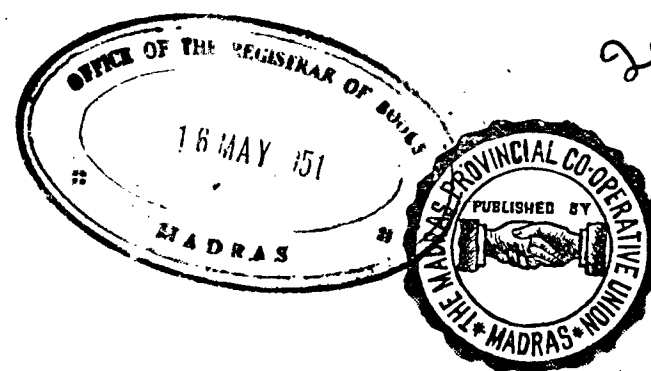


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Journal of Co-operation



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THE Madras Journal of Co-operation

EACH FOR ALL AND ALL FOR EACH

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

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The Role of Co-operatives :

Nearly a decade of controls has enabled the Co-operatives in the State to show a fair record of business turn-over and to become a potent factor in trade. This self-consciousness impelled the Co-operatives to aspire for a position of predominance in the business of the State. In appreciation of their useful work the Government were pleased to grant them some concessions. During recent years, however, there has grown among some Co-operatives a strong feeling that they would be in a position to serve the consumers better if some sort of distributive privileges were conferred on them by the Government. With the worsening of the supply position of many essential commodities, and the increasing dependence of the consumers on the Co-operatives for supply of these goods, this feeling has become keener. The Government have therefore been obliged to take note of the situation and define their policy in respect of the distributive activity of the co-operatives.

Speaking at the Silver Jubilee of the Travancore Co-operative Institute early this month, the Hon'ble the Chief Minister of Madras said, "There is a tendency among Co-operators to clamour for increased business, some of them even wanting a complete monopoly of distribution work, I am not sure that this is a correct attitude. Monopolies under any economic system are bound to lead to abuses, and the co-operative system is no exception to this rule. The proper role of co-operative societies should be to function as "*check shops*" to the ordinary channels of trade. Their methods of sale, kept always above board, will serve as correctives on traders; and when consumers suffer at the latter's hands, they will transfer their custom to co-operative stores. Conversely, if a co-operative stores degenerates and resorts to questionable practices, its members will withdraw from it and go to the ordinary traders. An economic system in which the individual trader and the co-operative society compete side by side will help to keep both alert and the ordinary consumer will stand to gain as a result. Moreover we should not forget that the object of Co-operation is not to grab business but to serve the members by doing business. The means should not be confounded with the end."

Coming from the Hon'ble the Chief Minister who is every inch a Co-operator, these words indicate that the Government not only do not contemplate any creation of co-operative business monopolies of any sort but even hold that a free competition between the co-operatives and the private dealers will be beneficial to the consumer. The average consumer is prone to think that the Co-operative Movement is "just another type of trade." In fact we learn that in England the Co-operative Movement (which is fighting the Government so as to secure its rightful place within the sphere of the national economy) has declared that "Co-operative Societies are not asking for any sector of trade or industry to be reserved to them. *They are confident that they can grow and progress in fair competition not only against private trade but against the State if conducted on equal terms.*" In that country, Co-operative trade is well developed and hence the preparedness of co-operatives to compete with the

private trade on equal terms. Not so in our land. We are yet to develop our Co-operative Movement into a sound economic system. Therefore, while we appreciate the Government's objective that the co-operatives should act as "*check shops*" or "*correctives on traders*", we fear that the trade conditions in the country are still so unstable that the co-operatives with their small margins of profits and service motive may not be able to act as check shops and yet hold their own against the private dealers. We suggest that for some time to come all essential commodities and vital public utilities of the monopoly kind should be brought under effective public control so that the consumer may not suffer.

Meanwhile the Co-operative Movement should earnestly endeavour to build up its strength. Co-operators should always remember that "they are building together the same house, however much ways and means may differ." As Mr. Charbo told the Twentieth International Co-operative School at the International Co-operative Alliance the other day, "We have to be at the same time good merchants and good Co-operators, we have to build practical working organisations now and at the same time have to have the patience to educate the people to build the Co-operative Community life."

It is said that even in the Western countries the co-operative trade covers still far less than half of the total trade because of the lack of *personal attention* which the private dealer is able to give his customer. It is hoped that this advice of Mr. Charbo, Director of the Dutch Central Organisation, will impel the Co-operators to combine business honesty with politeness, so that in a short period of time the Co-operatives may be able to work in a competitive market as envisaged by the Hon'ble the Chief Minister.

The Problem of the Dry Districts:

It pains us deeply to observe that Nature has been extremely hard to South India for nearly a half-decade; for rain has failed in the Tamil Nad and parts of Rayalaseema for the fifth year in succession. Most of these Southern Districts are almost entirely dependent on rain and for want of rain vast areas of land have either become

bald or have been covered with withered crops. The life of the people in most of these districts is one of enforced idleness and starvation. Their condition has evoked the sympathy of His Excellency the Governor of Madras and the Hon'ble Ministers who are now visiting some of the districts with a view to study conditions and devise practical methods of helping the hungry millions. Sad stories of misery are being narrated to them by the people everywhere. The other day His Excellency the Governor was told in the North Arcot District that the Sumaithangi tank which had an *ayacut* of 496 acres now irrigated only 157 acres and that out of the cultivated area, 300 acres had gone waste and crops in 41 acres had become dried up. Regarding the general conditions of the district the District Collector told His Excellency that against a normal production of 4,00,000 tons of food grains, only 1,00,000 tons had been produced in the year.

North Arcot District is only typical of the dry regions in the State where, if rain fails, the people's largest source of living fails. Agriculture is no doubt the main source of living of the people; but in circumstances like the present it is essential that the people should develop another source of living which could protect them to a considerable extent. It was this vital point that received most stress at the recent Co-operative Conference held at Vellore. Referring to the unenviable condition of the people, the President of the Conference said, "Under the circumstances, the agriculturists who form the major portion of the people in the district have to be provided some alternative occupation for their living. It has been mentioned only in theory that the cottage industries are an additional occupation for the cultivators. But in this case at least they should serve as an alternative. As it stands, all cottage industries like weaving, metal work, coir work, leather work, basket and mat weaving are all full-time occupations of non-agriculturists. I am yet to see a society consisting mainly of agriculturists, engaging themselves in cottage industries as subsidiary occupations in any part of the State. It shall be the duty of this Conference to devise ways and means of promoting this activity among the agriculturists who are on starvation levels in this district."

Action on these lines certainly imparts a realistic approach to this all important problem of rural welfare. The Co-operative Movement can play a very useful part in this behalf. More cottage

industries societies may be formed and worked under the fostering care of the Central Bank and the Wholesale Stores. We gather that the Co-operative Central Stores at Vellore is considering the desirability and usefulness of starting a Cotton Spinning Mill in the district for the benefit of the weavers in the district. Such an undertaking will surely go a long way to help the poor villager who can count on the mill as a sure source of raw material. We suggest that in all the dry districts the ryots may be acquainted with one or more cottage industries including weaving so that when need arises this skill may stand them in good stead.

Women and Co-operation :

One of the main causes of the success of the Co-operative Movement in the Western countries is the interest taken by women in the Movement. The house-wife is the same in any country in the World and it is always her desire and endeavour to make her family live as economically and yet as comfortably as possible. She tries to effect economies in the family budget of expenditure and in some cases the house-wife also tries to add to the family income by plying some sparetime occupation like knitting or dairying. Co-operation has been found to be of immense help to the house-wife both in economising expenditure and increasing the family income; and hence her devotion to the Co-operative Movement.

The Indian house-wife is in no way less interested than her counter-part in the West in her family's economy and comfort; yet it is a fact that she has not sought to press Co-operation into her service in her endeavours to an appreciable extent. During recent years women have made a beginning in the field of cottage industries but the progress is not satisfactory. Keen interest on their part in the Movement is still lacking. We are reminded of the observation made by Sri R. G. Saraiya, President of the recent Madras Provincial Co-operative Conference, that he was disappointed to find that in a huge assembly of Co-operators, women were conspicuous by their absence. He appealed that women should take more interest in the Movement. Only yesterday, the Hon'ble Sri K. Chandramouli, Minister for Co-operation, Madras observed at a Refresher class of Co-operative Inspectors and others that he was disappointed at the lack of interest of women in the Movement. He appealed to them that they should shed their conservatism and join the Movement so that the Movement might become unshakable in any adverse

circumstances. The Government are prepared to offer any sort of help to the Women's Co-operative Movement and it is up to our sisters to accept the offer and benefit by it.

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The Hardware Co-operative Industry at Penugonda

SRI T. V. L. PAPA RAO, PENUGONDA (W. GODAVARI.)

The village of Penugonda, Tanuku Taluk, West Godavary Dt., is a place of commercial importance being one of the biggest shandy centres next in importance only to Palacole, a municipal town in the neighbouring Taluk of Narsapur. The village of Penugonda is a major Panchayat area with a population of about twenty thousand. It is also a very ancient village and its name is associated with Puranic importance. The "Kshetra Mahatyam" (an old record of the place) describes its antiquity and other interesting things. The village has long been a place of pilgrimage being the "Audi Peetham" of Kanyaka Parameswari, the presiding deity of the Vysyas.

One of the chief industries of the village at present is hardware work, i.e., manufacture of steel trunks, buckets, feeding tubs, agricultural implements, etc., and a variety of both fancy and utility goods. How this industry came to be introduced in this village cannot definitely be gathered. But it can, however, be said that this work has remained as a Cottage Industry with certain families from about half a century. About 1,000 workers, both skilled and unskilled, are now engaged in the industry. The finished articles produced from this village are famous for their good quality, durability, fine workmanship and artistic beauty commanding a good market. The manufacture of trunks, etc., can be said to have become a monopoly with certain sections of the workers in this village. Other conditions such as raw material availability, etc., being favourable, there are very good chances for developing the industry on a big scale from the point of availability of skilled labour on a large scale.

Almost all the workers engaged in the industry are very poor and steeped in illiteracy with miserable social conditions and improvident habits. They depend for their living on the wages earned by them. The manufacturing process calls for much skill and attention besides hard manual labour on the part of the workers at various stages of work such as, cutting, bending, finishing, etc. But the Devil of Capitalism, which is always quick in seizing opportunities of exploitation, has begun to cast its evil eye on the industry and to exploit the illiteracy and the ignorance of these workers. The workers have gradually come under the grip of the capitalist

merchants and they are made to work under painful service conditions. Added to this, these poor and ignorant workers, having been led astray on several occasions in the past, have unwisely struck work. This has aggravated the many ills from which they suffer. Thus their condition has gone from bad to worse.

