basis of the highest attainable technical efficiency." This plan gives an opportunity for us, co-operators, to trim, shape and plan our own movement so as to integrate it with the National plan and thus develop not only a co-operative ideology but also co-operative dynamos and press them into the service of the country. The resolutions further said that "Efforts should therefore be made to utilise the experience, energy, free time and other resources of the people on a voluntary basis on a nation-wide scale". This is an appeal specially addressed I should say to Co-operators and fits in with our ideas of voluntary efforts to build up a free economic society which respects man as a man.

The Reserve Bank of India in a *Review of the Co-operative Movement* which covers the period between the years 1946 and 1948 has an excellent chapter which deals with the State and the Co-operative Movement. It details the great assistance that the Government in India have rendered to the Co-operative Movement. This positive role played by the State is increasing day by day. When the State itself is to be a Co-operative Commonwelth, all that is being done by our Governments is only in recognition of this principle. The nature of encouragement and the help that the State has rendered to the Co-operative Movement during the period under review gives a good idea of that support. That aid included financial assistance, legislative help and moral support. Financial assistance took the shape of loans, grants-in-aid and subsidies and guarantees of interest on debentures issued by the co-operative institutions. Special concessions and privileges, such as exemption from income-tax, stamp duties, and registration fee, free remittance transfer facilities, *etc.*, were given. Legislation was passed for the organisation and the working of co-operative institutions and protection of co-operative institutions of the respective Provinces from various debt relief acts Special concessions and legal privileges regarding execution of awards through Government agencies, *etc.* were also provided for. The co-operative movement was recognised and utilised as a suitable agency for the supply, procurement and distribution of foodstuffs and for some controlled articles. I do not like to go into the details of all the matters and tell you over again what you all know about. My simple plea is that co-operation in India must increasingly become the vehicle for the economic progress in this country. What form it should take and how best it should reach the masses and how it should be administered is for you to decide on the basis of your experience as co-operative field workers.

The Madras Government of the day appointed a Committee on Co-operation in the thirties and that Committee of which I had the honour of being a member, made an eloborate report and also made certain definite recommendations. Subsequently another Committee reported on the co-operative movement in Rayalaseema. The Government of India also appointed a Co-operative Planning Committee and that Committee reported in 1946. The 15th Conference of Registrar's of Co-operative Societies and other prominent Co-operators was held in Madras in May 1947. The proceedings of that Conference disclosed a thorough grasp of the co-operative problems facing the country.

The Conference in its turn made a number of recommendations. I want to know what progress has been made by the Government of Madras in the implementation of the recommendations of all the Committees named above. I believe that I am not wrong in saying that many of these recommendations have not yet been adapted into the frame-work of the co-operative movement in our Province. In many respects and in many aspects of the Co-operative Movement, Madras is far ahead of any other State in India. Both the officials and non-officials in Madras have done a lot for the advancement of the movement in this Province. As a co-operator I must say that some basic changes are still wanting. One important thing I would like to lay stress upon is about limited liability. This idea accepted by a majority of co-operators in general is being put into cold storage. The co-operative credit societies based on unlimited liability have served their day. Perhaps unlimited liability was good to some extent when the societies functioned merely as instruments of cheap credit. But our endeavour to-day is that co-operation must be made to serve the needs of the masses not only for their credit facilities but also for production, consumption and distribution. *We have to broad-base the existing co-operative credit society and change it into a multipurpose society. A multipurpose society cannot be on a limited liability basis. I do not agree with the idea that the multipurpose and unlimited liability can be made to go together. Our ideas have to change radically in this matter.* Even the idea of starting Rural Banks has not been allowed to spread very well and the success attained by the Alamuru Rural Bank is denied to other parts of the Presidency. I do not claim infallibility for these experiments; but progress can be only with error and trial and must be allowed to move in greater speed if you want to meet the Revolutionary needs of the situation. I must be frank in stating that the Registrar of Co-operative Societies and his colleagues (I do not mean any individual) have consistently opposed the development of co-operation on multipurpose lines. We in Madras have the fortune to have as our Registrars good administrators, but we are yet to produce a Registrar who can inspire and shape co-operative commonwealth, and that is our real need. *Anyhow I would like that we should have two Registrars, one for Administration, and the other exclusively for Development work.* The fact that Madras has led the way in having efficient land mortgage banks provincial and central co-operative banks and consumer co-operative stores should not blind us to the developing needs of Free India. If likewise my esteemed and able friend, the Hon'ble Minister for Co-operation, will make his Department progressive in the new ideology and make a fair start ahead of other

