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The State and Cottage Industries in Madras:

Thanks to the recent global war and the world economic situation during the aftermath, it has been recognised that in a world handicapped by difficulty in supplying raw materials, procuring machinery and other capital equipment, and providing transport facilities, no economic measure could be better-advised than to develop cottage and small-scale industries in the under-developed countries in South East Asia and elsewhere, on a nation-wide basis and to utilise the locally available raw materials so as to cater for the immediate requirements of the consumer in the neighbourhood. The need for such a policy was emphasised both at the Technical Conference held under the auspices of the F. A. O. at Lucknow in 1949 and the Co-operative Conference held under the auspices of the I. L. O. at Karachi recently. It may be stated in this connection that the Karachi Conference recommended "that national planning committees should decide definitely the role of cottage industries in the industrial development of the country, select such cottage industries as had a chance of survival, and specify the various directions in which the State should support that development. It also recommended that Government should give protection to cottage industries against large scale industries and provide other facilities to maintain the cottage industries."

The promotion of cottage industries as the mainstay of the nation during war and peace has always been the objective of the popular Governments in our country—both at the Centre and the States. In pursuance of such a policy a Cottage Industries Advisory Board has been constituted and a department of Government has been created at the Centre, while in many States, there have also been started Advisory Boards or Committees at State and district levels.

In spite of the elaborate machinery for the promotion of cottage industries, it is generally felt throughout the country that progress commensurate with the endeavour is not in evidence. Only the other day Sri T. A. Ramalingam Chettiar, Member of the Union Parliament, asked, during a Budget Debate in Parliament, what the Government had done to improve cottage industries. He is reported to have stated on the floor of the House that the Cottage Industries Board had not met for fifteen months, and that the Executive Committee appointed by Government met only once. He is also reported to have stated that it was said that the Executive Committee would be responsible for carrying out whatever policy the Government might lay down as regards cottage industries; but now the Government were appointing two other Committees--a Working Committee and a Technical Committee.

It therefore appears that there is a lack of co-ordination among the various Government and non-governmental bodies which are in charge of the promotion of these small industries. Things seem to be moving extremely slowly even in some of the States. Taking our State of Madras for instance, one cannot but feel that the measure of progress achieved is far less than it ought to be in terms of the money and labour employed. We learn that at a recent meeting of the Madras State Cottage Industries Board, it was decided to request the Government to take early steps for the establishment of a State Cottage Industries Research Institute. The Board is also reported to have recommended the drawing up of a scheme for awarding prizes to the inventors of improved appliances and the conducting of a survey of cottage industries in the State. The other recommendations relate to the formulation of a scheme to expedite the introduction of Japanese machines in the State for the use of artisans and the revival of regional cottage industrial

museums. Many of these recommendations such as conducting a cottage industrial survey, instituting prizes for improved machinery and appliances, and the organisation of State Cottage Industrial Research Institute are fundamental in any comprehensive scheme of cottage industrial development. That the State Board has had to emphasise these fundamentals at this stage shows clearly the ground yet to be covered.

It is unfortunate that the Madras State should lag behind some other States in the endeavour for cottage industrial progress. There is probably a greater need for men of ideas and action than for those of mere administrative experience in this field. The Government will do well to put through very early their scheme for deputing competent cottage industrial experts and specialists to Japan for study. Bombay has already sent a five-man Delegation to Japan under Mr. P. S. Kapadia for touring the country for two months and studying the working of the Japanese small industries. It is highly desirable that the Madras Government should also follow suit.

The State Cottage Industries Board expressed the view that the schemes adopted in this State should ultimately fit in with the plan of the All India Cottage Industries Board. If it should be so, we feel that the Government cannot do better than to put into effect the State Board's recommendations expeditously and under expert guidance of men qualified for the task.

Strides in Consumers' Co-operation:

The Triplicane Urban Co-operative Society, Ltd., (T.U.C.S.) Madras, recently celebrated its forty-seventh annual day. The Hon'ble the Chief Minister of Madras presided and Sri Lobo Prabhu Secretary, Development Department, addressed the meeting on some interesting problems in Co-operation. The speeches will be published in the next issue of this Journal.

The T.U.C.S. Ltd., is said to be the largest consumers' primary stores in the East. Its membership during 1949-50 was 19,152 and share capital Rs. 1,95,000. Its total sales for the year amounted to Rs. 1.53 crores. It has 32 branches and 39 depots throughout the City of Madras. Referring to the work of the institution, the Hon'ble the Chief Minister said that the T.U.C.S. was playing an important role in the distribution of food grains on an equitable basis. With its several branches and depots, it catered for a large section of the ration card holders and thus helped the Government and the people. The Chief Minister expressed his belief that Co-operative stores had come to stay in the country and that in procurement and distribution, co-operative stores were doing a splendid piece of social service and were able to check the rise in prices and to put down hoarding and black-marketing. About the future of the T.U.C.S. he stated that in the rapidly changing social and economic conditions of the country, there was yet much work to be done by the T.U.C.S. It had still to penetrate into areas inhabited by economically and socially backward communities. It could take up production and manufacture in certain lines. It could conduct experiments and popularise non-cereal food. It could also introduce small savings schemes for the benefit of the members. These are all big strides which require some imagination and enterprise on the part of the organisers. A large consumers' Co-operative like the T.U.C.S. could endeavour to develop on these lines as a matter of normal development. But there is yet one line of development which is novel to us but which, if probably worked, will make any consumers' store more popular than any private dealer's shop. This is the provision of self-service facilities.

Self-service is considered to be the most revolutionary change in retail practice in the last generation. Information collected by the Research Department of the Co-operative Union in England shows that more than 600 co-operative self-service units have been established in the country. Many of the larger societies are said to have made radical alterations in turning over to the new system.

These self-service units are very popular among housewives and other members of the shopping public, including men. The housewife who shops at such a store feels that it is her own store and that improvements are made for her benefit. Experience as shown that the "counter service" method has tended to weaken the average co-operative society. Co-operative stores are so popular that shops are often crowded with long queues of customers. Customers have now less leisure to spend in shopping and hence the self-service system has appealed to them.

It has also been found that in the case of certain large stores societies, the "self-service" branches were more popular than the "counter-service" ones. It has also been found by experience that self-service could be applied with certain modifications to commodities other than packed and tinned articles.

Since the T. U. C. S. has grown to immense dimensions as a consumers' store with numerous branches and depots, we feel it will be a step in the right direction if as an experimental measure a self-service branch or depot is opened in one or two localities for supplying to the customers articles such as tinned and packed or bottled goods like soaps and preserved fruit and hair oils, readymade dresses and stationery. This will enable the society to gain experience in the field and also educate the customer in learning to be honest and reliable. As the Hon'ble the Chief Minister said "some imagination and enterprise are needed for such an undertaking and we hope that the T. U. C. S. with its long and wide experience is the best fitted institution to experiment on this novel line."

The Lessons of Chinese Co-operative Movement:

We have published elsewhere in this issue extracts relating to the Co-operative Movement in China and the role which Chinese Women in particular are playing in the Movement.

There are now in China 38,000 co-operatives with 20 million members, most of the institutions being supply and marketing co-operatives. It is roughly estimated that there is one co-operative for every three villages. One remarkable feature of the Chinese Co-operatives is that they form a vital link between the State and the individual small producers; for the State trading concerns buy and sell through the co-operatives. It is also noteworthy that the co-operatives are able to supply goods to their members at prices *lower* than those in State retail shops. It is interesting to note that rural co-operatives arrange for medical treatment of members and even assist financially young couples to get married. Mr. DeCastro, the Co-operative Administrator, Philippines Government, during his visit to the Madras Provincial Co-operative Union last month mentioned that for co-operative weddings even wedding costumes were hired out to members. He also mentioned the popularity of co-operative funerals as they reduced expenditure on elaborate arrangements and ritual. Such funerals are said to be popular even in America.

But by far the most amazing development is seen in Women's Co-operation. Chinese women realised that freedom from domestic drudgery meant nothing without economic independence. Farmer women started silk production on a co-operative basis and now their silk weaving society produces a tenth of the whole co-operative production in China. Some other features of the Women's Co-operative Movement are their productive movement, consumers' movement and co-operative bank. It is felt that there may be shortly a national women's co-operative movement in the country.

This remarkable advance of Chinese men and women in the co-operative field in a short period and the intense interest of the State in co-operative activity are lessons that India will do well to learn from her neighbour whose economic position is by no means far different from that of India.

ERRATUM

Ref:—Page 497, line 20 in the March 1951 issue of this Journal:

For **Rs. 127.1 lakhs and 219.49 crores please** *Read* 127.1 lakhs and Rs. 219.49 crores.