It occurred to a benevolent person of this village to help the lot of these poor workers. For improving the lot of these workers, the problem is so complicated that it has to be tackled on more than one front. Firstly the workers have to be released from the clutches of the capitalist merchants; and the second is to bring them under an organisation and create a position of economic independence to the workers. That an effective weapon to combat these evils could be found in the 'Armoury of Co-operation' flashed into his brains. Soon an attempt has been made to organise the workers on a co-operative basis. As a result, a co-operative society "The Penugonda Hardware Workers' Co-operative Production and Sale Society" was registered in the year 1947 with a membership of about 60 and a paidup share capital of Rs. 4,000. Ever since the formation of the society it has been fortunate in having a series of Deputy Registrars who have been very solicitous and sympathetic in guiding and helping the society at every stage. The society was first housed in a small building which it could procure free of rent in the beginning. As the number of workers has exceeded twenty it has come under the provisions of the Factories Act. Under the guidance of the Department, the society has been working on sound lines conforming to the several rules and regulations of the several departments concerned. Immediately after the starting of the society it was got enlisted as an approved fabricator of the Agricultural Department through the Registrar of Co-operative Societies. With the raw material allotted from time to time by the Joint Director of Agriculture, the society manufactures agricultural implements and disposes of the same as directed by the Joint Director of Agriculture. As the manufacturing of agricultural implements and their sale is only a seasonal business the workers have to remain idle throughout the year and it will result in severe loss to the society which cannot remain self-supporting. So the society has to manufacture goods which can find a ready and continuous market in order to provide sufficient work to its member-workers. The successful working and production capacity of the society is mainly dependent on its ability to procure raw material (The raw material used comprises mainly

B. P. Sheets, G. P. Sheets and M. S. Rounds.) It has, therefore, applied to the Director of Controlled Commodities for allotment of raw material from the industrial quota. But unfortunately, the Director of Controlled Commodities turned down its application on the ground that the society is getting agricultural quota and that it cannot have both. After some time the society renewed its attempts through the Registrar of co-operative societies who strongly impressed upon the Director of Controlled Commodities the need to accord special treatment to the society as it is a co-operative organisation providing honest living to its workers. On the recommendation of Registrar, the Director of Controlled Commodities was pleased to accord permission for allotment from industrial quota. With the allotment of raw material supplied from the industrial quota the society pushed on its work for some time. After a few months D. C. C. informed the society that further supply of iron and steel could not be made owing to their meagre supply position. The same supply position operates in a different manner in respect of private fabricators and merchants while it blocks the way to co-operative societies.

Progress of the Society:— This is the third year of the working of the society and the progress of the society can be gauged by the figures furnished below in respect of the sale of finished goods.

	Purchases of raw material.	Sale of finished goods.
	Rs.	Rs.
1947-48	29,693	40,083
1948-49	43,500	75,500
1949-50	9,400	20,300

There is no sufficient supply of raw material to meet the demands of the society which is hesitating and feeling diffident in undertaking orders for this reason. The goods produced by the society have already won a reputation for their fine workmanship, durability, artistic beauty and standard of quality. The Joint Registrar of co-operative societies was pleased to visit the society last year. He very much appreciated the working of the society. As regards the sound working of the society I cannot do better than to quote the remarks of the Hon'ble Prime Minister of the State during the course of his speech in the 17th Andhra Co-operative Conference at Tenali. The Prime Minister observed that "The Penugonda Hardware Co-operative Workshop in West Godavary Dt.....established a place among the industrial co-operatives in the State."

The society is very much handicapped due to its not being able to procure sufficient raw material from both agricultural and industrial quotas. As has already been mentioned, the production capacity and working of the society are dependent on its ability to procure adequate raw material which is the pivot round which everything revolves. Unless a continuous supply of raw material in sufficient

quantity is ensured the society cannot hope to become self-supporting and provide work to its workers throughout the year. In the absence of the raw material, the workers have to experience a state of enforced idleness the evil consequences of which will have a direct blow on its flourishing condition and it will kill the initiative and the enthusiasm of the few honest non-official workers who are remaining in the society. All the objects of the society with which it is brought into existence will be frustrated and the society will be stifled out of existence unless the Government extends its helping hand by drawing the attention of the Planning Committees, if necessary, to the needs of the society. If the society gets sufficient quota of raw material more workers will be drawn into its fold and the chances of developing the society in particular and the industry in general will be bright. The standard of living of the workers will be raised to some extent.

The society deserves to be encouraged for the following reasons:

1. It is a unique organisation and the only one of its kind in the State.

2. This is purely a workers' organisation and all the members are worker-members. This is a special feature of the society by which the sense of proprietorship (a psychological factor which distinguishes him from the wage earner in a factory) which makes the worker put his soul into his work aiming at perfection in the thing he produces, is not destroyed. He loves his work and the article produced will bear all the qualities of fine workmanship being associated with his will and conscious endeavour. Such application of mind in doing ones' own work is described as 'Yoga' in the Divine Scripture. (*Yogah karmasu kousalam*). It is not too much to say that the society is a harmonious blend of the several advantages that are found in both the small scale industry and the large scale industry. This society should not be allowed to languish without effective help from the Government in the matter of procuring sufficient raw material.

The International Industries Fair which is going to be held at Bombay in the month of March 1951 really affords a unique opportunity for Cottage Industries Societies to exhibit their articles and to gain wide publicity and introduction to several foreign countries that participate in the Exhibition. The culture of India, the traditional technique and the skill of the artisan will be known to the world. A wave of enthusiasm will sweep over the country inducing the people to patronize the indigenous articles. But it is in the hands of the Government to make these societies avail of the opportunity by arranging railway freight facilities at concessional rates and supply of raw material to such of the societies as are in need in adequate quantity sufficiently in advance so as to enable them to manufacture the articles which they want to display. It is hoped that Government will rise to the occasion and enable our cottage industries to make an impression on the minds of the consumers.

The Needs of Co-operators in North Arcot*

SRI B. B. NAIDU,

President, North Arcot District Co-operative Central Bank, Ltd.

A conference of this type was held in March 1933 at Arni when the then Minister for Co-operation and Development Sri P. T. Rajan opened the Conference. The then Chief Minister Sri Raja of Bobbili opened the Exhibition. Sri Kumarasami Reddy presided. Similar Conferences could not be held after 1933 owing the second world war and economic depression that followed 1933.

After the coming of the popular Ministry there have been great changes for the better in the field of the Co-operative Movement. It has practically showed that the movement is for better living, better business and better production by making available to the ryots all their requirements for Agriculture. Under its able guidance, we are proud to say that our Province is foremost in the field and has been made a model for the other countries also.

As you all know Co-operation in our Country is 45 years old and inspite of it the standard of living of the ryots for which these societies have been started has not yet risen. We should not feel content with merely giving statistical figures of having increased the number of Societies, share capital, loan transactions and Reserves. We should examine how far the rural indebtedness of the ryots has decreased, and how much their financial condition, honesty, control, thrift and status have improved.

It is very unfortunate that due to the failure of the monsoon for the fourth year in succession and as a result of taking drastic legal action on those who failed to repay their dues to the societies, the ryots are once again driven to those Shylocks in the villages from whom the Co-operative movement relieved the ryots once, after a long and a strenuous effort. The famine is very acute in this district as there are no facilities for irrigation by channels. The number of wells in this district are far greater than those in any other district. The Electric Motor or Power pump is the main requirement of the ryots of this district. These are now made available to the ryots through private stockists. Instead of this it is requested that Government may be addressed to enable the ryots to get these pumps directly through the N. A. District Electric Motor and Power Pump society, eliminating the stockists. If this is done it will be a great boon to the ryots.

The activities of some self interested office bearers who, taking advantage of the ignorance and innocence of the villagers are spoiling the administration of the society are to be strongly condemned. The activities

*Welcome Address at the XV North Arcot District Co-operative Conference held at Vellore on 29th January, 1951.

of such persons not only affect the interests of the ryots seriously; they may also affect the very fundamental basis of Co-operation. We should not allow this to grow and this should be nipped in the bud, and such people should be weeded out of the movement.

As you are all aware the Government have initiated a scheme for the conversion of all the rural credit societies into Multipurpose Co-operative Credit Societies within a period of two years. Although it is now two years since the scheme has been put into operation in this district the progress cannot be said to be quite satisfactory for various reasons. It is therefore requested that you may be pleased to address the Government to extend the scheme for a further period of three years and grant us the subsidy to carry on the work of the societies on more sound lines without any set back. The appeal to cancel the levy of audit fees and Sales Tax to Societies has not been considered. It is requested therefore, to address the Government to consider this once again favourably in the interests of the Societies.

The principle of the Loan and Sale Society that the producers should be the ultimate sellers eliminating the middle men has not been fully understood and utilised by the ryots. Propaganda is necessary to improve these societies.

The Co-operative Urban Banks which occupy a second to none place in the sector of finance find it very difficult to reach the entire demands of the public and often times to get money. They are not able to attract more deposits. It is therefore prayed that the Government should come to their rescue.

The Land Mortgage banks also to certain extent can relieve the burden of the Central Bank in financing the ryots for long term purposes. At present there are only seven primary land mortgage banks in the District. The absence of such separate primary land mortgage banks for each taluk is keenly felt in the taluks of Gudiyattam, Tirupattur, Chengam and Arni. Early steps may be kindly taken to form separate primary land mortgage banks for each taluk and relieve the distress of the ryots.

The distress of the Weavers in this district is very acute. The dearth for yarn is far greater than that of foodgrains. There are about 48,000 active looms in this district. The normal requirement of yarn for these looms is about 1,500 bales against which an allotment of about 300 bales only are supplied at present. Adequate supply of yarn has to be made to those landless workers to enable them to earn a living. The wages they earn out of the yarn supplied to them is hardly sufficient to keep the wolf from their doors. The production of yarn in this Presidency should be made available first to the weavers in this Province sufficient to earn a livelihood and then be exported to the other Provinces. Since this district is the second in the Province in having the maximum number of looms it is

requested that a mill for the production of yarn on Co-operative basis with Government subsidy be started in this district to cater to the needs of the Weavers in Tamil Nad.

The fact that the wholesale stores and the primary stores have enormously increased after the recent war and done yeoman service to the public cannot be forgotten. They have to a great extent in this district checked black marketing also. It is requested that you may be pleased to address the Government to see that the distribution of all food grains, manure, iron and steel agricultural implements are given permanently to the wholesale stores and the wholesale stores should be also made the stockists for this District. The wholesale stores should also be given mill quotas of textiles as was given previously. This will benefit the ryots and check blackmarketing.

The Cottage industries we have in this district are inadequate and they should be started compulsorily by the Government in all the Taluks with Government subsidy because the public have not yet understood the advantages of the same.

The non official office bearers should understand that they are entrusted with great responsibilities and duties in the administration of the societies in their charge and fulfil their duties properly. It may not be out of place if I say that the movement is receiving a preferential treatment from the hands of all the Government officials in general and the District Collector in particular.

I have the great pleasure in requesting the Hon'ble Sri K. Chandra-mouli to open the Conference, the Hon'ble Sri J. L. P. Roche Victoria to open the Exhibition, Dr. P. Natesan to preside, Sri J. C. Ryan, to address, the District Collector Sri A. Dorai Raj to unveil the portrait of Mahatma Gandhi and Sri N. Annamalai Pillai, M. L. A., to unveil the portrait of the late Sri N. Varadaraja Reddiar, Ex-President of the Co-operative Central Bank, Limited.

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

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

(REGISTERED IN 1923.)

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

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

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

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

How to Promote Co-operation*

Dr. P. NATESAN, M.B., B.S.,

General Secretary, Madras Provincial Co-operative Union

From the geographical point of view this district cannot be considered as fortunate as the two Godavaries, Guntur and Tanjore. The Eastern Ghats cut across the district in a south-westerly direction towards the Shevaroy hills in Salem District. Almost the entire district is either hilly or upland region with a few rivers like the Palar and the Cheyyar which to my knowledge very rarely contain water. The main sources of irrigation are the tanks fed by the rivers and numerous wells sunk at numerous points in the district, in which latter respect according to Dr. B. Natarajan, Economic Adviser to the Government of Madras, who has published the invaluable Statistical Atlas of the Madras State, the district stands foremost in the State. In spite of the rivers and their tributaries, and all the wells in the district, the water supply is not assured especially during the failure of the monsoon as at present. Fertile cultivation has therefore become a scarcity in the district.

The population of the district according to the census of 1941 was 25 lakhs which means an increase of 8 lakhs over that of 1931. Dr. B. Natarajan says that there was an increase of 18.6 per cent during the decennium ending 1941 as compared with 13.2 per cent of the preceding decennium. Very probably if the census of 1951 is taken the increase would be over 50 per cent. I am basing my estimate on the population of the City of Madras; from 7 lakhs during the previous decade it is over 13 lakhs to-day. And in the City of Bombay the increase is from 14 lakhs to 28 lakhs. It could easily be understood that while the production of food is on the decline, the increase in population is inversely proportional. Recent medical discoveries are of such high order that mortality from acute infections could be easily prevented by timely administration of modern drugs. I therefore prophesy that before long we will be faced with the un-manageable and rapidly increasing population with an un-precedented deplorable deterioration in the production of food stuffs.