States we shall be grateful. I am certain that he can and will do it with the certain support of our Chief Minister who is a well-known co-operator himself. When I accepted the Presidentship of this Conference I wanted to examine these matters in full detail in my present address, but unfortunately I was unable to devote much time and so you find no statistics here nor even a well framed full picture of my ideas and aspirations. Therefore, I thought that I could join you actively in your discussions in the Conference and determine what all we want to advance the cause of co-operation.

I am a believer in real democracy and as such I am a believer in individual initiative, individual freedom and the development of the individual. But I do not believe in a democracy or individual freedom that will stunt the growth of any citizen and deny him equal opportunity with his brother citizens. Babu Rajendra Prasad once said: "There is an element of democratic freedom inherent in Co-operation and this freedom has to be praised above all things. The freedom of the individual however, has to be used for the benefit of the community of which he is a part and it is this healthy compromise between discipline and freedom that has been embodied in the Co-operative Movement—'all for each and each for all".

The advantages of Co-operation are not easy to achieve. To quote Rev. J. A. Ryan, once again, its advantages "cannot be achieved in a day nor in a year nor by Governmental subsidies nor through any easy formula nor recipe. They must necessarily come about gradually and through the action of men and women who are willing to exercise patience and make the sacrifices which are indispensible for any improvement or lasting reform of industrial, I may add agricultural, conditions."

The Indian National Congress has declared its faith in co-operation as the methed which can bring "an equality of opportunity and of political, economic and social rights aiming at World Peace and Fellowship."

As a Congressman and as a co-operator I believe in the establishment of such a Co-operative Commonwealth in our country in preference to Communism or Socialism and if we want to achieve this Ideal World, we must yoke ourselves to a great task. I am certain that the Co-operators will do all that they can in order to establish such a Co-operative Commonwealth or *Ram Rajya* in our Free India.

Resolutions Passed

The following resolutions, among others, were passed by the Conference:

This Conference welcomes the appointment of the National Planning Commission and awaits the publication of its short-term plan and later on its long-term plan for the establishment of a Welfare State in terms of the Nasik resolution of the Indian National Congress on economic programme.

This Conference feels that co-operation has to play a vital role in any plan which seeks the establishment of a just order of society and for the attainment of a higher minimum standard of national living.

As this Conference is too big a forum to discuss the requisite details, it resolves to request the *Sammelanam* to invite a Seminar of prominent co-operators under the guidance of the Registrar of Co-operatives and forge a practical programme before the end of December 1950.

This Conference invites the attention of the Government to the Reports of the Committee on Co-operation of 1940 and that of the Committee on Co-operative Planning 1946 on the recommendations relating to the extension of limited liability and basic co-operative organisations and requests the Government to implement this recommendation, by the establishment of multipurpose co-operative societies in villages or groups of villages.

The recommendation of the Madras Co-operative Department that co-operative banks be established in all municipal and major panchayat areas, having been accepted by the Rural Banking Enquiry Committee, this Conference requests the Government to establish such banks at an early date in order to tap savings in rural and semi-urban areas and to provide banking facilities and give such banks the necessary financial and other assistance.

This Conference requests the Government to assign *lanka* lands in the deltaic regions in East and West Godavaris, Kistna and Guntur districts on long-term leases through co-operative societies without resorting to public auction.

This Conference requests the Government to get cultivable waste-lands in different districts under the plough through co-operative societies and thus help grow more food and co-operative farming. This Conference requests the Government to provide the necessary staff and funds to push through the schemes including the District Land Colonisation Schemes.