Co-operative Farming-II

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Farming in Palestine

The model country for co-operative and collective farming is Palestine. It is the seat of Co-operative Settlements in agriculture. The agricultural settlements adopted in Palestine are of two main types. One is the *Collective Settlement (Kvutza)* and the other is the *Smallholders' Co-operative Settlement (Moshav Ovdim)*.

Collective Settlement: It is based on collective ownership and operatorship method. Land and other means are owned by the Community; work is performed collectively and all members are provided for according to their needs. In this type of farming, the co-operative idea has been further extended to consumption also and the cultivators consume according to their needs from the common stock produced by joint effort with common resources. In such a communal co operative life, there is no need even to use money in the dealings within such a community. This type is very similar to "*Communes*", an advanced type of collective farming practised in the *U. S. S. R.* The life of the agriculturists in the settlement is communalised (socialised) in all respects. They live a communal life in the communal buildings. Medical aid, sanitation, etc., are looked after by the settlement itself. The farmers' children are brought up and educated communally.

Co-operative Settlement: The smallholders' co-operative settlement is based on individual ownership and operatorship method. Property is owned by individuals and cultivation is done individually. But the agriculturists have organised themselves on co-operative lines for the marketing of their produce, the purchase of essential requirements and the provision of common facilities. In this settlement, there is no private trade, all work being done by the settlers themselves. This second kind of co-operative settlement is of much interest to us in India with our fragmentation of holdings.

The Working of the Smallholders' Co-operative Settlements

The smallholders' co-operative settlements are governed by four factors:

1. *National Land*: It means the estates purchased out of the Jewish National Fund for the purpose of Jewish rural and urban

settlements in Palestine. The lands are leased out to the settlers for long period (more than 45 years). The settlers are required to pay a ground rent of certain percentage (generally 2%) per annum on the value of the land. The settler is free to cultivate his holding as he thinks fit. However, he is forbidden to do anything that would deprive the soil of its fertility. Only so much area as can be cultivated by the family of the settler with a decent livelihood, is allotted to him. Thus, every holding is an '*economic one*'.

2. *Self-labour*: Self-labour system is adopted in order to minimise the cost of production. This system implies that the settler and his family shall work their land themselves without employing outside labour except out of necessity due to illness. It makes the settlers skilled and good agriculturists who take pride in their occupation.

3. *Co-operatives*: Different kinds of agricultural and better living co-operative societies are functioning there to help the settlers in all respects. The producers' co-operatives receive the produce from farms and deliver it to the co-operative sale society and maintain facilities for the transport of commodities. Conveyances for passengers are also provided for. The sale and the supply co-operatives arrange for marketing the produce and for purchasing and distributing all agricultural and domestic requirements. The surplus produce is collected, graded and transported to foreign markets. Recreation and other social activities are also undertaken by the co-operatives. Schools, hospitals, etc., are run by co-operative method. Measures for the safety of life and property are also provided. There is a common responsibility among the settlers to look after the welfare of the community as a whole.

4. *Mutual aid*: Mutual aid is the connecting link between the individual prosperity and welfare of the communty. The settlers are helping one another in times of need and emergency. If a farmer or his house-wife falls ill, other farmers help him or her; otherwise, temporary domestic or farm workers are engaged by the community. In case of death or permanent incapacity of a farmer, hired workers are engaged on a permanent basis or until his children are old enough to take ovet the work. The wages of such hired labourers are paid out of the *Community's Fund* which is created by means of collecting contributions from the settlers. Special Funds are raised by a special tax on each farm. Loans are also given to settlers in financial difficulties.

The mutual aid system eliminates the risk of losing one's holding because of illness or death. It is, in fact, a unique form of social insurance guaranteeing complete security by co-operative action.

The Management of the Settlement

The ultimate authority vests in the General Assembly consisting of all the adult members—both men and women. The General Assembly, at its annual meetings, adopts annual budgets, levies taxes, elects executive bodies and lays down policies for the co-operative institutions, educational affairs, etc. It elects a Village Council which delegates its power to a small Executive Committee. The executive authority vests with the Committee. The Village Council also elects various standing Committees—one for education, another for supervision, the third for public security and so on. A Village Court is also elected by the General Assembly to settle the disputes among members.

The part played by women and children: Women and children are playing as large a part as the men. Many of the women have become skilled agriculturists. Poultry farming is their special hobby. The children, from a very early age, help the adults in farm work. Farm work is an integral part of the education of the children.

The Co-operative Settlement in Palestine, in fact, represents *Co-operative Commonwealth*. Individual freedom and incentive is maintained; self-help is encouraged; mutual aid is rendered; everyone works for himself at the same time helping others and all are helping everyone; self reliance, mutuality, brotherhood, equality, justice and honesty are the common virtues to be found; welfare of the community is the end and aim of all and Co-operation is the law of life.

The co-operative movement in Palestine exhibits "the most advanced type of socialist life in the world." In the words of the Government of India's Delegation, "Collective and Ço-operative Farming as developed in Palestine exhibits a new way of living and working, bringing together people who very largely share the same economic, political, social and religious views. The extent of mutual good-will and co-operation practised is almost Utopian."

Suggestions for India

Collective farming cannot be worked out with success in India at present. The scope for extensive cultivation, uniformity of soil over large areas, a comprehensive plan for industrialisation to absorb the surplus labour and a strong organisation for the poorer section of the peasantry and agricultural labourers are the factors necessary for the success of collective farming. India lacks a comprehensive scheme of industrialisation and a strong organisation of the poorer strata. In such an environment, immediate application of collectivisation will not meet with any success. Therefore, the only course open at present is the practice of co-operative farming. It is the only way to solve the food problem on a permanent basis and to eradicate the evil of fragmentation and subdivision of holdings.

The excessive fragmentation and subdivision of holdings, the conservative and independent outlook of the Indian farmer, lack of apperciation of the benefit of joint effort, the prestige value attached to the ownership of lands and the lack of knowledge of the gospel of co-operation may stand in the way of successful introduction of co-operative effort in agriculture.

The first thing to do is therefore, to create suitable environment, to remove the clouds hovering in the co-operative atmosphere and to prepare the ground for co-operative farming so that the people themselves may come forward to organise farming societies. The conditions for the growth of co-operative farming can be created by means of effective propaganda and the establishment of small demonstration units. The Prohibition propagandists do well if they also undertake the mission of inculcating the *spirit of co-operation* among the rural folk.

Regarding the actual beginning, two distinct types of co-operative farming societies could be started: (1) for lands newly acquired or reclaimed, and (2) for lands already under cultivation. Each of them would require different treatment and assistance. Land colonization societies working in the Madras State belong to the first type. These societies may be utilised as practical demonstration units. To make the existing colonization societies a successful venture, many improvements have to be made and the following are some among them :

(1) Before the land is allotted to settlers, Government should undertake, at its own cost, all the measures necessary to make the land fit for cultivation and the locality fit for habitation.

(2) The areas leased out should be 'economic holdings' and the holding should be impartible so that it can never be reduced below the economic minimum.

(3) The land should be exempt from assessment until it becomes a paying proposition. (At present such exemption is granted only for first three years.)

(4) The societies should have adequate means to grant loans to members sufficiently to cover up their legitimate needs; if the requisite finance cannot be had from District Central Banks, it should be advanced by Government.

As far as the second type is concerned, the principle of co-operation can be applied gradually in developing the societies until they become full-fledged co-operative farming societies. The various stages in the development may be :—

(i) Co-operation in business *i.e.*, for joint purchase of agricultural and domestic requirements, sale of produce, finance and ownership of costly implements,

(ii) Co-operation in consolidation of holdings,

(iii) Co-operation in reclamation of lands, construction of canals, etc.

(iv) Co-operation in crop planning—each member cultivating his own farm but according to a plan agreed upon by all members.

(v) Joint cultivation of all farms *i.e.*, collective farming,

and (vi) Communal life *i.e.*, Co-operative Commonwealth.

The details of each stage would vary from place to place according to the changing environment. The full support and help of the Government is necessary to develop the societies in the above order.

As a corollary to this, emphasis should be shifted from credit to multipurpose type of societies. The scope of their working can be gradually widened to include farming subsequently when the members have fully realised the benefits of co-operation. This would create the suitable atmosphere for the growth of Co-operative Farming Societies. To help such societies to be started and to assure their smooth progress, there is the necessity of providing further measures, such as, modification of the law of inheritance to prevent actual subdivision and fragmentation, leasing out costly implements by Government Farm, realignments of fields, guidance and advice from the Government staff, arrangement of agricultural programme, organisation of subsidiary industries, development of social services, irrigation and other facilities to prevent crop failures, stabilisation of agricultural price and co-operation between the Co-operative and Agricultural Departments.