Rural Credit.

Credit has always been the predominant feature of the Co-operative activity in this district as elsewhere. There are, as on 30-6-1950, in this district some 850 rural credit societies with a membership of 50,000 and a paid up share capital of about Rs. 7 lakhs. Their borrowings from the Central Bank and their loans to members are round about Rs. 47 lakhs. I may also mention here that only some 480 societies worked at a profit during the last year.

* Presidential Address delivered at the XV North Arcot District Co-operative Conference held at Vellore on 29-1-'51.

It is mentioned in the 32rd Annual Report of the Vellore Co-operative Central Bank that out of a total demand of about Rs. 38 lakhs only Rs. 35 lakhs was collected and extension was granted for about Rs. 1½ lakhs and that the balance of Rs. 1½ lakhs became overdue. The obvious reason for the delay in the payment is the utter failure of the monsoon for the past 3 years in succession.

It shall be the duty of this Conference to discuss in detail the various alternatives that I would suggest to ameliorate the living conditions of the people under the present circumstances. While the monsoon has failed and the wells are absolutely dry, cultivation, beyond any doubt is impossible. Under the circumstances, the agriculturists who form the major portion of the people in the district have to be provided some alternative occupation for their living. It has been mentioned only in theory that the cottage industries are an additional occupation for the cultivators. But in this case at least it should serve as an alternative. As it stands all cottage industries like weaving, metal work, coir work, leather work, basket and mat weaving are all full-time occupations of non-agriculturists. I am yet to see a society consisting mainly of agriculturists engaging themselves in cottage industries as a subsidiary occupations in any part of the State. It shall be the duty of this Conference to devise ways and means of promoting this activity among the agriculturists who are on starvation levels in the district.

Cottage Industries.

To survey the Cottage Industries in this district, there are only 13 Cottage Industries Societies as mentioned below :

S. No.	Name of Society	No.	Member-ship	Share Capital Rs.	Profit or loss Rs.
1.	Mat Weavers' societies ..	2	31	113	+ 129
2.	Khadi Development society	1	52	154	— 37
3.	Metal Workers' society ..	1	154	43,805	— 8,118
4.	Potters' societies ..	2	—	—	+ 74
5.	Basket Makers' society ..	1	140	2,838	+ 686
6.	Modaiyur Stone Image Society ..	1	28	137	..
7.	Thrupanagandu Button Manufacturers' society ..	1	76	196	— 761
8.	Women Cottage Industries Societies ..	3	263	965	— 171
9.	Cottage Industries society.	1	66	683	..

From the above statement it could be seen that out of a population of over 25 lakhs, only a few thousands—and that too non-agriculturists—engage themselves in a very meagre manner in the cottage industries. It

will be our duty to teach the agriculturists one or other of the cottage industries; and to that effect we must approach the Government for necessary subsidies and to take stock of the progress made every quarter and to finally arrive at a really appreciable level of cottage industrial development and not to stagnate at the present deplorable level. Deep-rooted custom and long standing habit will stand in the way of the farmer to get himself trained in one or other of the industries; but it will be the duty of the enthusiastic Co-operator to effect a vital change in his habits.

Milk Supply Societies.

There are two milk supply unions and 30 milk supply societies in the district, with a total membership of about 4,500. Interest free loans to the extent of Rs. 31,000 were distributed to 9 societies. All the milk supply institutions produced about 2,600 m.m. of milk per day on an average. I understand that the Tirupattur and Vellore institutions are now maintaining stud bulls. Unlike the cottage industries societies which are existing only in name the milk supply societies are standing monuments of genuine co-operative work and benefit to the public. A highly perishable stuff like milk, to have been brought under the control of the Co-operative Institutions and to be supplied in the most un-adulterated nutritive form is really a boon to the consumers, especially to those like me who are in the metropolis without proper facilities to maintain milch cattle. As we have succeeded to a very considerable extent in this activity the Co-operators of Vellore will proceed further to make the scheme more extensive. In passing I would make a few suggestions for the improvement of the milk supply co-operatives in the district. Supply of green fodder, supply of special feed of concentrates, provision of facilities for salvage of dry cattle and above all, selective breeding with improved stud bulls with the help of the veterinary department are all factors which will certainly make a remarkable improvement in these institutions.

Urban Banks.

I need not dilate upon the non-agricultural credit societies in a district which is predominantly agricultural, except urban Banks. I am myself the President of an Urban Bank in the City of Madras which has a membership of over 2,500 and a working capital of Rs. 25 lakhs. One predominant feature of my society is its thrift scheme which every member is forced to join. The scheme of savings extends to 7 years and a member who subscribes Re. 1 per month is entitled to a sum of Rs. 102-8-0 at the end of the 84th month. This small compulsory monthly savings goes a long way to help each member to depend on the same in an unforeseen contingency. Thus the scheme has been helpful to a very great extent even to a person of ordinary means to save in thousands and to liquidate a loan of thousands of rupees in the course of 7 years by contributing small sums

every month. I will strongly urge members in urban areas to enforce this scheme.

Weavers' Societies.

There are 30 weavers' societies in the district with about 5,000 looms. The largest cottage industry and full time occupation of the weaver is the handloom industry. And therefore it has to be studied in a comprehensive manner. Easily exportable varieties like *Lungis* are liable to extremes of fluctuation in world cloth market. Only the other day the Hon'ble Sri Harikrishna Mehtab, Industries Minister, Government of India, in a lecture, mentioned that the Pakistan market might not allow any export from India. There are a number of other snags and difficulties relating to the durability of cloth, standardisation of specifications, cost of production, quality of colour and texture which the producer has to remove from the standpoint of the consumer. This is a really highly complicated technical problem which I hope the Government will make efforts to solve through the newly constituted State Handloom Advisory Committee. Again from the stand point of the producer easy availability of yarn, marketability of his production with a decent margin are factors which baffle him and put him in a perpetual state of starvation. It will be the duty of not only a district institution but of the State and the Union Governments also to study the problem in all its aspects to help the ever starving weaver.

Stores.

Consumers' Co-operation which was dormant before the outbreak of the recent global war has remarkably progressed during war time and after, on account of the controls, procurement operations, and rationing schemes. These special concessions are gradually being withdrawn and consumers' co-operatives will have to openly fight one day with the cut-throat competition of the private dealer. Any how each central stores has built up a massive reserve fund, and with that to fall back upon, consumer activities would be continued in as wide a manner as it has been till now. While the Central Bank of Vellore has taken 33 years to build up a reserve of about Rs. 3.3 lakhs, the wholesale stores of this district which is not yet a decade old has built up a reserve of about Rs. 4 lakhs. It is a happy feature to see that there are 20 students co-operative stores, all working at a profit, which means the inculcation of co-operation from the level of students themselves.

The Rural Banking Enquiry Committee of which Sri J. C. Ryan, our Registrar was the only member representing all the Co-operative Institutions in the Indian Dominion has emphatically held that the Co-operative Institutions can play a major part in rural banking and its views are given below:—

“Probably the largest part of the structure providing banking facilities to rural areas consists of rural co-operative societies of

which there are many types, co-operative effort having extended to practically every type of human activity..... Rural credit and multi-purpose societies have been regarded as "miniature" banks for villages, and many are convinced that these are the only appropriate organizations through which banking facilities can reach the vast mass of the rural population."

Before I conclude I must place before you my un-alterable convictions and principles which are absolutely essential for the progress of Co-operation.

It is a fact that Co-operation has spread most in Madras State and that other States in India and many countries in the Far East look forward to Madras for guidance in the organisation of many schemes. But what Madras has reached is not the criterion and real and basic principles and philosophy of Co-operation have yet to be understood by the people at large. It is the non-violent happy *via-media* between the slowly disappearing Capitalism and the monster of Communism. A truly conducted co-operative institution will teach every member the high ideas of democracy and un-selfishness. If this country has to march abreast along with other advanced civilised countries one of the essential requirements would be to build up the Co-operative Commonwealth.

Party politics, petty factions, communalistic attitudes sometimes play a predominant part in the widely spreading co-operative institutions. These should be nipped in the bud, if the institutions are to be of real service. Elections to the management of co-operative institutions should not be made the chief activity in an institution. Personalities who have devoted their time and energy in an unselfish manner must be encouraged and given the longest tenure of office. Election once in three years is provided in the Act only with a view to remove the lethargic and the undesirables but never contemplated to replace efficient and honest men. It is my earnest appeal to this Conference to make elections as far as possible unopposed, so that honest co-operators may be given the advantage of utilising their energy in building up institutions and doing service to members instead of wasting away in working for elections.

Another misconception that I should like to very strongly dispel is that Co-operative Institutions are charitable institutions. A Co-operative society cannot use its share capital or deposits of members for charitable purpose, however laudable it may be. Nor can any member feel that he can conveniently defraud a society of the sum due by him. This ultimately devolves on his brother Co-operators. A member who perpetrates the crime of defaulting payments, commits a sin not only against his brother members but also retards the progress and honesty of the country in the forward direction. The philosophy of his duties to his comrades and brother

members must be well understood by each; and if this is achieved the goal of co-operation would be reached.

Another important requisite for the progress of co-operation is an efficient Directorate. A sincere enthusiasm on the part of the Board of Directors to improve the material status of the society is absolutely essential. Highly placed individuals, however honest they may be, if lethargic, and if adopting the harmless policy of tolerating dishonesty are worse than useless and deserve to be replaced. Sacrificing time and energy for chalking out programmes and devising ways and means for the progress of an Institution are all essential for the sound foundation of a society.

Last but not least is the integrity of the member of the Board of Management. It is on this factor that the progress of a society essentially depends. Very many painful instances are on record where selfishness is responsible for the murder of societies and co-operation. A dishonest director can never check dishonesty in the other directors or in the staff. His unpardonable sinful attitude will be the example which he will set for his comrades and others and dishonesty will march abreast in a very flourishing manner if the President himself commences co-operation in a wrong direction. On the other hand a President of great integrity will be able to infuse terror in others who have wrong tendencies and eventually will rectify even the incorrigibles. I have managed a number of institutions and it is my experience that a straight and strict method of administration is easy and painless and is held in high esteem in the public and is also the real path for the onward march of the institution and the country in general.

The Madras District Co-operative Central Bank, Ltd.
52-53, Thambu Chetty Street, Madras 1.

ESTD. 1930 TELEPHONE NO. 2384.

Authorised Capital	...	Rs. 5 lakhs.
Working Capital	...	" 35 "

All kinds of deposits accepted.

Rates of Interest :—

Current Deposit	½ %	Savings Deposits	2 %
Fixed Deposits :—For 1 year 3 % For 2 years and above 3½ %			

Further particulars can be had from the undersigned :
B. S. VIJAYAGOPAL, B.A., B. COM.
Secretary.

Our Research Workers' Corner

An Investigation into Costings of the Co-operative Dairy Trade— Madras State

CAPT. U. K. MENON, G.M.V.C., B.V.S.C.,
Dairy Development Officer, Madras.

Introduction

The British Ministry of Food in 1941 collected and compiled detailed costings figures from representative types of Dairy Farms including co-operatives. In preparing these figures, the Ministry had anticipated that a National price structure could be evolved on a functional basis where the reward would be proportional to the services rendered. However, the detailed investigation of costings figures disclosed unaccountable variations and eventually it was concluded that a price structure on a functional basis was not practicable. As a check on the adequacy in allowances and margins, records of total expenses and profits, these figures are still regarded as being of some value. Above all, costings afford valuable data to Dairy Organisations, as a check on the efficiency and economy of their own Units.