As at present in the distribution of controlled commodities the co-operative stores and the private merchants are linked up at certain places, which has resulted in great inconvenience, this Conference requests the Government to transfer the entire distribution of controlled articles to co-operative societies only.

The Government are requested to arrange for the distribution of the entire controlled articles through the co-operatives, the distribution of the millcloth be carried on by the co-operative central stores, as before.

The Government have allotted sale of fertilisers to private dealers and the co-operative societies on a fifty-fifty basis; but the merchants have not discharged their duty in disposing of the stocks whereas the co-operatives did. The Government stopped further allotments to co-operatives, pending merchants' disposal of the stocks held by them. Co-operatives have invested a good amount and increased their establishment to carry on the distribution business. Now that further allotments have been stopped to co-operatives, the merchants are selling the stocks with them in the black-market. To counteract this tendency this Conference requests the Government to abrogate their previous orders stopping further allotments to co-operatives.

Whereas the Co-operative Movement in this State has grown so enormously in size and the Registrar cannot cope up with the existing work this Conference strongly endorses the suggestion of the Conference President that the administrative and development sides of the department be separated with a Registrar over each. This Conference therefore requests the Government to appoint two Registrars for the department.

This Conference resolves that the State be divided into two zones for the purpose of co-operative administration, and that each zone be kept in charge of a separate Registrar.

While appreciating the steps taken by the Government to start 5 non-official centres, for firka development this conference requests the Government that co-operative societies might be utilised in the execution of the schemes.

This Conference requests the Government to constitute District Co-operative Advisory Committees consisting of official and non-official members to suggest ways and means for the healthy growth of the Movement in the district.

This Conference requests the Government and the Registrar to permit Central Banks and Urban Banks to pay the amount due on their demand drafts at least upto Rs. 1,000 before receiving the credit advice note from the Provincial Bank and if necessary to amend the Co-operative Act for this purpose.

This Conference requests the Government to issue orders permitting the funds of liquidated societies to be deposited in the name of the liquidator in the Central Bank in suspense or current account instead of depositing in the sub-treasury.

This Conference resolves to request the Government to take urgent steps to arrange distribution of yarn to weavers' societies.

It is resolved to request the Government to organise a spinning mill so as to increase the production of yarn output.

With a view to make handloom cloth available at cheap rates the Government are requested to remove sales-tax on yarn, dyes and handloom cloth.

Resolved that to find markets for handloom textiles abroad, the Provincial Handloom Weavers' Co-operative Society should open depots and that the Central and Provincial Governments should bear the net loss for five years.

As the Government are not able to aquire sufficient quantities of Khaddar to meet their departmental requirements, this conference requests the Government to make use of handloom cloth instead of Khaddar.

EXTRACTS

CO-OPERATIVES FOR HANDICRAFTS AND SMALL-SCALE INDUSTRIES

Apart from the inherent value of the co-operative principle in the organisation of handicraft production, the adaptability of co-operative organisations to meet the various economic needs of the small craftsmen makes them particularly valuable as a means for promoting small-scale industrialisation.

One universal and basic need amongst all craftsmen in Asian countries is credit. The initial possession of capital, however small, is the vital prerequisite to enable an operator to purchase raw material and implements, to maintain himself and his family while at work, to assist in the sale of his products and generally to prevent himself from falling into the clutches of a middleman or usurer. The importance of credit to the agriculturist in aiding him to overcome the vagaries of natural forces as well as economic ones has long been recognised in all Asian countries and it is for this reason that the co-operative movements in all these countries first concerned themselves with the problem of credit. The value of credit facilities for artisans is equally important, though the spread of a co-operative credit movement amongst them has been relatively slow in these countries. On the other hand their usefulness has been recognised in other countries. In France, the Central Co-operative Credit Fund is subscribed by workers' productive and consumer co-operative societies, and in addition receives a Government grant. This Fund provides medium and long-term credit to co-operative societies by way of loans for five, ten or fifteen years and the interest charged varies according to the terms of the loan. In Sweden, too, the Government has made special use of co-operative societies for the distribution of credit to handicraftsmen and loans are granted to eight regional associations.