If co-operative farming is to render any help to the small tenants and uneconomic farmers in improving their lot, the societies organised for them must take larger areas on leases from absentee landlords so that the area of the co-operative farm, will be sufficiently enlarged. Since co-operative farming is a very complicated undertaking and a costly experiment, it should get guidance and support from a very efficient administrative machinery from the very beginning and perfect harmony should prevail among the various agencies and departments connected with agriculture.

Conditions for the Success of Co-operative Farming in India

1. New land settlements such as colonies for ex-servicemen and refugees have considerable chances of success, provided the members are '*bona fide*' agriculturists and the mode of co-operative settlement in Palestine is followed.

2. In the case of co-operative farms the big landlords, the workers engaged by them must be given a standard wage and a share in profits.

3. When a society is formed for men of unequal status, Government must guarantee a minimum wage and income to the men of lower grade in order to ensure their service in the society.

4. There must be the possibility of steady and increasing income from the farm. For this purpose, thorough survey of the area to assess the possibilities of probable success must be made before starting the society.

5. The society should be provided with sufficient funds so that it can advance short and long-term loans to members.

6. Free services of audit and supervision must be rendered by the co-operative department.

7. Guidance must be in the hands of specialists and experts who must be men of integrity and honesty.

8. Through the multipurpose society, the members must have been trained in co-operative and corporate life to appreciate the value of co-operative method and to sink their caste and communal differences.

9. Last but not the least important factor for the success of the society is personality and conduct of the persons behind it. The members must be men of integrity, ability, honesty and loyalty. Apart from their experience and training in the co-operative method, everyone must be imbued with courage in facing the initial difficulties, firm determination to work hard towards the welfare of all, unfailing honesty in their dealings and full hope in their future prosperity. The experience of Palestine will be a source of inspiration to us in India to make successful attempts in co-operative farming.

The Milk Supply Problem in Rayalaseema*

The growing population in this area, the three-year Dairy Development Plan and the resettlement of ex-tappers consequent on the introduction of Prohibition expedited the organisation of a Co-operative Milk Supply Union at Dharmavaran. It would not be out of place to mention here that it was Sri A. Paliniappa Mudaliar, Deputy Commissioner of Prohibition (Amelioration) and Joint Registrar of Co-operative Societies, Madras, who urged the taking up of this scheme seriously, when he visited this place last.

In Western countries consumption of milk is prevalant to a high degree. In Denmark and America, co-operatives have done much for the development of the dairy farming and milk is one of their staple foods as it is made cheaper than other food-stuffs. To a Westerner, milk is a common drink whereas it a luxury to us. It is mostly because of the poor production of milk and consequent high prices here. The population of this town is about 18,000. While the daily average consumption of milk in this town including the restaurants is about 800 measures per day, only about 500 to 600 measures is being received from the neighbouring villages. The total need is met only by adulteration of milk.

It is with a view to supply to this town pure un-adulterated milk under hygienic conditions and at reasonable price, this Union has been started. The co-operatives in this free country have done a lot to improve the condition of the common man by supplying his necessities of life and in this State I am proud to inform you that co-operative milk societies in other districts have done yeoman service in this line; and it is fervently hoped that this Union also with its five feeder societies *i.e.* Thummala, Regatipalle, Mukthapuram, Pyadindi and Dharmavaram feeder Societies will not lag behind. I have no hesitation to say that this Union has a bright future at the hands of brother co-operators and enthusiastic public of the town. I am equally confident that the Co-operative Department will also do its best by sanctioning the early posting of a Senior Inspector of Co-operative Societies to be in charge of this Union and its feeders; as well as subsidise this Union for the purchase of initial equipment and expenses as it has resettled ex-tappers, too. The early grant of interest free loans to the Union would give a great filip to enhance the productive capacity of the Union.

The fodder scarcity has been a great handicap in the dairy farming and it is acute during summer. I am sure I shall not be asking much if I request the Assistant Collector to permit the Union to raise *cholam* crop in the receded tank bed area to get enough fodder for the milch animals and thus help the "grow more food scheme". The Union would feel highly obliged if the revenue authorities could give it a suitable piece of *poramboku* land to enable it to grow guinea grass which would go a long a way to solve the fodder problem.

*Extract from a Welcome Speech given by the President of the Dharmavaram Co-operative Milk Supply Union on the occasion of the inauguration of the Milk Union.

The XXI Conference of Land Mortgage Banks,

Madras, 17-2-1951.

RESOLUTIONS PASSED.

1. In view of the importance of Agricultural Industry to the country and in view of the great need for making cheap long-term finance available to the agriculturists of the Madras State and as Insurance Companies have at their disposal long-term funds for investment, this Conference requests the Government to draw up a scheme for making it obligatory on the part of Insurance Companies to invest a portion of their premium income earned in the State in the debentures of co-operative land mortgage banks.

2. In view of the enormous increase in land values since the last war, this Conference resolves that lands can be safely valued at 85 per cent more than the pre-war values and loans advanced on such valuation

3. Where there is a difference of opinion between the departmental Officers and a primary bank in the matter of valuation this Conference resolves that such a case shall be referred to a member of the Board of Directors of the C. L. M. B. for report. The Executive Committee should decide the question of valuation finally.

4. *Sub* :—According to the existing practice the tamarind topes are not accepted by the C L. M. B.. as tangible security for the loan. In the area of Uthamapalayam L. M. Bank the tamarind topes are very valuable and the in-come from them is more and steady. Further, these topes are valued only as Reserve Forest dry lands by the Co-operative Sub-Registrar. Even this is objected to by the C. L. M. B., on point of principle. Hence this Conference requests the C. L. M. B. to relax the said practice and accept the tamarind topes as tangible security for the loans.

Resolution :—" Referred to the Board for reconsideration "

5. *Sub* :—As Pollachi taluk is favoured by both North east and South-West Monsoons more or less without fail, the harvest in Punja lands does not suffer. Groundnut is also cultivated in large scale. Hence it is resolved to request the C. L. M. B. to permit that bank to grant 50 per cent of the total value of the rain-fed lands as loans as garden lands.

Resolution:—Covered by the Valuation Committee's decision.

6. *Sub* :—There are agriculturists suffering in villages which contain purely rain-fed dry lands. Government may be addressed to advance loans to such of the agriculturists who offer towards security systematically cultivated dry lands.

Resolution :—Covered by the Valuation Committee's decision.

7. *Sub* :—The Government, it appears have restricted the grant of loans over Rs. 10,000 by the Primary Land Mortgage Banks only to Deltaic

areas. This Conference resolves to request the Government to allow the P. L. M. Bs. who have amended their by-laws to grant loans over Rs. 10,000 on all kinds of lands in accordance with the eligibility of the applicants as per the present rules of valuation.

Resolution :—" Referred to the Board."

8. *Sub* :—**Maximum Borrowing Limit**: As per the conditions imposed in G. O. 2795 Dev. dated 28-6-44 the entire area of operation of the bank should cover deltaic portion to increase the maximum borrowing power of members from Rs. 10,000 to Rs. 15,000. Government may be requested to accord permission to increase the individual maximum borrowing power from Rs. 10,000 to Rs. 15,000 in the case of members who offer towards security cent per cent wet lands which have perennial supply of water from rivers.

Resolution —" Referred to the Board."

9. *Sub* :—**Loans for Land Improvement**: (1) Government may be requested to reduce the rate of interest to 3 per cent in the case of loans for land improvement. (2) In cases of land improvement loans, basing value on prewar sales of lands which do not bear the improvements effected to the hypotheca by outlay of capital and labour, act as a big handicap to cater to the needs of such ryots, the C. L. M. B. is requested to accept the valuation as fixed by the inspecting officers with reference to improvements etc.

Resolution :—" Referred to the Board."

10. *Sub* :—**Margin**: The C. L. M. B. and the Registrar are requested to enhance the margin between the lending and the borrowing rates in the Primary Land Mortgage Bank from 1 per cent to 1½ per cent as the P. L. M. Bs. could not carry on the work with the profits in these hard days with 1 per cent now allowed as they have to meet enhanced establishment charges and contingencies owing to the prevailing abnormal cost of living; or the C. L. M. B. is requested to bear 50 per cent of the establishment charges of the P. L. M. Bs.

Resolution :—" Passed with the amendment that the margin be shared between the Primary Land Mortgage Banks and the Central Land Mortgage Bank at 1½ per cent and 1 per cent respectively."

11. As great delay is caused by the Revenue authorities in providing with chitta extracts which consequently hinders the work of this bank considerably, this meeting requests the members of the Board of Revenue to kindly issue necessary orders to attend to the bank's references as quickly as possible not later than 10 days.

12. *Sub* :—**Patta Transfers**: Some of the lands offered as security to Land Mortgage Banks are registered in the names of either the grandfather or the father of the applicant. Usually C. L M. B. sanctions loans

on the condition that patta should be transferred in the sole name of the applicant prior to disbursement. In several cases, the transfer of revenue registry takes a long time and causes inordinate delay in the matter of disbursements. Hence this Conference requests the C. L. M. B. not to insist on patta transfer when there are other evidences of title from documents.