In this paper, I have selected 51 co-operative institutions out of a total of 86 Unions and 555 Societies in this State and worked out costings figures. To give an insight into regional fluctuations, the societies selected have been distributed between the Andhra, Tamil Nad, Malabar, South Kanara and Ooty. These figures are tabulated basing on the volume of trade which each society handles per day.

The strength of co-operative societies in relation to the State trade in milk could be estimated to represent between 20 and 30 per cent. Individual societies considered in this paper range from 50 to 6,000 lbs. per day. There are ofcourse Unions handling much larger volumes but I have not included them, in this paper. For comparative purpose, costings figures are quoted in terms of pies per lb. The figures are determined on the basis of working records applicable to different sections of the Dairy business with a general broad distinction between handling within the Dairy, distribution from Depots, transport costs, and general overheads, including loss in conversion and costs of administration. In the ordinary way such a separation overcomes the difficulty of allocating overhead charges, but ofcourse, this involves some weakness in the actual determination of the costs of the different stages. The costings are tabulated and appended. The explanation of the costings figures are considered under the separate headings, hereunder :

Handling Costs.—Normally handling cost must decrease with volume of milk handled, but there are instances in which societies acting as feeder units to Milk Supply Unions with a relatively lower turnover incur a smaller handling cost. This is because, part of the expenses of the society under this head is met directly by the Union to which it is affiliated. Wages

COSTINGS OF THE CO-OP. DAIRY TRADE MADRAS STATE

represent a substantial item of costs under this head and there seems to be no real relation between wages costs per gallon and efficiency and economy. Output reduces the effective wages rate. Though it is only in exceptional cases that the co-operatives conducting the trade have their own premises, yet, rents, repairs, maintenance and depreciation also form a substantial part of the cost of handling.

The total handling costs of the societies range between 2.04 and 0.02 pies per lb. Handling costs are found to be greater in Malabar, South Kanara and Ooty and except for Mannargudi in Tanjore district and Vellore Milk Supply Union in North Arcot district, the figures average 0.3 pies per lb. Fluctuations are much too large even amongst societies in the same region to permit any assessment of a standard allowance to cover expenditure under this head.

From the point of view of Public Health, handling, including processing and bottling should provide in the price structure values sufficiently attractive to encourage these institutions to undertake this service and to represent a considerable restriction of margin for those not prepared to involve the additional processing and bottling costs.

Distributive Expenses.—Very wide variations occur in this section, largely as the results of wages to roundsman, together with the gallonage delivered per roundsmen per day. Organisation and efficiency play a big part. Societies use petrol vehicles, cycles, etc., leading to variations in labour costs and the size of rounds. The population intensity of a round is an important factor in economic delivery. Whilst a bonus system stimulates a roundsman's interest in increasing the turnover, it should be feared that there would be a tendency for the roundsman to claim proprietary rights to the round and any attempt to reorganise rounds for efficiency will be met with resistance. If the labour laws of a six day working week and 8 hours working time per day are enforced on milk co-operatives it will lead to a further rise under this head. Labour costs range from 0.8 pies to 8.93 pies per lb. Attempts have to be made to secure, increased efficiency and economy of distributive labour. Distribution costs also show a tendency to be lower with increased volume.

Some societies have little or no distribution cost as they sell milk within their own premises, the consumer virtually buying it off at the producer's source. In other instances the feeder societies of Unions do not have to bear any distributive expenses. Distributive expenses are greater in hilly terrain, and in places where the population density is less. Broadly, striking averages, societies in hilly terrain should not exceed 1.20 pies per lb. and those in the Plains 0.5 pies per lb. to be within the economical efficiency level.

Transport.—Under this head many societies do not have transport of their own. Some societies pay transport charges to public vehicles and

private carriers for the transport of their milk. Ooty Society leads the transport costs at 2.3 pies per lb. Transport is used for retail distribution over wide areas in Ooty and Malabar. Societies in the hills or in rugged terrain have to bear higher cost of repair, maintenance and depreciation. Transport is therefore, a factor difficult to disentangle from distribution cost, but there is a case for a scale of milk collection charges related to distance of haul and size of consignment.

Administration.—Co-operative societies have no Directors' salaries in the generally accepted sense, but against this they normally must bear a share of central office charges. The complicated check system for purposes of audit and dividend must be charged proportionately to all trading departments and, in nearly all cases where coupon systems are in vogue, checking and accounting has to be conducted on produced coupons.

There are certain societies classified herein which act only as feeder units to main Milk Supply Unions to whom administrative costs are relatively low. The highest cost under this head is that of Cannanore with 10.78. The lowest that of Murugan Valliyoor with 0.89. Administration costs come to almost the main head under these costings though relatively with the increased volume of trade there seems to be a slight decrease in this item of expenditure. Malabar incurs on the average a much higher expenditure under this head probably because the cost of living index of this part of the State is the highest, and salaries therefore higher. Comparatively administrative cost in Andhra is much higher than in the Tamil districts. The costings do reveal that it is highly necessary to cut down cost under this head and it should be possible to run societies in Andara at 2.0 in Malabar 5.0 and in Tamil area at 1.5.

Loss in Conversion.—Loss in conversion shows a general tendency to rise with increased turnover though there are quite a few instances where these losses are at a fairly high level even in societies trading in very small volumes. The surplus costings range from 3.6 Tinnevely to 0.08 Madanapaltee. Losses in conversion account for a huge decrease in net profit realised. It is a contingency that could be avoided. It reflects directly on the marketing capacity of these institutions especially when milk is considered in short supply in many areas in this State. Societies must take up early the conversion of milk into profitable by products like *Khova* and Ice-Cream. Many institutions seem to be rather cold to take up these new suggestions simply because they have been continuing so long in the established methods of conversion.

Total Costs.—Under total cost the highest figure 12.92 is that of Cannanore. The total cost works out much higher on the average in Malabar, Ooty and South Kanara which is partly due to the higher administration and transport costs. Out of 51 Societies tabulated, the majority of societies come between the level of 2 to 4 pies per lb. incurred

as expense over production. There are instances of societies which average more than 15 pies a lb.

Profit and Loss.—Profits have no bearing on total costs and in the analysis of costings many societies where the total costs are less, work at a loss. In most instances this is due to the meagre turnover or heavy losses incurred by conversion of surplus. Of the 51 societies considered 14 societies are working at a loss and 33 societies at a profit. Under loss costings six societies worked at a loss of less than 9 pies and under the profit costings 15 societies worked at a profit under 9 pies a lb. There are quite a number of societies classified under profit of 4 pies and over and in almost all instances these societies have established themselves in the trade in their area of operation. Gross margins are variable owing to the range of sales with differences of purchasing prices and allowances. The profits again give no indication of the assistance given to the society by Government.

It is interesting to note that the total costs, profits and gross margins of these societies, give no indication of what should be the real gross margin to cover economy and efficiency and to give a square deal to the consumer.

Conclusion—Within the internal organisation of a co-operative society comparative costings frequently indicate the necessity for some degree of reorganisation in the interests of efficiency and economy. The difficulty in the treatment of costings usually arises from an attempt to apply average costings to cases where they are not applicable. Within the range of variations in condition of the different parts of the State however, average costings are better applicable. But to apply these costings on a State wide scale and drawing of averages therefrom is obviously using costings figures in a wrong way. This investigation was primarily designed to deal with the costs and efficiencies of the many societies delivering milk direct to the public.

Summary.—This paper has been based on the article "The preparation and interpretation of Dairy Costings" by George Walworth, in the transactions of the International Dairy Congress, Stockholm in 1949. It has been applied with certain main modifications in view of the different circumstances of the milk trade in this State. The costings in some little detail are shown with reference to the volume of milk handled in the various regions of this State. The wider investigation involves 51 co-operative societies and Unions out of a total of 31 milk supply Unions and 555 milk supply societies.

Owing to the enormous variation in results, conclusion can only be based on frequency tables. Productive expenses and distributive expenses, transport expenses all show a very wide range not entirely explained by the variation of labour costs or the efficiency of labour. Certain averages basing on frequencies have been suggested on a regional basis. Finally total expenses are considered along side with a summary of Profit and Losses. It is concluded that as in Great Britain, no fixed national margin related to average costings could be established to represent a reasonable reward for the services offered by these co-operatives. The extent of profit is not very much related to the gallonage handled. In fact some of these low costs and high profits societies come within the range of 750 lbs. per day. Of the maximum number of societies working at a loss the majority are to be found under the column doing less than 50 lbs. of milk per day whereas there are no societies working at a loss with handling capacities of over 1000 lbs. a day.

Net profit per lb. in co-operative milk supply institutions in pies.							Districts	Expenses.	Number of institutions.
1 to 50 lbs.	51 to 200 lbs.	201 to 400 lbs.	401 to 750 lbs.	751 to 1,000 lbs.	1,001 to 2,000 lbs.	2,001 and above			
1	2	3	4	5	6	7	I. ANDHRA.	Under 1 pie per lb.	2
	+0.85	+0.84	+1.30				(1) Kistna District.	" 1 to 1.99 pies per lb.	2
	(-)4.57	-					Bezawada M. S. Union	" 2 to 2.99 "	6
	(-)11.00	(-)0.89					Kancherla M. S. Society	" 3 to 3.99 "	6
	+5.39						Mukteswarapuram "	" 4 to 4.99 "	10
	+2.83	(-)0.78					Chilakalapudi "	" 5 to 5.99 "	8
							Gudlavalleru "	" 6 to 6.99 "	5
							(2) Ellore District.	" 7 to 7.99 "	2
							Palacole M. S. Union	" 8 to 8.99 "	3
							Bhimavaram M. S. Society	" 9 to 9.99 "	4
							Bulusemudi "	" 10 to 10.99 "	1
							Fenumadam "	" 11 to 11.99 "	1
							Taderu "	" 12 to 12.99 "	1
							(3) Chittoor District.	Total	51
							Madanapalle M. S. U.		
							(4) Nellore District.		
							Nellore M. S. Society		
							Venkateswara "		
							Gudur		
							(5) Guntur District.		
							Bapatla M. S. Society		
							Tenali		
							Bethapudi		
							(6) Anantapur District.		
							Anantapur M. S. Union		
							Anantapur M. S. Society		
							Kotkur		
							Tadpatri		
							Gooty		
							(7) Vizag (Chicacole).		
							Pedapadu M. S. Society		

Summary

[illegible]

Our Experience in the Co-operative Field*

THE HON. SRI P. S. KUMARASWAMY RAJA,
Chief Minister, Government of Madras.

Ladies and Gentlemen,

I am profoundly thankful to the Travancore Co-operative Institute, Limited, Trivandrum for the kind invitation to me to inaugurate its Silver Jubilee Celebrations this evening. I am happy to be here to-day. A visit to progressive Travancore should be a source of pleasure to anyone. To me, it gives very great pleasure indeed; for, I come from a district which borders on your territories beyond the hills, and I am a co-operator of thirty years standing, who loves to meet fellow co-operators, profit by their experience and give them what little I can contribute for the progress of the great economic ideal of Co-operation, in which lies the salvation of the vast masses of our countrymen.

I observe that the co-operative movement in Travancore has been firmly established. It has over 2,000 co-operative societies to its credit and commands Rs. 1.36 crores of working capital. It is independent of Government in regard to the funds it needs for its activities. Like the rest of India, you have followed the system of establishing federal organizations to develop the co-operative movement, and your societies are well knit together in a Central Co-operative Bank, a Central Co-operative Wholesale Society, a Central Weavers' Society, a Central Cottage Industries Society, and, last but not least, a Central Co-operative Institute. Your Travancore Co-operative Institute founded in the year 1924, reorganized in the year 1939, and rehabilitated in the year 1944, with a generous annual subsidy from Government, is not only the recognized exponent of co-operative opinion in your Province, like the Provincial Co-operative Union, Madras, but it has taken on itself several additions and useful functions. In addition to propaganda, which is its chief function, it is also a supervising body co-ordinating the activities of the various unions affiliated to it and undertaking the annual inspection of all important institutions by the members of the Governing Body. It has centralised the supervising staff in Travancore and established a College for imparting post-graduate training in Co-operation. These are achievements of which every co-operator in Travancore may well be proud; but they are also achievements which throw additional responsibilities on them for the sound development and expansion of the Co-operative Movement.