In view of the special contribution that co-operative societies can make in the provision and distribution of credit—a sphere in which they have already acquired much experience among primary producers in Asian countries—their encouragement to serve the needs of the handicraftsmen will assist to satisfy a long-felt and important need. The system of co-operative control is at once cheap and flexible and permits the economic distribution of small sums among large numbers of people, creating at the same time that spirit of confidence and mutual assistance essential to the well-being of poorer rural and urban communities.

Apart from the provision of credit facilities, the co-operative unit is well adapted for tackling many of the production problems of industry. Where, for instance, a handicraft industry exists in a decentralised form and work is carried on by individual craftsmen working alone, the formation of supply co-operatives for the purpose of bulk-buying of raw material

or the implements of industry will help them both to eliminate the middleman and secure for them regular supplies at cheaper costs. The problem of the supply of suitable yarn, for instance, was of vital importance to the handloom weavers of Madras Province. It accounted for 50-60 per cent of the cost of production of cloth and, as the Fact Finding Committee of 1943 observed, "the handloom weaver is being mulcted on several fronts by a host of middlemen and parasites whose existence leads to a pyramiding of prices of yarn and who have fully exploited the ignorance, proverty and helplessness of the weavers." To tackle this problem co-operative societies were formed amongst the weavers and the primaries were organised into the Madras Handloom Weavers' Provincial Co-operative Society, which now has forward contracts with mills and undertakes the distribution of yarn to all weavers in these societies, handling at present about half the entire supply of yarn in the Province.

The organisation of handicrafts in co-operative units is also valuable in dealing with other problems of industry such as the pooling of ideas and experience, the adoption of technically efficient methods of production, the standardisation of design and material, etc., which must be satisfactorily solved if the manufactured product is to hold its own in the face of modern competition. The flexibility of co-operative action to tackle these aspects of industry is well illustrated by the experience of the co-operative society of Bourg-en-Bresse in France set up in 1946 for the construction of agricultural machinery. Formed to overcome prevailing economic difficulties, such as the lack of raw material, this society, which is composed of scattered rural and urban handicraftsmen and small manufacturers in the south-east of France, covers decentralised centres of production with 15,000 square meters of scattered workshops and 800 machine tools and implements, capable of producing about 150 agricultural vehicles per month. The scattered workshops are linked together by a central unit, which is responsible for the organisation of production as well as for laying down the specifications of the machinery to be constructed, and each workshop undertakes the production of a part or a whole vehicle according to its capacity. The bigger workshops specialise in the assembly of vehicles from parts supplied by the smaller units and the whole organisation is served by supervision and technical assistance from the central body. Individual units can undertake direct sales at prices fixed by the co-operative, but a percentage contribution is payable to the organisation. The co-operative also undertakes the purchase of raw materials on a global basis though supplies are delivered direct to the individual by the wholesale supplier. This co-operative has, in addition to facilitating an increase in agricultural production by means of relatively low-priced equipment, suited to local conditions, provided valuable economic and social advantages in improving the conditions of living of the craftsman and small manufacturer.

The co-operative unit is again of value for the purpose of purchasing and allowing for the joint use of machinery by its members. With the increasing mechanisation of industry the use of machinery in certain stages of the industrial process is now essential, and the co-operative society provides the most convenient method of enabling independent craftsmen to join together for the purchase of the machine as well as for making use of it in their work. The Chinese Industrial Co-operatives, for example, which were engaged primarily in the production of essential articles like agricultural implements, machine tools, textiles, drugs, paper, etc., were centred round machine units or cottage factories, where the whole or part of an industrial process was completed.