Resolution :—" Referred to the Board."

13. **Zamindary Land**: This Conference resolves to request the Government to take early steps to have Zamindary villages surveyed and equip the concerned P. L. M. Bs. with the field maps and settlement registers so as to enable the banks to issue loans to the members having lands in Zamindary villages.

14. **Registration Fees**: This Conference resolves to request the Government to charge full fees for registration of documents and encumbrance certificates only for applications in which the loan amount exceeds Rs. 10,000 and above instead of Rs. 5,000 and above as at present because the borrowers are experiencing a lot of trouble to satisfy the acid tests of our land mortgage bank investigation coupled with their expenses for subdivisions etc., in the Revenue Department.

15. *Sub* :—Standardisation of entrance fees and transfer fees payable by A class and B class members of P. L M. Bs. under by-law 7 (b) and 10 of the by-laws of P. L. M. Bs. referred to Conference by Executive Committee as per resolution No 57 dated 21st August 1950.

Resolution :—" Primary banks are free to fix their fees at their discretion."

16. **Loan instalments : – Due dates** :—Resolved to request the C. L. M. B. to fix the due date on loans of C. L. M. B. at least a month latter than the due date fixed for the members of P. L. M. Bs.

17. *Sub* :—**Change of due dates** :—The ryots who cultivate single crop lands will harvest the crops in February and sell away the surplus grains immediately as soon as the harvest is over as price of paddy is controlled. In most of the cases, the due date for loan instalment falls on 1st May every year. Most of the borrowers are not remitting their dues in May or before the due date as they are selling the surplus before the month of March itself. A fresh due date may be fixed on the 1st March for the individual borrowers to remit the amount as soon as the harvest is over and when they will have the sale proceeds of the surplus paddy with them.

Resolution " Referred to the Board."

18. Government are requested to subsidise the P. L. M. Bs. in the Rayalaseema Districts liberally for employing additional Supervisors at

the rate of one for each taluk temporarily for the next three years and to keep only two banks in charge of one Co-operative Sub-Registrar.

19. The Madras Shop and Commercial Establishment Act hampers the work of the bank during inspection times of the Co-oparative Sub-Registrar and the Deputy Registrar, final audit and other extraordinary occasions. The banks having one Supervisor and a clerk cannot adhere to the hours of office work. In addition, there is a clash between the maintenance of some of the fundamental registers maintained as per our departmental manual and that of the orders under the Shop Act Regulations. The Shop Act Inspetors require P. L. M. Bs to conform to their instructions, on threat of prosecution rather than the instructions to the banks by the Departmental Authorities, Hence this Conference requests C. L. M. B. to move the Government either to exempt our Land Mortgage Banks from the operation of this Act or to permit us to follow the instructions of Shop Act authorities even if it contravenes the instructions of our Departmental Manual.

20. Resolved that in the interests of agriculturist-member-borrowers of the bank, the Government be requested to give representation for the primary land mortgage banks working in the area on the District Food Committees as this will facilitate the Grow More Food Campaign.

21. Sometimes the Co-operative Sub-Registrars fall sick and apply for long leave. The Registrar may be requested to see that they are relieved as early as possible and substitute appointed quickly so that the loan application work in P. L. M. Bs. may not suffer.

22. *Sub* :—Some Co-operative Sub-Registrars have 4 P. L. M. Bs. in their Jurisdiction. In such cases it is not possible for the Co-operative Sub-Registrars to visit all banks every month. In order to facilitate Co-operative Sub-Registrars to visit each bank every month, the number of banks in their jurisdiction has to be reduced to 2.

Resolution :—" Passed with the modification that it should be 3 in stead of 2 banks in each circle."

23. This Conference requests the C. L. M. B. to address the Government through the Registrar to create provision in the by-laws of the P. L. M. Bs. for Dividend Equalisation Fund and Building Fund.

24. Resolved to request the C.L.M.B. that the mileage for travelling allowance to the Directors of P. L. M. Bs. be enhanced to four annas instead of three annas per mile as at present.

25. *Sub* :—The present scale of pay as refixed by the C. L. M. B., and approved by the Registrar is not half as much encouraging as it is in the case of mills, Joint Stock banks or even the case of ordinary Co-operative Central Banks whereas increasing transaction of the banks day by

day creates more responsibilities on the shoulders of the employees. Hence this Conference resolves to request the C. L. M. B., and the Government to fix the pay of the Secretary, Supervisor and the clerk at least in par with Senior Inspector, Junior Inspector and lower division clerk of the Co-operative Department and to give weightage to the period of service already put in by experienced staff.

Resolution :—"Referred to Board."

26. *Sub* :—If the incumbent has put in more than 10 years service in any capacity as a Clerk, or Supervisor or Secretary in any particular P.L.M.B. he should be made eligible for higher scales of pay for the post.

Resolution :—Referred to Board.

27. Primary Land Mortgage Banks may be permitted to pay house rent allowances to their employees at 12 per cent of their salaries in Municipalities and at 10 per cent in other big towns from their own resources.

28. (*a*) In view of the fact that the staff of P. L. M. Bs. are not adequately paid, the Central Land Mortgage Bank is requested to pay them at least a month's salary as bonus out of their profits as a sort of encouragement to the field staff.

(*b*) This Conference requests the Registrar to permit the payment of bonus to the employees of P. L. M. Bs. wherever there is profit, in supersession of the previous circluar.

29. This Conference resolves that as employees of P. L. M. Bs., cannot afford to furnish two forms of securities viz., cash and fidelity guarantee policy for heavy amount the Government may be pleased to direct the Registrar to fix the nature and quantum of securities in consultation with the respective banks which will take note of the conditions prevailing in each bank and of the staff employed and fix securities suitably.

30. This Conference regrets that the wholesome procedure of convening periodical conferences of Co-operative Sub-Registrars and the employees of P. L. M. Bs., of groups of districts, to exchange ideas and evolve new schemes and procedure for the development of P. L. M. Bs. has been given up by the C. L M. B. and requests the C. L. M. B. to revive this practice with effect from 1950-51 at least.

Stores and Marketing Federations Conference, Madras

Proceedings of the Conference of the Representatives of Co-operative Wholesale Stores and Marketing Federations held at the Rajaji Hall, Mount Road, Madras, on the 12th and 13th February 1951.

I. Distribution of Chemical Fertilisers through Co-operative Societies.

(1) *Sub* :—Taking over stocks of Ammonium Sulphate from the Agricultural depots in the State.

Resolution :—(i) Resolved that the Co-operatives should take Ammonium Sulphate from the Agricultural depots as and when they require it on a cash-and-carry basis and in such quantities as are needed by them.

(ii) Such transfer of stocks from the agricultural depots to primaries should be arranged by the Co-operative Wholesale Stores and the Marketing Federations who are the purchasing agents for the districts concerned paying for the stocks themselves in the first instance.

(2) *Sub* :—Acceptance of imported stocks of Ammonium Sulphate.

Resolution :—Resolved that in respect of imported stocks of Ammonium Sulphate, the Co-operative Wholesale Stores or the Marketing Federations as the case may be should take only such quantities of Ammonium Sulphate as are required by them and the primaries and that the cost of the stocks so taken shall be paid for by opening letters of Credit in favour of the Joint Director of Agriculture with the financing banks or against Railway Receipts.

(3) *Sub* :—Acceptance of stocks of Super Phosphate from Agricultural depots and manufacturing firms.

Resolution :—Resolved that in respect of Super Phosphates, the procedure indicated in resolutions (a) and (b) shall be followed by the Co-operatives.

(4) *Sub* :—Sale of Chemical Fertilisers to ryots :

Resolution :—Resolved that Co-operative Societies be permitted to sell chemical fertilisers to bona-fide ryots obtaining particulars of lands on which the fertilisers will be applied. Karnam's certificates and those of Revenue or Agricultural Officers in this matter should also be accepted.

(5) *Sub* :—Sale of Ammonium Phosphate at subsidied rates.

Resolution :—Resolved that the Co-operatives may be permitted to dispose of the existing stocks of Ammonium Phosphate held by them at half the price and that they may be permitted to claim subsidy in respect of the other half from Government as in the case of Super Phosphates.

(6) *Sub* :—Supply of stocks at contracted rates.

Resolution :—The Conference requests that the stocks for which payment has been made by the Co-operative wholesale stores or the Marketing Federations at the pool price as per the original instructions of the Joint Director of Agriculture, should be supplied at the contracted rate instead of at a higher rate from the agricultural depots.

(7) *Sub* :—Inter-district transfer of stocks of Ammonium Sulphate.