The Co-operative Movement in Travancore, as in the rest of India, was introduced as a remedy for rural indebtedness. As a consequence,

*Speech delivered on the occasion of inaugurating the Silver Jubilee Celebrations of the Travancore Co-operative Institute, Ltd., Trivandrum (U.S.T.C.) on 2-2-1951.

OUR EXPERIENCE IN THE CO-OPERATIVE FIELD

our attention has, till about a decade ago, been confined to the establishment and development of co-operative credit institutions. But new problems have risen of late, and many States in our country have begun to devote attention to the development of new forms of co-operative societies for tackling these problems. One of the most important of these problems is the problem of production, particularly the production of foodstuffs, which are so much in short supply. In a sense, agricultural co-operative credit societies assist in the production of food, as they finance cultivation expenses. In Madras, some of the agricultural credit societies are going a step further by taking on lease lands belonging to Government, or lands belonging to absentee landlords, or lands under dispute, and sub-leasing them to their members for being cultivated with food crops. But co-operative societies with the professed object of growing more food crops are the greatest need of the time. I have been informed that you have some societies of the kind, which devote themselves to reclaiming barren lands and bringing them under cultivation. In Madras, we have a variety of societies known as field labourers' co-operative societies which take blocks of lands on lease from Government or landlords and sub-lease them to their members for raising food crops. These societies brought under cultivation 35,590 acres of land during 1949-50. Another variety of co-operative societies known as land colonisation co-operative societies composed of landless tenants or ex-servicemen have taken from Government 11,863 acres of lands, of which they have reclaimed 9,849 acres and brought them under the plough. We have often heard it said that small-scale farming does not yield adequate returns and it has been repeatedly pressed in many Quarters that large-scale farming should be introduced on a co-operative basis so that larger harvests may be raised. In deference to these enthusiasts, we attempted in three land colonisation societies to treat the entire land given to each of them as one common property and induced the members to plough, manure, sow, weed and harvest in common. At the start, they gave some promise of good results. But as the days rolled on, enthusiasm waned, and the experiment failed. In one society, the members shirked work and would toil on the land only when the President of the society was on the spot. In another, the members quarrelled among themselves and neglected the lands. In a third, it was difficult even to get the registered society to start work. We had, therefore, to give up the experiment and concentrate on land colonisation co-operative societies, where farming is done by each member on the plot of land marked for him on the basis that he could keep for himself the fruits of his labour. The co-operative character of such farming is restricted to the joint purchase of manures and implements and the joint sale of the surplus produce. Some of these societies have obtained bulldozers and tractors on lease from Government and used them on the lands allotted to them. To my mind, it appears that however good and

ideal it may be to get individual small-holders to pool their lands and attempt large-scale cultivation, it is not a practical proposition. Our agriculturists are much attached to their land and wish to keep the fruits of their labours for themselves. Anything that is done to tamper with this deep-seated sentiment of theirs will only remove their incentive for effort and hamper the production of food crops. Large-scale experiments in this direction in the midst of food scarcity would be disastrous. Co-operative farming, which respects the individual's right to ownership of land and to the fruits of his toil and promotes joint action only in respect of certain specific agricultural operations, is the only practical line of approach in the present time.

In the field of industrial production another experience of Madras may probably be of some assistance to you. You are doubtless aware of our Madras Handloom Weaver's Provincial Co-operative Society which has an emporium of its own in Trivandrum. That society consists of 948 primary weavers' co-operative societies, 1.82 lakhs of handlooms, which constitute about a third of the handlooms in the Madras State, have come under this Co-operative organisation and their annual production of handloom goods reaches up to about Rs. 6 crores. It has been a problem with them to get their requirements of yarn even in spite of controls. During the last few months, they have been able to get only about 3,500 bales while they require 6,500 bales a month. They have, therefore, now decided upon starting a Co-operative Mill of their own. The necessary share capital is to be put up by the Madras Handloom Weavers' Provincial Co-operative Society and its affiliated primaries and a separate Co-operative Mill is to be registered at Guntakal with about 12,000 spindles. It is expected that the Mill will produce about 700 bales of yarn a month. Although this production will constitute only about a tenth of the needs of the weavers' co-operative societies in Madras, it indicates the way for the future. It is a common text-book maxim that co-operation succeeds best where the need for it is felt most. Hence, Co-operative Mills for the production of yarn organized by weavers who need yarn so badly ought to succeed. The yarn produced will be produced not for profit by sale to traders or by export abroad but for use on the handlooms attached to the member societies. Therefore, the yarn ought to be cheap.

In the direction of distribution, too, we have had many problems in recent years. Commodities in short supply have brought in their wake hoarding, black-marketing and other evils. In Travancore, as well as in Madras, we have look to co-operatives as the remedy. Foodstuffs like grains and sugar, manures like Ammonium Sulphate and Super phosphates, Iron and Steel for agricultural implements, which are all controlled articles, are now being distributed by co-operative stores situated in towns as well as in villages. In 1948-49, 325 co-operative stores in Travancore distributed Rs. 2.74 crores worth of controlled commodities. During 1949-50,

1,743 primary co-operative societies in Madras distributed Rs. 19.75 crores worth of these commodities. But there is a tendency among co-operators to clamour for increased business, some of them even wanting a complete monopoly of distribution work. I am not sure that this is a correct attitude. Monopolies under any economic system are bound to lead to abuses, and the co-operative system is no exception to this rule. The proper role of co-operative societies should be to function as "check shops" to the ordinary channels of trade. Their methods of sale, kept always above board, will serve as correctives on traders; and, when consumers suffer at the latter's hands, they will transfer their custom to co-operative stores. Conversely, if a co-operative store denegates and resorts to questionable practices, its members will withdraw from it and go to the ordinary traders. An economic system in which the individual trader and the co-operative society compete side by side will help to keep both alert and the ordinary consumer will stand to gain as a result. Moreover, we should not forget that the object of co-operation is not to grab business but to serve the members by doing business. The means should not be confounded with the end.

One other thought I should like to give on this occasion concerns the co-ordination of the various types of co-operative societies. Everywhere in India there is co-ordination between the Central Co-operative Financing Banks and the various types of primary co-operative societies. The latter draw their funds from the former and invest their surpluses in them. But what is required is that there ought to be co-ordination also between the several types of co-operative societies, particularly the producers' societies and consumers' societies. It is no doubt true that the producers organized in a co-operative society aim at getting the maximum prices for their produce and consumers organized in a co-operative store wish to get their commodities at the minimum prices. Nevertheless, co-operators should endeavour to link producers' co-operatives with consumers' co-operatives in such a manner that it will be of mutual advantage to both consumers and producers. What is needed is a fair price to the producers and a fair price to the consumer. This can be attained by the mere elimination of the chain of middlemen who stand between the producer and the consumer, without either the producers' society endeavouring to make a little more profit or the consumers' society trying to get commodities a few annas cheaper. It would be difficult to lay down any hard and fast rule in this behalf; but endeavours made in this direction will be most beneficial to the common weal. In Travancore, as well as in Madras, we have had the spectacle of co-operative stores taking over the handloom cloth produced by co-operative weavers' societies for sale to their members. You have probably gone a step further in Travancore; for, I find that your Travancore Co-operative Wholesale Society, Ltd., which I think is a producers' society, has sold

cocoanut oil to the Central Co-operative Stores at Tanjore, Cuddalore and even Nagpur. Activities of this kind have to be developed in a larger measure. Not only should there be increased business between producers and consumers co-operatives within our country, but it would be laudable if consumers' co-operatives in one country purchase their requirements from producers' co-operatives in another country. During the last two years, Ceylon which has developed its Consumer's Co-operative Movement on an extensive scale so as to serve over two-thirds of its population, has been ordering some of its goods from producers co-operatives in Madras. Handloom cloth, onions, turmeric, potatoes, and vegetables have been imported by the Co-operative Wholesale Establishment at Colombo, from producers' societies in Madras, and it has been calculated that in respect of onions, the Consumers' Co-operatives in Ceylon were able to supply them to their members at much cheaper prices than previously while the producers' co-operatives which shipped the onions from Madras were able to give their members much higher prices than they obtained in the past from traders. The elimination of intermediaries on both shores brought about this result for the mutual prosperity of Ceylonese consumers and Indian producers. This is a line of development which requires the earnest consideration of Governments, and I am happy to state that the Conference of Co-operative Experts held at Lucknow in 1949 under the auspices of the F. A. O. and a similar Conference held at Karachi last month under the aegis of the I. L. O. have invited the attention of Governments in Asian countries to promoting international trade between co-operatives in the manner by providing them facilities by suitability adjusting their tariff policies. If Asian Governments respond to this call, they will be demonstrating to the world that Co-operation transcends political frontiers and builds up international amity.

Gentlemen! I have given you a few ideas which I think are of importance in the national and international spheres. I hope you will take them into consideration in the deliberations of the Conference and give us the benefit of your advice. I have great pleasure in declaring open the Silver Jubilee of the Travancore Central Co-operative Institute.

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Successful Co-operative Endeavour

THE HON. SRI P. S. KUMARASWAMY RAJA,
Chief Minister, Government of Madras.

Mr. President and Members of the Central Bank, Ladies and Gentlemen,

I am profoundly thankful for the kind invitation to me to declare open the New Building of the Tiruchirapalli District Co-operative Central Bank, Ltd., this morning. I am very happy for my association with this function of co-operation, because co-operation is a field in which I have been connected not nominally but closely for about 80 years.

I am glad to see several co-operators assembled here on this happy occasion. Their gathering is evidence of realization of the importance of co-operation in the scheme of economic regeneration and development among the people. Co-operation has proved to be an infallible agency for the promotion of economic welfare of the people; and hence it is that the Government endeavour strenuously towards the spread of co-operative movement in the country. Government initiated the co-operative movement in our country and are still fostering it with several kinds of assistance which vary from State to State. In Madras, the Government introduced the co-operative movement enlisting the aid of non-officials almost from the start. An important direction in which such help was taken in a large measure was in regard to Central Financing Agencies. The Tiruchirapalli District Co-operative Central Bank is one of the first of such financing agencies which was brought into being with the aid of prominent citizens of the Tiruchirapalli District in 1909 at Kulittalai for the purpose of financing the primary co-operative societies which were organized in the districts of Tiruchirapalli and Tanjore.

The MacLagan Committee on Co-operation which presented its classic report in 1915 distinguished between three kinds of co-operative financing banks: (i) Banks composed of individuals alone as their members, (ii) Banks consisting of co-operative societies alone as their members and (iii) Banks comprising both individuals and co-operative societies. Jurists in co-operation consider the third class of banks, popularly known as the Co-operative Banking Unions, as the best form of co-operative financing institutions. If the early Registrars of Co-operative Societies in Madras had waited to register Banking Unions until many co-operative primary societies had been established, many years would have been lost and the co-operative movement in this State would not have expanded as quickly or as widely as it has done. They adopted the first class of Co-operative Central Banks although they were looked upon by orthodox co-operators

* Speech delivered on the occasion of opening the New Building of the Tiruchirapalli District Co-operative Central Bank, Ltd., on the 28th January 1951.

as profit-seeking concerns. They hoped that in due course of time such banks would shed their capitalistic character and be made more and more co-operative. It was a matter of gratification that public men of the Tiruchirappalli district came forward in large numbers in 1909 to set up a Co-operative Central Bank of the first class although it was made clear to them that they would have to finance co-operative societies alone and not enter into other fields of financing which were more paying. By 1920, primary co-operative societies increased in number, and individual shareholders of the Tiruchirappalli Central Bank generously admitted them to membership alongside of them, although they preserved for themselves a preponderant voice in the administration of the bank by retaining double the number of seats on the Board of Management as were given to primary co-operative societies. In 1928, the Townsend Committee on Co-operation, which investigated into the progress of the Co-operative Movement in this State, while appreciating the valuable services rendered by individual members in co-operative financing banks, recommended that larger voice should be given in the administration of Central Banks to primary co-operative societies. They suggested that such representation should be in the proportion of 2 : 1. One by one, Central Banks in this Province adopted this recommendation, and the Tiruchirappalli Central Bank adopted it in 1934. Directors representing individual members made way for representatives of co-operative institutions on the directorate of the Central Bank to the extent of twice their own number.