In addition to facilitating solutions for problems of production, co-operative organisation provides a well-established and proved instrument in all questions associated in the search for remunerative and stable markets. Efficient marketing requires capital, knowledge of the market, the capacity to wait, the establishment of standards of quality, the ability to keep in touch with technical progress and the readiness to change products to suit changes in consumer taste. In the sale of most products this is a specialised and full time occupation and the inability of the individual craftsman to give sufficient attention to this aspect of economic activity has generally been the cause of his inevitable economic subservience to the trader and the entrepreneur. The problems associated with marketing, while relatively simple where production is for the immediate needs of the village, increase immensely in complexity no sooner the boundaries of trade are enlarged and become especially intricate where production is for export. Through co-operative organisation in marketing the small producer and artisan are enabled to give full attention to their normal work while deriving the benefits of efficient and large-scale trade, supervised by trained and paid employees, specialising in this bracnh. Co-operative marketing of the products manufactured by individual artisans or in the small factory is an essential adjunct to the process of co-operative production.

Secondary Agricultural Operations by Co-operatives

Apart from small-scale industrial production perhaps one of the most promising fields for action by co-operatives in Asian countries lies in undertaking secondary agricultural operations, such as the processing and preparation of food grains, the canning of fruit and the sorting, packing, drying, and execution of other operations essential for the sale and marketing of agricultural produce. The range of activity for such operations is immense and their potentialities have not been sufficiently appreciated or explored. Among them are: the preparation and distribution of fertilisers, the stacking and preserving of grain, the hulling and cleaning of paddy by machinery, the conversion of grain into flour and prepared foodstuffs, the refining of sugar, the extraction and marketing of bees' honey, oil pressing, the sorting and export of cadju nuts, the manufacture of desiccated coconut and coconut oil, the canning of

pineapples, mangoes and other fruit, the sorting and standardisation of eggs, the production of skimmed milk and milk powder.

Many of these activities can form the basis of independent small-scale industries. On the other hand some of them might, if carried out on a moderate scale, be undertaken by agricultural or multipurpose co-operatives in addition to their other functions. They might in certain cases even be promoted by consumer societies. In Europe consumer co-operatives, besides their apparatus of distribution and transportation, possess plants for processing agricultural products such as flour and flour products, including alimentary paste, sugar, jams, cocoa and chocolate, canning vegetables and fish, milk products, margarine, lard, edible oils, meat products, spices, etc. Such industries can be of special significance to Asian countries, both in helping to absorb on a full-time basis part of the surplus rural population without causing physical displacement of labour while also assisting in reducing seasonal unemployment, since productive activity in such industries will tend in many cases to increase soon after harvests when there is a lull in normal agricultural activity.

Adaptability of Co-operative Organisation to Different Types of Labour

Considered from a different angle, *i.e.* from that of labour, it will be found that the co-operative unit is also capable of adapting itself to the organisational needs of different groups of workers. Unskilled and casual labourers with no capital at their command, and therefore no bargaining power, can organise themselves into labour contracting co-operatives and through joint effort increase their chances of employment as well as rate of remuneration. In Italy and Israel such labour contracting co-operatives have achieved a considerable degree of success. In Israel, for instance, co-operatives formed for providing employment for new immigrants in the field of public works, road construction and building federated into an organisation called the Solel Boneh which has grown to be the largest public works and building contracting institution in the country. It is now the contracting department for the Federation of Jewish Labour (Histadrut) and employs over 4,000 workers. Almost similar success has attended the efforts of agricultural contracting agencies in Israel. In New Zealand co-operative contracting has been used in the construction of public works for 50 years and has also been regarded as a method of administering relief works for the unemployed. In 1939 three-eighths of all the workers employed by the Government on public works were under the co-operative contract system. Reference has already been made to the value of co-operative organisation for independent artisans. They can set up separate credit co-operatives, supply or buying co-operatives and marketing co-operatives, or combine all these activities in one organisation. Wherever possible, too, they can from federations with other similar associations for strengthening their economic position. In Bombay, for instance, where it was found that there was insufficient co-ordination among the various industrial activities, a general Provincial Industrial Co operative Association was formed. This body is primarily concerned with promotional activities but also assists, wherever other co-operative facilities are lacking, in granting credit, purchasing raw materials and assisting the artisan to sell his finished products.