Resolution :—The Conference requests that stocks of Ammonium Sulphate which remain unsold in any district and which may not be sold in the same district in the near future may be permitted to be moved to other districts where there is demand for such stocks as in the case of super phosphates permitted in Government Memorandum No. 1078-F.P. VII dated 25-1-51.

II. Distribution of Iron and Steel (Agricultural quota) through Co-operatives.

(1) *Sub* :—Placing indents for iron and steel on the producers in consultation with the Co-operative Wholesale Stores and Marketing Federations.

Resolution :—This Conference requests the Joint Directors of Agriculture and the Director of Controlled Commodities, Madras to place indents on producers only in respect of such categories of iron and steel as are required by the Co-operatives. For this purpose the Co-operative Wholesale Stores shall furnish to the Joint Director of Agriculture and the Director of Controlled Commodities the category-war requirements of the districts in consultation with the Deputy Registrar and the local District Agricultural Officer.

(2) *Sub* :—Sale of Iron and Steel to ryots at the discretion of the panchayats of Co-operative societies.

Resolution :—This Conference recommends that the panchayats or Directors of Co-operative Societies should be empowered to sell iron and steel to bona-fide ryots at their discretion without insisting on the recommendations of the Agricultural, Revenue or Rural Welfare Officers.

(3) Allotment of raw materials to Co-operative Fabricators :—

Resolution :—This Conference recommends—

(*a*) that the distribution of raw materials to Co-operative Fabricators should be done through the Co-operative Wholesale Stores and Marketing Federations and that for this purpose 50 per cent of the raw

materials intended for fabrication work should be delivered to Co-operative Wholesale Stores or the Marketing Federations as the case may be by the controlled stockists at Col. II rate.

(*b*) that the Co-operative Wholesale Stores or the Marketing Federations, on receipt of the materials, should distribute them to Co-operative Fabricators according to the needs of the latter.

(*c*) that the distribution of raw materials by the Co-operative Wholesale Stores or Marketing Federations to the Co-operative Fabricators shall be subject to the condition that the ultimate price to the consumer shall not be enhanced as a result of this arrangement.

(*d*) that the price of fabricated agricultural implements shall be fixed by the Deputy Registrar according to the schedule of rates furnished by the local District Agricultural Officers.

(*e*) that the Director of Controlled Commodities be moved to enlist the co-operative wholesale stores and the marketing federations as Registered Stockists for the purpose of procurement and distribution of raw materials to Co-operative Fabricators.

(*f*) that iron and steel materials shall be supplied to Co-operative Fabricators for fabrication into agricultural implements without insisting on the condition that the Co-operative Fabricators shall not undertake the fabrication of implements other than agricultural implements.

(4) *Sub* :—Distribution of pipes and fittings for agricultural purposes through Co-operative Societies.

Resolution :—The Conference recommends that pipes and fittings for agricultural purposes should also be entrusted to the Co-operatives for distribution to the ryots.

(5) *Sub* :—Disposal of unsaleable stocks of iron and steel held by the Co-operatives.

Resolution :—This Conference requests that in respect of stocks of iron and steel already supplied to Co-operatives and which are not saleable in the district, the co-operative institutions may be permitted to move such stocks outside the district, if necessary, or to sell them to any body without restriction, after obtaining a certificate from the local District Agricultural Officer regarding unsaleability of such stocks in the district.

(6) *Sub* :—Permission to include transport charges in the sale price of iron and steel moved to centres involving back freight.

Resolution :—This Conference requests that the Director of Controlled Commodities may be moved to permit the Co-operatives to add the actual transport charges in the sale price of iron and steel, if the Co-oparatives are obliged to move stocks from remote centres in the district where the rate of place extra is higher to other centres where the rate of place extra is lower.

III. Allotment of Mill Cloth to Co-operatives.

(1) *Sub* :—Re-allotment of Mill-cloth quotas to Co-operatives.

Resolution :—As consumers find it difficult to get their requirements of mill cloth, this Conference requests that Co-operative wholesale stores which are consumers' organisations should be given a quota of 33 ⅓ per cent of the mill cloth available with the Director of Controlled Commodities every month for distribution through primary co-operative stores and multipurpose rural credit societies which are also organisations of consumers. When this allotment is made to Co-operatives, societies which have now been linked to private wholesale dealers should be linked to co-operative wholesale stores. The quota to be allotted to Co-operatives should be inclusive of the B. and C., Mettur and Loyal Mills productions.

(2) *Sub* :—Supply of arrear quota from Buckingham and Carnatic Mills.

Resolution :—This Conference requests that the balance of quota from the Buckingham and Carnatic Mills which is now long overdue may be arranged to be expeditiously supplied to the Co-operative Wholesale Stores and Marketing Federations.

IV. Procurement and Distribution of Food Grains through Co-operatives.

(1) *Sub* :—Policy regarding the procurement of food grains by Co-operatives.

Resolution:—1. This Conference recommends that, where co-operative societies have been recognised as procurement agents for a specified zone no other procurement agents should be appointed for that zone, because co-operative societies are composed of agriculturists, whose interest will be safe-guarded by the societies themselves.

Resolution :—2. Government are considering the appointment of two procuring agents in each zone. In every zone, where monopoly procurement has not been given to co-operatives, the second procuring agent should be only a co-operative society, whether a district co-operative society or a primary co-operative society, if available.

Resolution :—3. The above resolutions should also apply to the districts where the levy scheme is in force.

(2) *Sub* :—Policy regarding the distribution of imported food grains.

Resolution :—All imports or the bulk of the imports—whether from abroad or from surplus districts—should be given to the Co-operative Wholesale Stores for wholesale distribution. The co-operative wholesale stores may distribute the stocks in

wholesale to primary co-operative stores, marketing societies, multipurpose societies and also to private dealers.

(3) *Sub* :—Advance payment for the cost of imported stocks.

Resolution :—In respect of stocks imported from overseas or from other States, co-operatives should not be asked to pay for the stocks in advance but should be allowed to pay on delivery or against Railway Receipts.

Sub :—(4) System of distribution of rice through pools in the Circars.

Resolution :—Where pools have been formed for distribution of rice co-operative societies should not be compelled to join them and their requirements of rice should be given from other sources.

V. General Conference Fund :—

Sub :—Reading and recording of the accounts of the General Conference Fund for the quarter ended 31-12-1950.

Resolution :—Read and approved.

A Note on the working of the Venkatagiri Co-operative Stores, Ltd., (Nellore Dt.)

The Venkatagiri Co-operative Stores, Ltd., Venkatagiri Town, Nellore District, was registered on 30-11-38 and was started on its working on 17-4-39. As on 31-12-50 the Stores had a membership of 183 with a paid up share capital of Rs. 9,087.

The Stores is a wholesaler in food grains as also a procuring agent. It is a retailer in food grains (two ration depots), sundry provisions (two branches), mill cloth (three depots), handloom cloth, agricultural implements, chemical fertilisers, iron and steel, drugs and consumer goods. It holds monopoly for the import and distribution of sugar in the Venkatagiri Taluk and is the only primary stores in this district to have this privilege. It has a lorry of its own with routes covering Nellore, Chittoor and Madras districts. It has taken a Departmental Secretary of the rank of a Senior Inspector.

The sales during the half year ended 31-12-50 amounted to Rs. 2,30,684 out of which Rs. 21,856 & 1,708 was realised by the sale of chemical fertilisers and agricultural implements respectively. It earned a gross profit of Rs. 11,227 and a net profit of Rs. 4,415 during the half year.

The Stores has a Reserve fund of Rs. 19,360 out of which Rs. 4,000 was invested in the debentures of the Central Land Mortgage Bank, Ltd., Madras, a Building Fund of Rs. 4,415 and other reserves amounting to Rs. 5,914.

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 Punganur Multipurpose Co-operative Credit Society (Tiruchirapalli District)

The Punganur Co-operative Credit Society, in a village 7 miles from Tiruchirapalli was started in 1927 with a membership of 25 and share capital of Rs. 210; the society has on its rolls 196 members representing 16% of the total population in the area of operations and paid up share capital of Rs. 3,847. It has a Reserve of Fund of about Rs. 1,615 besides a business reserve of Rs. 1,012, set apart from the profits of its dealings in controlled commodities, which are indications of its good record. There is an outstanding of Rs. 8,384 due to the Central Bank and not even a pie is overdue, while the outstanding against members is Rs. 14,767 under 88 loans, of which only a sum of Rs. 317 is overdue, the duration being all with in 6 months. The Society has been carrying on a variety of multi-purpose activities from 1944 onwards as shown below :

Year.	Rations. Purchases.	Rations. Sales.	Milk Purchases.	Milk Sales.	Cloth Purchases.	Cloth Sales.	Collections through Hundi Boxes.	Collections through Recuring Deposits.
	Rs. A.	Rs. A.	Rs. A.	Rs. A.	Rs. A.	Rs. A.	Rs. A.	Rs.
1944-45	457 0	257 15	1,266 11	1,274 9	...	...	...	2,604
1945-46	1,770 1	1,832 3	848 11	871 10	...	...	...	3,406
1946-47	23,220 6	23,332 15	689 5	696 10	...	...	...	3,623
1947-48	568 11	648 0	158 13	166 11	437 9	453 11	...	2,947
1948-49	...	...	...	...	3,261 9	3,028 1	59 6	2,278
1949-50	...	...	...	...	2,347 13	2,857 9	369 0	...