Although the sacrifice made by individuals in giving a larger share in the administration of the bank to representatives of co-operative societies was considerable, they made a still greater sacrifice in another direction to conform to the principles of Co-operation. Originally, the bank could declare any high rate of dividend on share capital, and the only restriction imposed was that 5/8th of the net profits of the bank alone could be made available as dividends. In 1921, they agreed to put a limit of 9 per cent on dividends, although they retained the right to a preferential dividend as against co-operative societies. In 1945, they further cut down the rate generously to 5 per cent as in all other Central Banks although they continued to retain a preferential right to dividends.

The evolution of the Tiruchirappalli Central Bank from a capitalistic organization into a co-operative organization described above bears testimony to the co-operative spirit of the citizens of Tiruchirappalli district where the co-operative movement is flourishing in various directions. On the credit side, in the past, Registrars of Co-operative Societies used to bemoan that overdues to financing banks in the Province were large; but the Tiruchirappalli Central Bank has been able to collect every pie of its loans during the last three years successively and show nil overdues. On the non-credit side, the co-operative stores movement has progressed with rapid strides and the Central Co-operative Stores in Tiruchirappalli district

does an annual business of Rs. 1.45 crores. The primary stores, of which there are 57, are distributing controlled commodities and other goods to consumers to the tune of Rs. 98.64 lakhs. Although Tiruchirappalli is not one of the seven districts selected to aid the Grow More Food Campaign through co-operative societies, it is distributing 3.827 tons of chemical manures and can boast of 2 land colonisation societies. Indeed, it has led the way for the rest of the State with a new type of co-operative farming society at Marudur in which land-lords and tenants have united together in a common effort to reclaim lands and grow more food crops by installing electric pumps with the aid of funds from Government.

Stress might be laid on this occasion on the importance of co-operative effort in producing food which we lack so much in these days. Government realised that if the Grow More Food Campaign was to be effective, it should not be retained in the hands of Departments of Government but should be made the responsibility of the actual tillers of the soil organized in co-operative societies in villages. They could locate better than officials, lands which are available and fit for cultivation in their neighbourhood lands which have been neglected by absentee landlords and lands which have become fallow on account of family feuds or litigation. The multi-purpose rural credit societies could take these lands on lease from Government or from landlords who could not devote attention to cultivation and sub-lease them to their members for raising food crops on them with the aids available in the Co-operative Movement. Co-operative Central Banks in the State and the Madras Provincial Co-operative Bank have nearly doubled their finances during the last five years. They command a working capital of over Rs. 26 crores. The Reserve Bank has been good enough to supplement their resources with funds amounting to Rs. 2.13 crores this year and the Imperial Bank has provided them with Rs. 3 crores on Government guarantee. One half of the ammonium sulphate and two-thirds of superphosphates allotted to this State, i.e., 50,000 tons of the former and 10,000 tons of the latter have been entrusted by Government to co-operative societies. 8,674 tons of iron and steel available for agricultural purposes have also been given by Government to co-operative societies for distribution among agriculturists. With funds available and the agricultural requisites provided, co-operators can play the laudable role in the campaign for feeding the millions of this State. The fact that all these facilities are available on democratic basis supported by a co-operative spirit into which selfish profits should not enter makes Government hope that the coming years will with the help of time by rains relieve the problems of food scarcity.

The Tiruchirappalli District Co-operative Central Bank, Ltd., has reasons to be proud of its existence because of its good achievements to its credit in the field of its activities. The New Building which is to be opened to-day stands as a conspicuous land-mark in the progress of this institution. As is right said, the Bank's dream of a quarter of a century has at last become a reality in the shape of this New Building. I wish the Bank all success and prosperity.

Now I have great pleasure in declaring the New Building open.

The XV North Arcot Dist. Co-op. Conference, Vellore

Summary of Proceedings

The XV North Arcot District Co-operative Conference was held at Vellore in the premises of the North Arcot District Co-operative Central Bank on 29-1-51 under the auspices of the District Central Bank and the District Co-operative Wholesale Stores. This District Conference was the first to be held after the lapse of 17 years. The Conference pandal was nicely built up and decorated so as to accommodate some 1,000 delegates and visitors. A Cottage Industries Exhibition was also arranged as an adjunct to the Conference. Very elaborate arrangements were made for providing food for all the delegates and visitors. The vast premises of the Bank well decorated and enthusiasm could be seen on every face.

The Co-operative Flag was hoisted by Sri K. M. Singaravelu Mudaliar, the oldest co-operator of the District. He appealed to all co-operators to rally under the rainbow banner and to strengthen the co-operative movement.

Sri B. B. Naidu, Chairman Reception Committee, welcomed all the delegates and visitors. (His Welcome Address is published elsewhere in this issue).

The Hon'ble Sri K. Chandramouli, Minister for Co-operation, Madras opened the Conference. He said that co-operative stores should not depend solely on trade in controlled articles, as control was only a temporary measure. He appealed to co-operative institutions to help the people in all possible ways.

Dr. P. Natesan, General Secretary of the Madras Provincial Co-operative Union, declared his Presidential Address. (His Address is published in this issue.)

The Hon'ble Sri Roche-Victoria, Minister for Co-operation Madras opened the Industrial Exhibition. He said that there had been agitation now from all over the State to re-introduce rural rationing. The reason for the abolition of rural rationing, he said, was that the co-operative institutions, to whom was entrusted the distribution of rationed articles, failed to do the work properly and satisfactorily. He wanted them to be sincere and make proper distribution of grains to fair price shops that will be opened. He also wanted co-operative societies to evince more interest in the matter of food production.

Sri J. C. Ryan, Registrar of Co-operative Societies, delivered an address on the ways and means of promoting the co-operative movement in the District. He appealed to those in charge of Central Stores and the Central Bank to utilise their reserve fund in purchasing tractors, bore-well materials, etc., which would help the ryots to increase food production.

He wanted that more staff should be employed in the credit societies to distribute loans to the ryots, as there was plenty of money available. For the information of the public, he said, the working capital of the Government was only Rs. 55 crores whereas the working capital of the co-operative organisation is Rs. 71 crores.

The portraits of Mahatma Gandhi and the late Sri Govindaraja Reddiar were unveiled by the District Collector and Sri Annamalai Pillai, M.L.A., respectively.

The Exhibition was visited by many men and women of Vellore and the neighbouring villages. The demonstrations in tractor ploughing, water pumping, button making etc. were interesting. The most interesting demonstration was spinning and winding simultaneously on the same charkha. Stalls were opened by the Government Veterinary Department, the Katpadi Timber Co-operative, Women Cottage Industries Societies, Prohibition—Palm Gur Section, the Local Basket Makers' Society, Milk Supply Union and the Vellore Metal Workers' Society, the Madras Handloom Weavers' Provincial Co-operative Society etc. The Exhibition though small, was interesting and instructive.

At night the delegates and visitors were entertained at an oriental dance.

The enthusiasm with which the district conference was conducted (after a lapse of some seventeen years) was remarkable.

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numbers.

K. GOVINDA WARRIER,
Secretary.

Co-operation in Guntur and Around*

SRI ALAPATI VENKATARAMAYYA

Chairman, Reception Committee.

The Co-operative movement in Andhra is thirty years old. Several pioneers have contributed much in the past in furthering the movement and it is a matter for gratification to know that there are to-day 6,252 Co-operative Societies spread all over the region.

The last World War has no doubt, helped formation of several stores and weavers' societies, and it is to day the considered view of several experts that the principle of co-operation can with advantage be applied to grow more food and to undertake all distributive work; in fact the Co-operatives had undertaken distributive work and have successfully and equitably distributed fertilisers to the ryots.

I personally feel that, because of the very useful work the co-operatives have been doing, it would be advisable to march ahead and convert these organisations into multipurpose co-operatives, whereby equitable distribution of all necessities of life could be ensured. The present-day scarcity of foodstuffs also has to be carefully studied and remedies sought. Here again there need be no doubt that the co-operatives would be able to play their role by undertaking even procurement of foodstuffs, if only the Government permit.

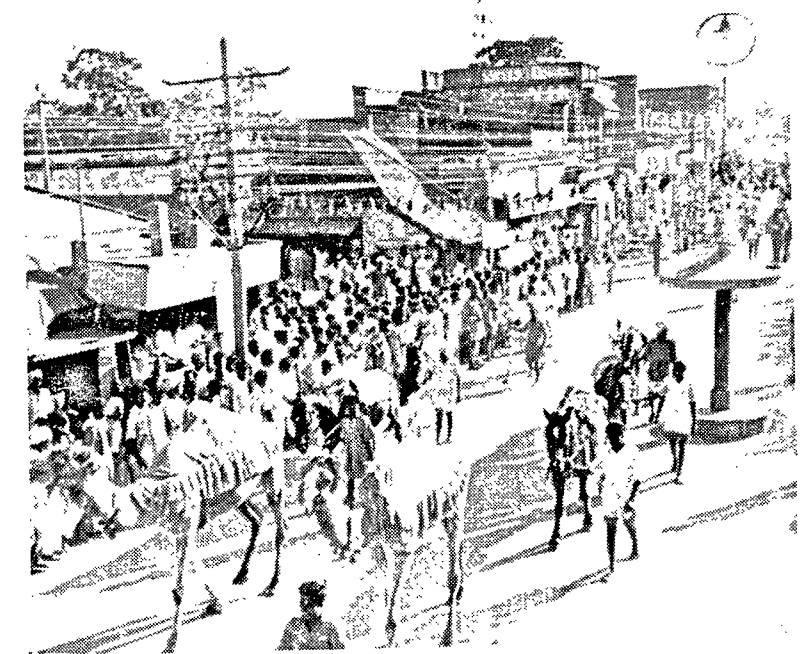
In view of the growth of the co-operative movement in Andhra Desa it is necessary that a separate Registrar of Co-operatives be appointed for the region, for however efficient, one official will not be able to look into the affairs of the co-operatives all over the State.

Mysore which had always led the other States in the matter of industrialisation, has once again embarked upon a very ambitious project of creating multipurpose societies, which distribute agricultural implements, seed, manures, and other necessities. These also deal in sale of controlled commodities. While it is desirable that such societies should be started in Madras State, it is also necessary that the Government should subsidise such enterprises. The Stores Movement in Europe, particularly in the United Kingdom, Canada and United States are worth studying.

Helping Villagers.