Industrial home worker, *i.e.* those who undertake production in small groups on a family or other basis, can draw the same benefits from co-operative organisation as the independent artisan. Perhaps the country in which the co-operative organisation of home workers has been adopted most widely is Japan. Under the Indusrtial and Co-operative Law of 1946 numerous associations of small enterprises have been registered. They have as their aims joint purchasing, joint marketing, joint storage and preservation of perishable food stuffs, joint packaging and shipment, establishment of joint facilities for manufacture or processing and joint inspection to maintain standards of quality. As on June 1947 there were in Japan 826 co-operatives engaged in metal trades, 361 in machines and instruments, 284 in chemicals, 224 in ceramics, 1,168 in textiles, 65 in book binding, 698 in foodstuffs and numerous others in small industries, making a total of 7,553 with a total membership of 8,09,456.

While a largr proportion of the industrial co-operatives in Japan are centred round the home factory, many of them are also factories for small-scale industrial workers. The interests of the latter are not entirely identical with those of the home factory worker who in many cases is a member of the family unit. Nevertheless for the purpose of industrial production, the co-operative organisation of workers into workers' productive societies affords them the same facilities and economic advantages while also providing for administration and management on a co-operative basis. Examples of the success of workers' productive societies can be found in the United Kingdom and France. In France where the movement is of long standing three were in 1949, 750 workers' co-operative productive societies engaged in such diverse trades as building and construction (350), printing and paper trade, timber industries, glass works, films, etc. They employ over 35,000 workers and are federated in the Confederation of Workers' Co-operative Productive Societies, which watches their interests.

Flexibility of Co-operative Organisation

In addition to being able to meet the requirements of different groups of workers the co-operative unit, through its adaptability to changing circumstances, permits, a fluid transition from one type of society to another. For example, it should be possible for a labour contracting co-operative to evolve into a workers' productive society through the acquisition of machinery and equipment. In the same way a handicrafts or home industry co-operative, whose members decide to use machinery jointly with or without pooling their labour in a common workshop, can make the same change. The co-operative form of organisation is therefore clearly capable of adapting itself to changed economic circumstances requiring more cohesion in planning or production between the individual units. An example of this cited by P. H. W. Sitsen[1] is found in the west of Indnesia. Here a fairly important cottage industry, making agricultural implements, grew up at the beginning of the century. From this a small-scale industry developed, producing all kinds of cutlery. Through education and the will to improve their position a number of small-scale shops organised some 1,200 workers, into an industrial centre. This centre built a finishing plant for the joint account of its members and also installed polishing machines, boring machines tempering furnaces, etc. To this centre was brought the work of the individual shops for completion and sale, while profits were shared according to the quantity of goods delivered. By this means a cottage and small-scale industry was enabled to enjoy the advantages of a well-organised factory.

It is evident from the experience of numerous industrial co-operatives that by better organisation, superior working methods, more efficient marketing, etc., artisans in various industries can considerably improve and consolidate their economic position. While appreciating the advantages of co-operative organisation it would, however, be shortsighted to regard the principle of co-operative association as a panacea for resuscitating uneconomic handicrafts or all those adversely affected by competition from larger industrial units. There are industries which may be unable to find any satisfactory economic place in modern industrial society, no matter what form of organisation is contemplated for their salvage. It is only where handicraft industries are economically viable and capable of adapting their methods of production to modern standards that co-operative organisation is likely to prove valuable.

Organisational Form to be Adopted

It is apparent from what has been stated previously that there is no economic objection to the combination of different functions such as supply, marketing, etc., in one and the same society, where circumstances favour joint action. Nevertheless, from the experience of some co-operatives it appears advisable to seperate the functions of credit from other activities as the combination of too many risks in the same organisation may threaten its stability. The combination of other forms of activity will necessarily depend on prevailing circumstances and in many cases, such as the multi-purpose co-operatives in India and Pakistan, has proved very successful. While credit activities are preferably kept seperate as a function it should, however, be possible to make this function universal, *i.e.* capable of covering the activities of different types of handicrafts and small-scale industries. The combination of other functions too (apart from credit) for many trades is capable of producing economies in handling and

[1] *The Industrial Development of the Netherlands Indies,* by P.H.W. Sitsen, 1942,

management, especially where different co-operatives are engaged in the production of similar types of goods or are catering to a similar market.