The Society was supplying milk to the Tiruchi-Srirangam Millk Supply Union and has been dealing in controlled articles, mill and handloom cloth, etc. all to cater to the needs of the villagers; and of late, it has taken up the distribution of chemical manures. It maintains recurring deposit accounts from 1939 onwards and, at present there are about 15 members, whose monthly total contribution comes to Rs. 180 nearly and an equal number have taken up to the system of hundi savings which almost regulaly brings about Rs. 50 per month.

The youngsters have offered to take up insurance policies of Rs. 1,000 each out of their thrift savings and five more have followed them. The society has been the recipient of cups and shields for its good working and all are due to the steady, selfless and unostentatious work of Narasinga-perumal, the Secretary

2. The Veligallu Multipurpose Rural Credit Society (Chittoor District.)

Velligallu is a revenue village situated 26 miles from Madanapalle on the Madanapalle and Peddmandiam Road in Chittoor district. An ordinary rural credit society was organised in Veligallu village in the year 1916; and it was registered on 16-12-1916. and started on work on 27-1-1917 with 19 members and a paid up share capital of Rs. 50 The society extends its area of operations to Veligallu village and its hamlets.

The Velligalu rural credit society has introduced amendments of the latest model to its by-laws and functions now as multipurpose rural credit society.

Working of the Society.

The society has on rolls 110 members with a paid up share capital of Rs. 600 of whom 18 are ex-tappers. It has taken shares to the extent of Rs. 600 in the Central Bank, Chittoor and a share of Rs. 10 in the Madanapalle Co-operative Loan and Sale Society. It obtained loans to the extent of Rs. 7,500 from the Central Bank, Chittor and issued short term loans to its members during the co-operative year.

The society is also dealing in mill cloth. The Central Bank is sanctioned a cash credit accommodation of Rs. 2,000 for enabling the society to carry on its business in mill cloth. Mill cloth to the extent of Rs. 5,210 was sold and the number of members and non-members benefited by this business was 962 during the co-operative year.

The society purchased agricultural implements such as plough shares and **mumti** blades for Rs. 30 and distributed then among 40 of its members.

The society has introduced 10 **hundi** boxes to encourage thrift habit among its members and effected a collection of Rs. 186 through **hundi** boxes from July 1950 to November 1950.

Date trees are available in large number in and around the village and as such the society undertook date mat weaving as one of the multipurpose activities so as to enable its ex-tapper members in the village to carry on a subsidiary occupation on a co-operative basis. 18 ex-tappers in the village who know date weaving have joined the society and are engaged in the manufacture of date mats. The society took a lease of date leaves for Rs. 260 for the year 1949-50

The cost of a date mat manufactured by co-operative society ranges from Rs. 3 to 4 The society manufactured and sold date mats worth Rs. 403-11-0 during 1949-50 thereby earning a profit of Rs. 109-12-0.

3. The Kallar Multipurpose Rural Credit (South Kanara District.)

This Society was registered on 17-6-1947 and started on work on 25-6-1947. The area of operations extends to the village of Pamathady. The Society had a membership of 355 with a paid up share capital of Rs. 7,385 on 31-12-1950.

Pepper, arecanut, chillies and tapioca are grown in this area. It has therefore ample scope to lend on member's produce of these commodities so as to enable the producers to wait for better markets and get proper price for their produce. The Society has therefore constructed a godown at an estimated cost of Rs. 7,500, 50 per cent of which was got by the society as subsidy from Government and the balance raised by way of local donations by the society. The godown is just completed and formally opened.

The Society has proposed to take up the intensive cultivation of the Government and private waste lands; it has applied for lease of 336-37 acres of Government waste lands.

Issue of loans:—The society granted surety loans during 1950-51 amounting to Rs. 18,395 to 148 members. Produce loans amounting to Rs. 9,550 were issued during 1949-50.

Promotion of Thrift:—35 *hundi* boxes were distributed during 1950-51 and Rs. 217 were collected as *hundi* box deposits.

Social and Recreational Activites:—The Society is running a reading room for the benefit of the villagers of the place.

4. The Kamalapuram Multipurpose Co-operative Rural Credit Society (Bellary District.)

The Society was registered and started on 1-11-1916. This is the 35th year of its working. The village Kamalapuram is situated at a distance of 6 miles from the Hospet Railway Station and has a population of about 6,000. Hampi, which was the capital of the famous Vijayanagara Empire now in ruins is within the jurisdiction of the society. The place attracts a large number of tourists from all parts of India and even from outside.

The society worked fairly well till 1939 by which time it had built up a Reserve Fund of nearly Rs. 3,000. From 1940 to 1946 it remained dormant, and it was revived in 1946 by which time the membership and share capital had fallen down to 37 and Rs. 435 respectively. After revival there has been a gradual increase in membership with the result that there are now 161 members with a paid up share capital of Rs. 4.996. The society has built up a Reserve Fund of Rs. 3,800-9-0 and a Bad Debts Reserve of Rs. 779. It has invested Rs. 3,000 in the shares of the Central is to help the peasants dispose of their surplus farm products and keep them supplied with daily necessities and the means of production

In accordance with contracts signed this year between co operatives and State trading concerns in Kirin and other provinces, 80 per cent of the goods sold by co-operatives to their members will be supplied by the State and 82 per cent of the farm products purchased from peasants will be resold to the State. The co-operatives form a vital link between the State and individual small producers.

It is reported that co-operatives are able to supply their members with goods at prices lower than those in State retail shops. State trading concerns pay preferential prices for farm products marketed through co-operatives.

Co-operatives--especially in villages—undertake numerous services for their members. In addition to helping the organisation of agricultural production, they are now responsible for arranging medical treatment, providing credit, setting up village schools, furnishing loans for building and even financially assisting young couples to get married.

North China and East China too have made considerable progress in organising co operative societies. In North China there were over 18,000 co-operatives with more than 6 million members according to statistics compiled in March 1950. A year earlier there were only 8,800 co-operatives in this area with a little more than 1 million members. In East China 4 million peasants have joined co-operatives and a number of workers in Shanghai and other cities have begun to build up consumer co-operatives which have proved a valuable factor in helping to stabilise prices.

Producer co-operatives are a comparatively new development. They, too, are now bein organised in cities and villages. Handicraftsmen are being encouraged to form co-operatives to solve their marketing problems.

Co-operative economy today has a special importance for China as individual small producers make up an overwhelming proportion to China's nearly 500 million population and are responsible for about 90 per cent of the country's productive output.

(*From Co-operative Information*, *I.L.O.*, *Geneva*).

3. Business Research Helps Develop Sound Consumer Co-operatives In America

H. N. MUKERJIE,

Business research is playing an integral part in the existence and development of consumer co-operatives in the United States. It is this business research which has enabled these co operatives to establish thems selves on a sound footing and is ensuring their healthy development and growth. It has reduced the chances of failure by pointing out the merit and demerits of functional activities.

Millions of dollars are being spent by these co-operatives on business research as a part of their expansion programme. The money thus spent is bringing good dividends. A brief examination of this business research is, therefore, advantageous to appreciate the ways and means by which it helps consumer co-operatives.

Like any other economic organization, consumer co-operatives also have their ups and downs in the economic weather they encounter. The economic climate is sometimes suitable for a healthy growth and sometimes it is so bad that it is hard to traverse through the dark period. It requires foresight and right business decisions to face all kinds of climate.

There are, however, at the disposal of these co-operatives a number of devices that can be very useful in arriving at the right business decision. One of the most important of these tools is business research. Business research may be described as a careful and critical inquiry into the business operations of a co-operative in order to find facts useful in dealing with specific problems.

It is obvious that expenditure to maintain business research for a consumer co-operative can only be justified if such efforts pay their way. Some people are inclined to look at any expenditure in this direction as taking just so much away from the net savings of the association. This, however, is a wrong attitude and does not take into account the dynamic aspects of such an undertaking. More and more co-operatives are realizing that research can be a useful tool in helping to establish sound business policies leading to effective operating performance.

Better Efficiency.

Let us now examine what business research can achieve in the way of greater operational efficiency of co-operatives.

1. Business research enables management to check on itself. No single individual has all the information necessary to make good decisions when supply business runs into lakhs of rupees and consists of a large number of important enterprises. Assistance of a business research department in making a decision involving thousands of rupees reduces the possibility of error in judgment.