Turning our attention to the countryside it is regrettable that our cottage industries have long been neglected. Immediate attention needs to be paid for reviving these in villages, and Japan has very valuable lessons to offer us in this regard. We all know how in Japan every household is a miniature manufacturing centre of some commodity or the other. Goods

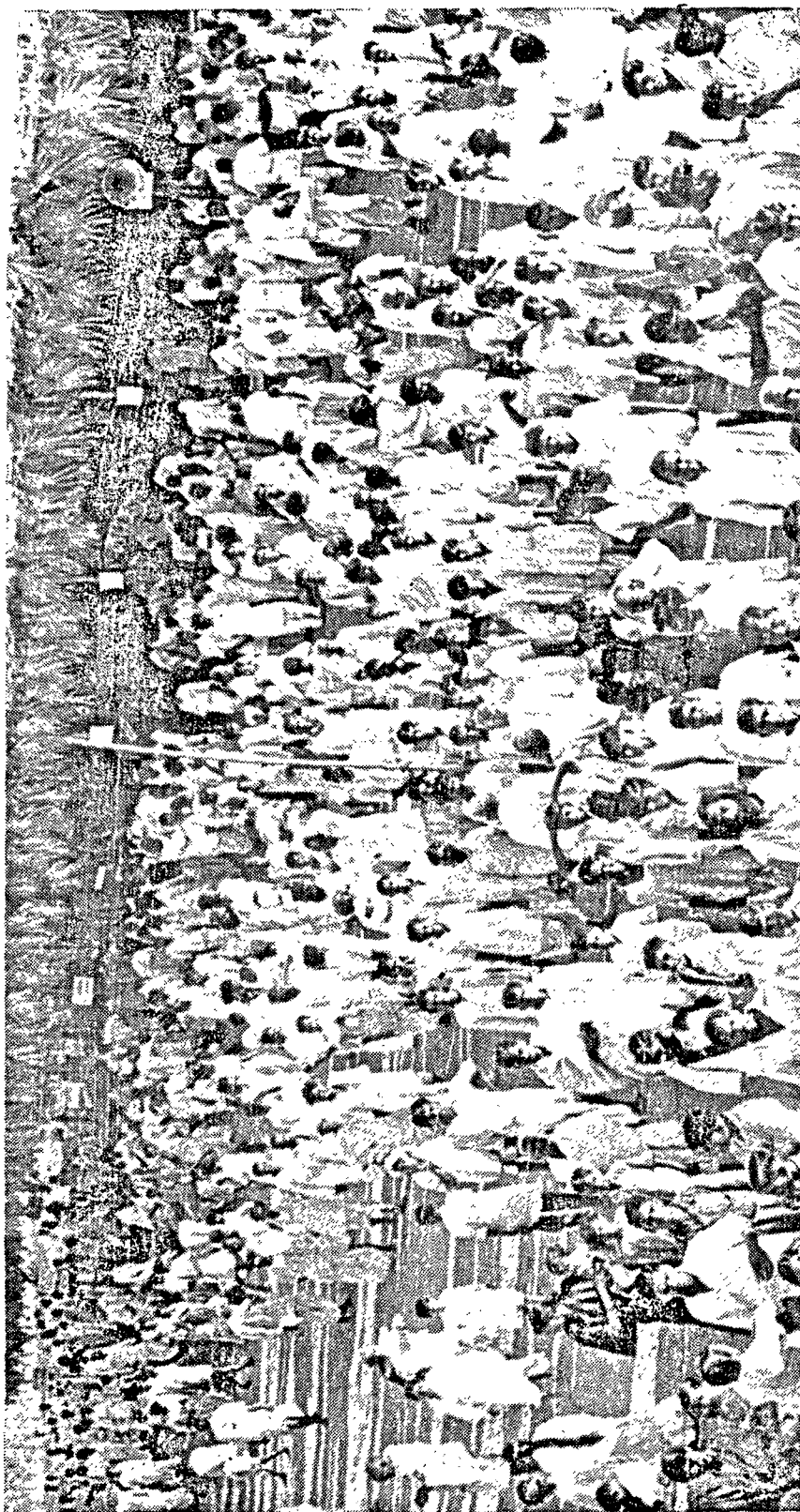
*Welcome Address at the 17th Andhra Co-operative Conference held at Tenali on 26th and 27th November 1950.



Procession taking the leaders to the Conference Avenue.



The Hon. Sri P. S. KUMARASWAMY RAJA,
Chief Minister, opening the Conference and Exhibition.



A view of some delegates and visitors who attended the Conference

CO-OPERATION IN GUNTUR AND AROUND

flow from the cottage to larger combines or societies trading with in that country and with the other countries in the world. It will be definitely a long range plan for us in India to try, and I am hopeful, the co-operatives in our State can contribute a lot in this schming.

The Government of Madras has already envisaged bringing more and more land under cultivation. The grant of lands to the so-called Tenants' Societies, it is to be admitted, has in no way improved the lot of the agricultural labourer. Instead the Government would do well to encourage, poor agricultural labourers to take to collective farming. Cultivation in that case can be modernised and tractors employed, as is being done in the Soviet and Italy. A start may be made in the deltaic fallow lands of Guntur, Krishna and Godavari Districts. That done, we will have achieved something concrete in making our State self-sufficient in food.

Progress in Guntur.

While reiterating my faith in the co-operative movement, I would make a particular reference to the co-operatives in Guntur District. We have here 1,135 Societies with a membership of 1,26,933; the working capital for these is Rs. 2,37,46,475. About 132 Societies have already successfully carried on multi-purpose activity. Special mention has to be made with regard to the Guntur District Co-operative Central Bank, which has been recognised as an 'A' class bank. The Directorate of the Bank have in their view several ambitious schemes of revitalising village economy and cottage industries provided the Bank is permitted and added by the Government; it intends establishing co-operative industrial societies in important centres of the District, which will in turn provide employment to several hundreds of poorman.

I extend a hearty welcome to the distinguished Ministers and the Chief Minister of Madras, the Congress General Secretary, as also to the delegates from all the Districts of the State to the Seventeenth Session of the Andhra Provincial Co-operative Conference, to this Town (Tenali), which had in the past played a very leading role in our fight for freedom and which is part of historic region.

The XVII Andhra Provincial Co-operative Conference Tenali

Summary of Proceedings

The 17th Andhra Provincial Co-operative Conference was held at Tenali (Guntur District) on 26th and 27th November 1950. The venue of the Conference was a 12 acre enclosure, named Chadramoulinagar after the Hon'ble Sri K. Chandramouli, Minister for Co-operation, Madras. Chadramoulinagar, was elegantly built up, its tall gate way presenting scenes of rural life painted neatly on panels. The pandal erected was large enough to accommodate some fifteen thousand visitors and delegates

and the Exhibition premises were large enough to accommodate some 170 stalls and to house 400 cattle for the cattle show, arranged as adjunct to the conference. The entire premises were tastefully decorated and excellently illuminated.

Nearly ten thousand people from all over the Andhradesa witnessed the conference and leading Andhra Co-operators assembled to participate in the deliberations. Among those present on the occasion were Sri Kala Venkata Rao, General Secretary, Indian Congress, the Hon'ble Sri P. S. Kumaraswami Raja, Chief Minister, the Hon'ble Sri K. Chandramouli, the Hon'ble Sri N. Sanjiva Reddi Ministers, Government of Madras, Sri B. Venkataratnam Choudry, M.L.A., and Dr. P. Natesan, M.B.B.S., President and Secretary respectively of the Madras Provincial Co-operative Union, Sri P. Kesava Rao and Sri P. S. Guruva Reddy, President and Secretary respectively of the Andhra Desa Co-operative Union, Sri N. Satyanarayana, Editor, Sahakaramu, and Sri V. V. Raman of Pullampetta, Of the Departmental Officers there were Sri K. Subramanyam Naidu, Registrar of Co-operative Societies, Sri Muthukrishna Naidu, Additional Joint Registrar, Sri C. Joseph Reddy, Special Deputy Registrar for Weavers Societies.

The procession which conducted the leaders to the Conference avenue on 26th November 1950 was impressive. The Hon'ble Ministers and Sri Kala Venkata Rao, the President of the Conference were taken in a decorated chariot, while camels and elephants led the vanguard of the procession.

The Hon'ble Sri K. Chandramouli hoisted the Co-operative flag and explained the flag's significance. He also appealed to the Co-operators for devoted service in the cause of Co-operation.

Sri A. Venkataramiah, Chairman, Reception Committee welcomed the Delegates and visitors, (His Address is published elsewhere in this issue.)

The Hon'ble Sri P. S. Kumaraswamy Raja inaugurated the conference and opened the Industrial Exhibition. (His Address has been published in the January 1951 issue of this Journal)

Sri Kala Venkata Rao, President of the Conference delivered his Presidential Address in which he earnestly pleaded for the establishment of a Rama Rajya in the country. (His Address has been published in the January 1951 issue of this Journal.)

The Hon'ble Sri N. Sanjiva Reddy opened the Cattle Show, He appealed to farmers to devote greater attention to the preservation of better breeds of cattle and to increase the cattle wealth of the Country.

The Subjects Committee met on the night of 26th November 1950 for drafting the resolutions and the open session was held on 27th November 1950 to discuss them. There was a keen debate on various practical issues

and leaders like the President of the Conference, Sri B. Venkataratnam Choudary, Sri N. Satyanarayana, Sri P. Kesava Rao (President Andhra Desa Co-operative Union) brought their experience to bear on the various issues. The Resolutions have been published in the January 1951 issue of this Journal.

A Weavers' Conference was held under the Presidentship of Sri V. V. Raman, President of the Pullampet Weaver's Co-operative, In his Address he dealt in detail with the various problems facing the weaver.

The Industrial and Agricultural Exhibition was impressive. There were many varieties of exhibits such as textiles, fountain pens, and there was demonstration of processes in respect of Pam gur, pen making and the like. It went as a sort of festival, attracted some 1,50,000 visitors and concluded on 30th December 1950. There were entertainments at night in the form of dramas and dances which attracted large gatherings. The Hon'ble Sri R.B. Ramakrishna Raju, President, Madras Legislative Council ceremoniously declared the Exhibition closed.

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

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

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

A Short note on the working of South Kanara Agriculturist' Co-op. Marketing Society, Ltd.

The South Kanara Agriculturists' Co-operative Marketing society is one of the major co-operative institutions of South Kanara District which undertakes the marketing of agricultural produce on a large scale on commission basis. The main commodity in which the society deals is betelnuts while the sale of cardamoms, pepper and other forest produce such as sheegegai, nuxvomica, kokam, cashewnuts is also undertaken. The betelnut growers, before the registration of the society, were entirely in the grips of the merchants of Mangalore, where the entire produce has to be marketed. The merchants acted as moneylenders also and used to charge high rates of interest and commission. In order to free themselves from the grips of these merchants, the society was started on working on 2-11-1919 and ever since then, the society has been steadily progressing and has acted as the main saviour of the areca growers of the District. It has on its roll at present 4,892 members with a share capital of Rs. 61,160. It is growing in popularity and its business is steadily increasing every year. The total amount of sales effected in 48-49 was Rs. 24,76,057 while in the next year 49-50 it increased to Rs. 40,48,855. Some of the chief features of the society worth noting are mentioned below.

1. The amount of share capital per each share has been kept at a very low sum of Rs. 5 only, so that even the poor agriculturists can become members and derive the benefit of the society. By this, a major portion of the agriculturists are enabled to join the society and the number of members is as large as 4,892 at present.

2. The society besides marketing of produce also undertakes the supply the agricultural implements and other domestic requirements of its members on Joint Purchase system. The purchases on this account in 49-50 were Rs. 2,36,412.

3. The society has got its own two lorries which are utilised for conveyance of the domestic requirements of the members to the mofussil centres at cheap rates and while returning they transport the agricultural produce to the marketing place.

4. The society also undertakes the sale of miscellaneous commodities and persihable articles such as plantains, cocoanuts, ghee, honey etc. By this the members are able to add to their income, since otherwise these would either be consumed locally or would have perished without any local demand.

5. The produce of the members is sold at the maximum price to the highest bidders and immediately after sale, intimations are given to members. The society has got 80 Branches in the mofussil centres, which act as pooling centres to gather the produce of the members and convey them for sale to the marketing place. Advances also are given to the members both on stocks stored in their own godowns or on stocks

A SHORT NOTE ON THE S. KANARA AGRICULTURIST' CO-OP. M. S. LTD.

consigned for sale. In the year 49-50, the loans advanced to members amounted to Rs. 12,81,347.