Importance of Federating Local Co-operatives

Allied to the problem of combination of functions is the question of federations. A federation can be valuable for many purposes :

(a) in the provision to individual primary co-operatives of many common services, such as market relations, commercial advice, the setting up of standards of production, the development of new designs, the adoption of new working techniques through research shops, auditing, accounting and administrative guidance ;

(b) in the bulk purchasing of raw materials or equipment, the building up of new plant, the provision of common require-ments such as machinery for manufacture of yarn in the textile industry, etc. ;

(c) in the marketing of finished products, by bulking the produce of individual co-operatives where appropriate and assisting in its disposal ; by opening shops at important consumer centres and in contacting foreign markets ;

(d) in entering into liaison with large-scale industry, by being in a better position than the primary unit to estimate requirements of such industry while also being in a stronger bargaining position ; and finally,

(e) in having liaison with the Government a federation can act as the representative of one or more trades in making known their requirements to the Government.

The advantages that federations offer to individual societies are in many ways similar to those offered by primary co-operatives to individual members. Proof of the success attending the work of federations is evidenced in the activities of such organisations as the Bombay Provincial Industrial Co-operative Association, the Madras Handloom Weavers' Provincial Co-operative Society, the Sveriges Hantverks och Smaindustrie organisation in Sweden, the Federations of Workers' Co-operative Productive Societies in France and Great Britain, and similar organisations in other countries.

Inter-co-operative Relations

The practical value of co-operative organisation for handicrafts and small-scale industries is also extended by the opportunities it offers for relations with other existing forms of co-operative organisation. It should thus be possible for co-operatively organised handicrafts to find markets for their products through consumer societies; if they are engaged in the manufacture of building material or special-type machines, housing co-operatives may provide an outlet for their manufactures; industrial

co-operatives engaged in the processing and preparation of foodstuffs are in a position to secure their raw materials from agricultural co-operatives. From the national field expansion is possible into the international field where similar facilities exist.

State and Co-operation

The problem of introducing, encouraging and maintaining the small-scale and handicraft industries in Asian countries is one in which action by the Government alone is insufficient. It requires the co-ordinated efforts of numerous bodies and not least of all the active support of the public. In this task the co-operative movement, as a tried and capable promotional agency, democratically controlled, provides an invaluable instrument for the implementation of government policy. Referring to the promotional activities of the Chinese Industrial Co-operatives' Association, Professor Tayler states :

"The range of activities undertaken by the promotional agency includes many more than those already referred to (viz. credit, medical and educational services). Its staff are responsible for auditing the societies' accounts, for helping new societies to get on their feet, for advising on business and technical matters and for the education necessary to enable the members, officers and managers to administer the work of the societies by truly co-operative methods and to understand the modern techniques, the adoption of which alone make it possible for them to face the competition of the post-war period."

Where a government decides to act through the co-operative movement in promoting handicrafts and small-scale industry, a certain degree of initial help from the public authorities is essential in the organisation of administrative action. The assistance of officers of the Co-operative Department would be needed, for instance, in the supervision and audit of the individual co-operatives. Training facilities for industrial workers and education and propaganda for members and office-bearers must be provided. Since in most Asian countries the lack of capital is one of the biggest drawbacks in setting up new industries, initial government grants of raw material, money, buildings, etc., will be needed. As the co-operative movement is, however, essentially a self-help movement most, if not all, of these functions can ultimately be taken over by federal co-operative organisations, relieving the government of permanent commitments in this direction.