2. Business research gives management a better check on operations Comparative cost information of the various functions involved in operating an undertaking is one means available to co-operatives which can be usefully employed as a guide for their expenditure. Business research provides such cost information.

3. Business research enables co-operative management to keep in touch with members. It is an effective means of enabling co-operatives to furnish farmers what they need when they need it, and in the quantity and price range that make it standard in the field.

Personnel Problems.

4. Business research can help co-operatives in solving personnel problems. Personnel research can be directed to: (*a*) finding the most effective methods of training employees; (*b*) deciding on incentive programmes for employees; (*c*) making co-operative programmes more understandable to employees; and (*d*) determining qualities and characteristics that make for good employee performance. Research gives employees more assurance that policies are well thought out and that actions are based on facts rather than guesses.

5. Business research can furnish a sound basis for planning future operations. Change, more than any other factor, characterizes agricultural production and operations of consumer co-operatives. This emphasizes the importance of gearing operations to meet these changes if members are to receive the kind of supply items and the type of service they need and want. Business research can be an important tool for management in helping it anticipate changing economic conditions and adjust operations accordingly.

Carefully planned and executed business research broadens the source of knowledge needed by co-operative policy makers.

(*From American Reporter.*)

Letter to the Editor

Sir,

The recent policy of the Government granting a majority of Fair Price Shops only to Co-operative Institutions working in various parts is quite welcome. The supervisors who are employed by the Co-operative Central Bank Ltd., Vellore play a prominent part in the development of the movement in the District. As such it is regrettable that when all other services are considered essential and they are supplied with rice through the Fair Price Shops the poor supervisors who are said to be the pillars of the movement should be totally denied such privileges as are being extented to other employees of both the Government and the Local Self Government.

I therefore appeal to the Government that the services of the Co-operative Supervisors may also be considered as essential and necessary orders may kindly be passed.

27th March '51.
Wandewash.

V. K. VENUGOPALAN,
Secretary, Co-op. Union,
Wandewash (N. A. Dt.)

G.O.'s and Circulars

DEVELOPMENT DEPARTMENT.

G.O. No. 5051, 9th December 1950

Co-operative Societies—Central Banks—Financial statements for the half-year ended 30th June 1950—Recorded.

Read—the following paper :—

Letter from Sri K. Subrahmanyam Nayudu, M. A., Registrar of Co-operative Societies, Madras, to the Secretary to Government Development Department, dated 20th Nov. 1950, Pdl. No. 2/50 A.

[Co-operative Societies—Central Banks—Financial statement for the half-year ended the 30 June 1950—Report—Submitted.]

I submit herewith the consolidated financial statements (in 5 parts) of the District Co-operative Central Banks and the Madras Provincial Co-operative Bank for the half-year ended the 30th June 1950.

2. *Share capital.*—The paid-up share capital of the Madras Provincial Co-operative Bank remained at Rs. 15,00,000 on 30th June 1950. The total paid-up share capital of all the Central Banks in the State rose from Rs. 1,09,62,433 on 31st December 1949 to Rs. 1,17,90,940 on the 30th June 1950.

3. *Proportion of owned capital to liabilities.*—(a) *Madras Provincial Co-operative Bank.*—During the half-year ended 30th June 1950, the Madras Provincial Co-operative Bank continued to borrow funds up to an enhanced limit of twenty times its owned capital to finance through the Central Banks the societies which undertook procurement and distribution of foodgrains, mill cloth, yarn, chemical manures and iron and steel. The total borrowing of the Bank on 30th June 1950 amounted to Rs. 608·80 lahks as against the maximum credit limit of Rs. 1,155.00 lakhs permitted. During the half year, the Bank re-paid in full the balance due in respect of the short-term accommodation of Rs. 1.90 crores made available to it by Government in G. O. No. 691, Food, dated 2nd August 1949.

(b) *District Co-operative Central Banks.*—The total borrowings of all the Central Banks on 30th June 1950 amounted to Rs. 1,440.42 lakhs as against the maximum credit limit of Rs. 2,464.98 lakhs. The maximum credit limit of the following Central Banks was enhanced to the extent noted against each for financing procurement and distribution of food-grains, mill cloth, yarn, chemical fertilizers, iron and steel undertaken by Co-operatives in their respective jurisdiction :—

4. *Fluid resources.*—As the Madras Provincial Co-operative Bank continued to finance procurement and distribution of foodgrains, textiles

and yarn undertaken by co-operatives, it maintained fluid resources at the standards relaxed in G. O. Ms. No. 4506. Development, dated 6th September 1949. On 30th June 1950, all the District Co-operative Central Banks maintained the required standard of fluid resources.

5. *Loans to societies.*—Particulars of loans outstanding against societies in the Madras Provincial Co-operative Bank and the Central Banks are furnished below :—

	Loans outstanding against societies.		
	As on 30th June 1950. Rs. In lakhs.	As on 31st December 1949. Rs. In lakhs.	As on 30th June 1949. Rs. In lakhs.
(1) Madras Provincial Co-op. Bank.	382.42	563.46	579.53
(2) District Central Banks ...	1,154.61	1,253 43	1,185.52

6. *Overdues.*—As against the total loan of Rs. 1,154·61 lakhs due from societies to Central Banks, a sum of Rs. 46·13 lakhs was overdue on 30th June 1950. The percentage of overdues to the outstandings was 3·99. Of the sums due from Central Banks to the Madras Provincial Co-operative Bank, no amount was overdue at the end of the half-year.

7. *Reserves.*—The statutory reserve fund of the Madras Provincial Co-operative Bank was Rs. 42.75 lakhs on 30th June 1950, and its other reserves amounted to Rs. 7·30 lakhs. The total statutory reserve of all the District Central Banks was Rs. 57·36 lakhs while the total of their other reserves amounted to Rs. 36.95 lakhs on 30th June 1950.

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

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

R.C. No. 3332/51-B. *Dated, 28th March 1951.*

Sub :—By-laws—Co-operative Credit Societies—by-law No. 16-B regarding recurring deposits—Collection of penal interest provision deleted.

Model by-law No. 16-B of rural credit societies provides for the levy of penalty on overdue instalments of recurring deposits. It has been represented that one of the difficulties in the way of popularising savings through recurring deposits in rural credit societies is the provision for the levy of penalty on overdue instalments. This provision was originally made to ensure regularity in the payment of subscription. The Registrar, however, considers that this provision for collection of penalty on overdue instalments of recurring deposits provided in Bylaw No. 16-B is not necessary now and may be deleted in order to encourage recurring deposits in rural societies:

2. Deputy Registrars are requested to advice the societies to delete the following portion of the 3rd sentence of model by-law No. 16-B:— " failing which he shall be charged a fine of two pies per rupee per month or fraction thereof on every rupee overdue."

J. C. RYAN,
Registrar.

Women's Page

Women in Soviet Consumers' Co-operatives

Consumers' co-operatives in the U.S.S.R. have a membership of 32,000,000, more than half of whom are women. Side by side with the men Soviet women take part in the management of the co-operatives, at all stages.

Soviet consumer co-operatives hold a dominant position in the trade in rural localities, while state trading is mainly confined to the cities.

Thousands of Soviet women work as managers of the societies' shops, kiosks, canteens, and lunch rooms. Thousands of women shareholders serve on auditing commissions and on management committees of the shops, restaurants, and other enterprises.

Thousands of Soviet women are elected chairman, vice-chairman, and board members of district, regional, and republican societies, as well as of village societies—the basic co-operative organisations in the U.S.S.R. Women are also elected to the central leading organs of the Soviet consumers' co-operatives—the council and board of "Centrosoyuz" (Central Union of Consumers' Co-operative Societies).

Fifty per cent. of Centrosoyuz staff are women, many of them occupying responsible positions. Thus, a woman is in charge of the central office for buying meat, game, poultry, eggs, butter, &c.

The author is the head of the central office for public catering.

All Soviet women, no matter what position in the co-operatives they occupy, work selflessly in the interests of continued improvement in the well-being of the Soviet people.

Exchange of practical experience is of great significance.

Much attention is paid in the U.S.S.R. to special training for work in co-operatives. Many women, together with men, study in the institutes and co-operative trade secondary schools, at various co-operative trade courses and schools. Many of them come straight from practical work in the co-operatives.

All co-operative employees are members of their own trade union. A very large number of women are elected to all levels of office in the union. Among them are the chairman of the Ukrainian Republican Committee, the chairman of the Stalingrad Regional Committee, and the chairman of the Novgorod Regional Committee.