In the year 1940, the Society had also established a Branch of its own at Bombay which is the main marketing centre for betelnuts, but unfortunately the Branch had to be closed in 1948, consequent on the tragic Bombay explosion. The Society had also to lose to a large extent of over Rs. one lakh by the Bombay explosion but fortunately it was able to wipe out its entire losses in the last three or four years. The society has now decided to construct and own a godown of its own at Mangalore and arrangements are being made in this direction.

The Madras Provincial Co-operative Union Examination, March 1951

An examination for the students of the Coimbatore, Tanjore, Rajahmundry and Anantapur Institutes will be held at the respective Institutes' headquarters from 26th March 1951 to 31st March 1951 as per programme given below.

Monday	...	26-3-1951	10 a.m. to 1 p.m.	Co-operation—Historical, General and Principles.
Tuesday	...	27-3-1951	10 a.m. to 1 p.m.	Co-operative Law.
Wednesday	...	28-3-1951	10 a.m. to 1 p.m.	Audit.
Thursday	...	29-3-1951	10 a.m. to 1 p.m.	Book-keeping.
Friday	...	30-3-1951	10 a.m. to 1 p.m.	Banking.
Saturday	...	31-3-1951	10 a.m. to 1 p.m.	Rural Economics, etc.

Candidates who failed in the previous Provincial Co-operative Union Examinations held during 1942 to 1950, are hereby informed that they can also sit for the above examination.

Candidates who underwent training in the Institutes prior to 1941 have to appear and pass Part III of the examination under the new regulations for eligibility for a certificate.

In view of the subject 'Banking' having been included under Part III from the year 1945, candidates who have passed Part II in previous years need not appear for 'Banking' under Part III this year. It will suffice if they sit for Rural Economics, Sanitation, Village Panchayats, etc., only.

The examination in Theory comprises of three parts :—

- | | | |
|---|---|-----------|
| 1 Co-operation—Historical, General and Principles | } | Part I. |
| 2 Co-operative Law | | |
| 3 Audit | } | Part II. |
| 4 Book-keeping | | |
| 5 Banking | } | Part III. |
| 6 Rural Economics, Sanitation, Village Panchayats | | |

Candidates who have failed in any one of the subjects of any part have to sit for the subjects comprising that Part or Parts.

The examination fee is Rs. 11 for the whole Examination for students undergoing training in the Institutes for whom the marks obtained by them in the examination will be supplied through the Institutes. However, this rule does not apply to supplementary candidates for whom the fee of Rs. 2 for furnishing marks will stand. The Examination fee is Rs. 4 for each Part.

The last date for receiving the examination fees together with the application in the prescribed form is 28-2-1951. Fees must be remitted only by money order. Applications and money orders received after the said date are liable for rejection, and no complaint in this behalf will be attended to.

For further particulars please apply to :

The General Secretary,
The Madras Provincial Co-operative Union,
379, Esplanade, G. T., Madras.

Multipurpose Co-operative Activity in Madras

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

1. The Mangadukothur Multipurpose Rural Credit Society (Chittoor District.)

Mangadukothur is a village in the Nagari select firka in Chittoor district. An ordinary co-operative credit society was formed in Mangadukothur village in the year 1924. The society was registered on 21-7-1924 and started on work on 10-10-1924 with 15 members and a paid up share capital of Rs. 180. The society subsequently adopted the amendments of the last model to its by-laws and is now functioning as a multi-purpose rural credit society.

As on date, the society has on rolls 153 members with a paid up share capital of Rs. 673. Its area of operations extends to 6 villages.

As regards the credit side, the society obtained loans to the extent of Rs. 15,495 from the Chittoor District Co-operative Central Bank and issued loans to 152 of its members as detailed below :—

	Rs.
Short term loans ..	10,720
Medium term loans ...	2,050
Long term loans ...	2,725
	15,495

The society is dealing in mill cloth. The Central Bank has sanctioned a cash credit accommodation of Rs. 4,000 to the society to enable it to carry on its business in mill cloth. From 29-10-1948 to date, the society purchased mill cloth to the extent of Rs. 14,336 and sold cloth for Rs. 15,322 thereby benefiting 2489 of its members and non-members.

The society purchased agricultural implements such as muntti-blades and plough shares to the extent of Rs. 98 on joint purchase system and distributed them among 56 members.

As regards social and recreational activities, the society has opened a reading circle, and is conducting periodical inter-village tournaments and street cleaning drives.

MULTIPURPOSE CO-OPERATIVE ACTIVITY IN MADRAS

The society has taken shares to the extent of Rs. 550 in the Central Bank Chittoor and shares to the extent of Rs. 50 in the Co-operative Wholesale Stores, Chittoor. It is working at a profit now. It has created a reserve fund of Rs. 692-11-0 and Common Good Fund to the extent of Rs. 100.

2. Thummapudi Multipurpose Co-op. Society, (Guntur District.)

This society was registered on 9-11-1906 as a rural credit society and started on its work on 28-12-1906. At the time of starting there were 16 members with a paid up share capital of Rs. 1380. On 30-11-50 there are 87 members on rolls with a paid up share capital of Rs. 681. The present panchayat was elected on 31-12-49 and will be in office upto 30-12-50.

There are no defaulters among panchayatdars. On 30-11-50 the members owed Rs. 2,510 under 19 loans to the society whereas the society owed nothing to the Central Bank. The society has invested the following amounts outside the society.

Rs. 500	invested in the financing bank under share capital.
Rs. 7986-10-0	Do under Reserve fund.
Rs. 200	Do invested in wholesale co-op. stores under share capital.

Rs. 500 invested in defence bonds.

The society has the following reserves to its credit which are merged in the working capital at present.

Rs. 286-9-0	under building fund.
„ 816 3-0	„ bad debts reserve.
„ 300	„ business reserve.
„ 1003-11-0	„ undistributed profits.
„ 455-10-0	„ dividend yet to be distributed.

There are thrift deposits to an extent of Rs. 273-11-0. The maximum borrowing power of the society is at present Rs. 20,000 and the individual maximum borrowing power is Rs. 1,000. The area of operations is limited to the village of Thummapudi. The society has earned a net profit of Rs. 407-14 0 for 49-50. The panchayat have introduced hundi boxes and distributed 12 boxes to their members and 8 boxes to non members. An amount of Rs. 125 was thus collected. The society is dealing in controlled articles namely sugar, wheat and cloth. They have purchased stock worth Rs. 1551-6-0 upto 30-6-50. The total sales upto the close of June 50 was Rs. 1421-5-0. The society has also introduced 2 bee hives boxes and is collecting honey. They have also installed a radio for the use of the public and they are using it daily in the evenings. They have also a library of books on co-operation and agriculture. The books are being used by the members and non members as well. They are getting journals like Sahakari and Sahakaram for the benefit of the members and public. The

society was given rolling silver cup by the Local Co-operative Union at Nandivelugu twice successively for 2 years for good work turned out by it. The President of the society Sri S. Sanjeevarayanam is maintaining a hospital at his own cost and treating the poor patients of the village free of cost. Thus he is helping the poor people in the village in these days of high cost of living.

3. The Kuthanur Multipurpose Co-operative Rural Credit Society (Tanjore District)

This was registered on 16.12.1924 and started on 29-1-1925. The society has passed 25 years of its successful working, and it is to celebrate its Silver Jubilee shortly.

The area of operations of the society comprises three revenue vattams viz., 70 Seruvalur, 71, Kuthanur, 72, Maruthavanjeri; Proposal has recently been sent extending the same to two or more vattams, viz., 73 Mudikondan; 74 Nemmeli. The society is situated among the fertile villages.

There are 160 members on rolls with a paid-up share capital of Rs. 2,544. The maximum borrowing power of the society is Rs. 21,000. Proposals have been sent for increasing the same to Rs. 40,000. The total deposits outstanding as on date is Rs. 9,100 apart from the loan of Rs. 5,150 due to the Co-operative Central Bank, Ltd., Kumbakonam. The society enjoys cash credit accommodation of Rs. 5,000 for doing business in cloth; Rs. 1,000 for maligai; Rs. 3,000 for issue of short term loans; Rs. 2,000 for transmission of collections from societies to the Central Bank.

The society has invested in other institutions as share capital; Rs. 240 in Co-operative Central Bank, Ltd., Kumbakonam; Rs. 50 in Tanjore Central Co-operative Stores, Ltd., Tiruvarur; Rs. 10 in Tanjore Co-operative Marketing Federation Ltd., Tiruvarur; Rs. 150 in Kuthanur Co-operative Marketing Society Ltd., Kuthanur.

There are 100 loans outstanding against members to the tune of Rs. 16,624.

The society has Rs. 3,779-4-0 to the credit of its reserve fund of which Rs. 1,661-13-0 is invested in Co-operative Central Bank, Ltd., Kumbakonam, Rs. 500 in War Bond; Rs. 100 in National Savings Certificate

This is the first society in the area to adopt amendment to its bylaws for undertaking multi-purpose activities. The society has a *maligai* and a cloth branch besides its credit work.

The *maligai* branch deals in all articles, including kerosene, coffee, sugar. The total sales of the *maligai* branch for 1949-50 was Rs. 24,852-5-11. During the time, when informal rationing was in force,

the society was dealing in rice rationing also. The society is now having a ration shop from 26-5-50. The total sales in this respect for 1949-50 was Rs. 716-15-10. The society is incurring Rs. 127 per month towards establishment charges in the *maligai* branch alone. Recently, on 12-7-1950 the society opened a branch of its *maligai* section at Punthottam, half a mile off, and the average sales of its new branch is Rs. 100 per day.

The cloth branch deals in both mill and handloom cloth. This is the first rural credit society in this taluk, that was given mill cloth license during the last control period, viz., 1946. The society has earned a name for its fair distribution of mill cloth. The total sales of both mill and handloom goods for 1949-50 was Rs. 19,793-8-10. During the present control period also, the society is permitted to deal in mill goods and is linked to a wholesaler at Kumbakonam.

The society has earned a net profit of Rs. 2,048-5-0 during the year 1949-50. It has a business reserve Rs. 2,962-4-0 created under bylaw No. 54, to meet business losses.

4. A Note on the Working of the Multipurpose Co-ops. in South Arcot Dt.

During November 1950, 34 rural credit societies were newly converted into multipurpose units bringing the total number of multipurpose societies in the district at the end of the month to 563. The rural population are much impressed by the beneficent activities through which they are able to get the domestic, agricultural and other requirements at their homes at less cost and labour. The thrift aspect envisaged through co-operative fold has considerably developed and the grow more food and intensive manuring schemes have been largely popularised. The economic security among the population is stabilised. The activities of the societies under the social and recreational aspect are gaining importance and it is bound to give a shape to the nation.

A few activities are summarised below :—

Intensive Manuring Scheme

132 societies were selected for the distribution of chemical fertilisers to the agriculturists in the district and all of them were provided with cash credit accommodation by the South Arcot Co-operative Central Bank. Upto the end of the month, 179 tons of chemical fertilisers were purchased and distributed by 96 societies to the members and others. Oil cakes were purchased and distributed to the extent of Rs. 3,000 during the month of November 1950. Six societies purchased and distributed agricultural implements to the extent of Rs. 300. The objectives under the scheme have been elaborately explained to the rural population in general and the Panchayatdars of the societies in particular by the Special Development Officer and his staff invariably in all societies visited by them. The value of green manure trees and the ways of growing them were



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President:

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

Liabilities.		Assets.	
	Rs.		Rs.
Paid up Share capital.	14,32,300	Cash on hand & 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	81,97,987	Other Investments	42,07,098
Sundry Liabilities	5,89,516	Sundry Assets	6,78,457
Profit	3,49,262		
Total Rs.	5,20,83,560	Total Rs.	5,20,83,560

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

Secretary.