(*The above is an extract from a report prepared by the International Labour Office for the Asian Technical Conference on Co-operation held at Karachi in December 1950*—a copy of which was kindly sent to us by the Co-operation and Handicrafts Service of the I. L. O.)

The Bihar Provincial Co-operative Bank, Ltd., Patna.

Established 1914.

The Government of Bihar have undertaken—vide their communique, dated 5th April, 1941,—to bear the losses of this Bank in giving effect to the Rehabilitation Scheme and to give the Bank such other financial assistance and support as may be necessary during the rehabilitation period of five years. In connection with the introduction of the Credit Agricole Scheme at the Bank, Government have also agreed to bear the net working loss of the Bank, if any, during the period, 14th September 1944 to 13th September 1951.

The period of Government's Control over the Bank has been extended to 13th September 1951.

Deposit rates :—

Fixed deposits for 1 year—1¾ % per annum.
Savings Bank accounts—1½% p.a. on minimum monthly balance.
Current accounts—½% p.a. on daily balance.
Detailed rates regarding deposits will be supplied on application.

S. S. PRASAD, *Secretary*

V. S. AKSHAURI, *Managing Director.*

THE

Mysore Provincial Co-operative Apex Bank, Ltd.

No. 1, Hardinge Road, Chamarajpet, Bangalore City.

(Member of the Bangalore Bankers' Clearing House)

PRESIDENT:
Sri S. Srinivas, F. R. H. S.,

SECRETARY:
Sri S. Rama Rao, B. A.,
(Asst. Registrar of Co-operative Societies)

		Rs.
Authorised Share Capital	...	7,00,000
Subscribed Share Capital	...	4,26,100
Paid up Share Capital	...	3,21,137
Deposits	...	33,21,107
Reserve and other Funds	...	5,22,269

Fixed, Current, Savings Deposits and Thrift Certificates are accepted.

On Fixed Deposits Interest ranging from 2½ per cent to 4 per cent is allowed and for sums exceeding Rs. 10,000 deposited at a time, ¼ per cent per annum over the normal rate is allowed.

The Bank deals with mainly Co-operative Societies registered under the Mysore Co-operative Societies Act and issues Cash Credits, Overdrafts and Housebuilding loans. Advances to Non-members on the security of Fixed Deposits upto 85 per cent and on Mysore State Loan Bonds, Debenture Bonds and approved Gilt edged Securities upto 80 per cent are allowed.

The Madras Provincial Co-operative Bank, Ltd.

Head Office :—**379, Netaji Subhas Chandra Bose Road, Madras.**

Balance Sheet as on 30th June, 1950.

		Rs.			Rs.
Capital	...	15,00,000	Cash	...	18,88,345
Reserves	...	50,04,278	Investment in Govt. Securities	...	2,21,10,672
Deposits & Borrowings.		608,68,297	Other investments	...	2,83,500
Sundries	...	5,44,182	Loans and Overdrafts		4,32,59,991
Profit & Loss A/c.	...	3,46,352	Sundries	...	7,20,601
Total	...	6,82,63,109	Total	...	6,82,63,109

Analysis of Working

	Year ending 30th June			
	1947	1948	1949	1950
	Rs.	Rs.	Rs.	Rs.
Paid up Capital ...	6,95,500	8,98,900	14,64,200	15,00,000
Reserves ...	43,15,582	44,99,120	49,92,234	50,04,278
Fixed, Current and other deposits ...	5,42,41,992	5,60,53,821	3,90,50,026	4,29,35,969
Net Profit ...	3,16,375	4,61,321	3,60,167	2,88,978
Amount transferred to Reserve Fund ...	1,50,000	1,50,000	1,25,000	1,00,000
Other Accounts ...	84,320	2,14,526	1,14,000	46,500
Dividend at 9 per cent.	62,015	67,677	99,529	1,34,820
Carried Forward ...	46,195	55,146	57,373	43,977

BANKING BUSINESS OF EVERY DESCRIPTION UNDERTAKEN.

For Rules, etc., apply to:—

C. RADHAKRISHNA CHETTY,
Secretary.

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