M. Gorelovskaya,
Vice-President I.C.W.G.
Board Member of Centrosoyuz.

Women of China—Yesterday and to-day

Masculine ascendancy in China, as in other Oriental countries, is deeprooted. Even the best educated among women were confined exclusively to their homes and the drudgery of the household tasks and childbearing. To understand the incredible and gallant struggle of women of China for emancipation and freedom, we must look back to the dawn of civilisation. To be born a girl in old China was a calamity indeed. Often baby girls were drowned like kittens. Born in a peasant household, a girl was a burden in a family already overburdened beyond hope. Often "betrothed" at birth, she was sent at a very tender age to live with the family of her husband and was virtually a slave. Her only use in life was to provide eventually male children, and if, after a year of marriage, she did not succeed in producing an heir, husband was at liberty to take another wife. Polygamy was common. Women had no chance of education; illiteracy and mental confusion were considered an asset. A woman was bound to her husband as sure as her poor shapeless crippled feet bound her to her home. Thousands of years of such existence made women apathetic and hopleless with despair. But not all of them were subdued, and the revolution and the establishment of the republic in China brought new hopes to those who rebelled against this slavery. Pioneers among them fought for equality of social standing and for equal opportunities with men. With the war, women who took part in the struggle gained ground in their movement for emancipation. At the same time, it was realised that freedom from domestic drudgery meant nothing without economic independence, and a number of women, silk weaving experts, started a small scale co-operative silk-weaving society in a small town in central China. They gathered together a number of farmers wives and daughters and taught them the whole process, from breeding silkworms and collecting and drying silk cocoons, to weaving the silk. Women were illiterate and poor, and it took the women leaders a long time to achieve any positive results. But they stuck to their aim, and gradually the poor, primitive societies developed into modern equipped workshops, and the production of co-operative silk weaving society reached one-tenth of the whole co-operative production in China.

Meanwhile, in Chungking, the women's Co-operative Productive Movement was started among the families of the civil servants. After V-J Day, women's Co-operative Movement was developed still further, and a consumers' co-operative was started, while in 1947, a women's co-operative bank was established in Nanking, with fifteen women on the board of directors. In some large cities, in the northern and western parts of China, municipal consumers' societies were formed by women councillors, whose work covered also social activities and mass education. In a vast country like China, devastated by years of war, it is not easy to organise one large women's Co-operative Movement, but if the present war ended, After the termination of the nine months' course ending with 31st March every year, short courses of training for the employees of weavers', stores' and other non credit societies are being held from April to June (every years since 1947. Prior to 1947, Panchayatdar training classes were conducted for two years and the scheme was given up in 1947-48.

The Institute has a decent library with upto-date books on co-operation and other allied subjects. It has also a reading room. Four dailies both in English and Telugu and some co-operative journals are made available to the students.

The funds of the Institute are derived from 1. Tuition fees, 2. Library fees, 3. Annual contribution from members, 4. Subsidies and donations. The total income received and due for the year so far amounts to Rs. 8,756 while the expenditure incurred and due is Rs. 6,354 leaving a surplus of Rs. 2,402. With the previous surplus of Rs. 16,098 the total surplus available amounts to Rs. 18,500 as on date. Of this a sum of Rs. 12,000 is invested in Fixed Deposits. The Institute has got a building fund of Rs. 1,797 of which Rs. 1,500 is invested outside.

The present Institute building is a rented one. The location as well as the building are not quite suitable for an educational institutions. The need for an owned building is keenly felt. The Institute has applied for a Government site in Rajahmundry for alienation free of cost and favourable orders are expected. The Provincial Union has approached the Registrar for securing a substantial grant for the construction of permanent buildings with hostels by the moffusil institutes.

During the 21 years the Institute has progressed steadily and it has trained many workers so as to make them fit for employment in co-operative institutions or to work as honorary office-bearers in the societies.

The Students' Association of the Institute holds debates on current topics periodically. The students and the lecturing staff participate with enthusiasm. An elocution contest was held on 16-3-'51 and prize distribution for general proficiency, attendance and elocution has been introduced as a new feature this year. Lectures by prominent official and non-official gentlemen are arranged from time to time.

The students are sometimes taken on visits to places of general interest, They participate in the celebration of the International Co-operators' Day, the Republic day and other similar functions. A dramatic association has been started as a new feature this year.

The Institute is conducting itself successfully with its distinguished President, Sri B. Venkataratnam Chowdary, M.L.A., at the helm of affairs and with the active co-operation of the Deputy Registrars from time to time.

Monthly News Page.

The Kilacheri Deivasigamani Mudaliar Co-operative Milk Supply Society, Ltd., Trivellore was started on 23-3-51 at Trivellore, Chingleput District.

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The Rayalaseema Co-operative Institute celebrated on 31-3-51 its Annual Day and the Students' Association Day, Sri P. Bayappa Reddy, presiding. The Valedictory Address was delivered by Sri R. Ratnaswami Chettiar, Special Development Officer, Anantapur.

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An oil portrait of Sri Pydah Venkatanarayana, M.L.A., President, Kakinada Co-operative Central Bank, was unveiled at the Bank's Silver Jubilee Hall on 28-1-51 by Sri Lakkaraju Subba Rao, B.A., B.L. At the meeting held, glowing tributes were paid by Sri M. Sitaramayya Naidu (Vice President of the Bank) and Sri L. Subba Rao to the high qualities and co-operative spirit of Sri Venkatanarayana.

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The name of the Tirupparankundram Co-operative Union Ltd., No. A 587 has been changed as "A 587. The Mathurai Co-operative Supervising Union Ltd., Madurai."

* * *

The Joint Registrar of Co-operatives, Thailand, Mr. Sankariksha who is on study tour in the Madras State has visited the Kilacheri Co-operative Land Mortgage Bank at Valarpuram on 20-1-1951. He was accompanied by Sri S. V. Ramachandrachar, B. A., Deputy Registrar for Land Mortgage Banks and Sri A. Veeraraghavan, Supervisor of the Bank.

He was welcomed by Sri K. Chandresekara Mudaliar, President and Sri P. Royappa Naidu, Secretary of the Bank. After discussions regarding the working of the land mortgage banks in the State, the party moved to Kilacheri for inspection of lands, valuation etc.

The Madras District Co-operative Central Bank Ltd.,
(The VIII Tamil Nad Co-operative Conference)

CIRCULAR.

(To all Co-operative Institutions in the Tamil Nad area of the Madras State.)

Dear Sir,

You may be aware of the fact that the Madras District Co-operative Central Bank, Ltd. has resolved to convene the VIII Tamil Nad Co-operative Conference at Madras sometime during the month of June 1951 under the auspices of the Tamil Nad Co-operative Federation. The exact date of the Conference and the place of the Conference will be announced later.

The Co operative movement is becoming increasingly popular. We are to day living in a world of "Political uncertainty, economic insufficiency, greed, avarice and dishonesty" and the importance of the movement in such a world needs no emphasis. The enormity of measures undertaken by the Governments either at the centre or at the various states to increase production and check black-marketing has touched only a fringe of the problem. Nor are we justified in expecting the Governments to do everything for us. If we have the progress of our country and the happiness of our people as the main object in our heart, it is possible for everyone of us, high or low, to play a notable part in improving the living conditions of our people.

The population is increasing on one side while there is miserable deterioration in production. Prices are reaching giddy heights inspite of various controls. The tendency to hoard and black market is rampant.

It is therefore, essential that the Co-operators should meet often and consider these problems and arrive at solutions and plans for tackling them. Conferences of this type afford an opportunity for Co-operators to meet together, to exchange their views and to come to settled common conclusions.

We, therefore, appeal to all the Co-operative institutions in the Tamil Nad to take part in the Conference by sending delegates. Each institution can send not more than one delegate. However, any Union of Societies can send 2 delegates each and each Provincial Society, Central Bank and Wholesale Store can send 5 delegates. The delegate fee is Rs. 2 per delegate.

The Conference will be for 2 days. In order to conduct the Conference successfully, monetary assistance from the Co-operatives is quite essential. We, therefore, appeal to all Co-operative Institutions to send liberal donations towards the expenses of the Conference besides the prescribed delegate fee.

Boarding arrangements will be made for the convenience of the delegates. The fee for boarding is Rs. 6 per delegate for both the days of the conference. If arrangements are desired for boarding, intimation must be given to this Office on or before 20-5-1951.

Institutions are also requested to communicate to this Office resolutions for consideration at the Conference on or before 31-5-1951.

All communications, money orders etc., should be sent to the Secretary, The Madras District Co-operative Central Bank, Ltd., 52-53, Thambu Chetty Street, G. T. Madras.

B. S. VIJAYAGOPAL,
Secretary,
The Madras District Co-operative Central Bank, Ltd.

P. NATESAN,
Chairman,
Reception Committee, The VIII Tamil Nad Co-operative Conference.

M. S. PALANIAPPA MUDALIAR,
T. NARAYANA PILLAI,
Joint Secretaries,
Tamil Nad Co-operative Federation.

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