The Madras 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 Editorial Committee do not hold themselves responsible for views expressed by contributors. Contributors are requested to write legibly and on one side of the paper. Manuscripts will not be returned unless stamps are sent to cover postage. Matter intended for the issue of any particular month should reach the Committee before the 15th of the previous month.

The Poor Man and the Co-operative Movement:

Readers will find in this issue a brief report on the Silver Jubilee Celebrations of the George Town Co-operative Credit Society, Ltd., Madras. The occasion showed much jubiliation and enthusiasm. A public meeting was held in the evening. In the course of his Welcome Address, the President of the Society mentioned how the Society stood foremost among the credit societies in the City and also ranked among "A" class societies for a quarter-century. We congratulate the Society on its good record.

The most interesting feature of the meeting, however, was the expression of various views on the role of co-operative institutions in public service. The President of the Society said in his Welcome Address that experience taught the people that Co-operative Societies must observe three cardinal principles to attain perfection, the first being the observance of all rules and regulations relating to the business of the society. A co-operative institution is *also a business concern and not a charity house* and the members should exercise as much precaution and vigilence as in a regular business concern. In his opening speech, the Hon'ble Minister for Co-operation expressed that business must be only a secondary concern of Co-operation, the primary concern being the well-being of society and the rendering of service. He also said that Co-operation *must* *serve the poor man* and that Co-operative societies should include in their credit service the poor man of character also. He emphasised the need for developing character. In his address to the gathering, the Registrar of Co operative Societies stated that there was an indication that, for the advance of credit, the man of property was preferred by the co-operative institutions to the man having no property. That, he said, ought not to be the criterion of true Co-operation; *the man of character and some repaying capacity* should be trusted and societies should not insist on tangible securities if a good surety was offered by a man of good character. At the same time he agreed that co-operative institutions were no charity institutions and that a co-operative bank should *also* be run on sound business lines. He stressed the need for giving more attention to the poor strata of society; for that alone would be in keeping with the fundamental principles of Co-operation, namely the help to people of limited means and not people of easy means. He suggested that in accordance with the practice obtaining in some foreign countries where sound co-operative credit banks provided loans for the poor as a special item not from general funds but from money set apart for the purpose from profits, some of our sound co-operative institutions also might institute a Poor Man's Fund by setting apart a part of the profits and might utilise that Fund for lending money to the poor.

Three important questions arise from the foregoing: First: *Is the Co-operative institution a business concern or a charity house?* The co-operative institution is no charity house. It is in the main a business concern, bound by certain rules and regulations. By business should be meant the carrying on of transactions beneficial to the members of the society and not the common commercial attitude of exploiting situations with a view to profiteering, black marketing, *etc.*, which certainly have to be condemned wholesale. Rules and regulations prescribed by the general body for their common good should be strictly adhered to by their own members not only for their benefit and well-being but also for developing discipline which is an essential element of character and the building of which is the basic factor of Co-operation. It may show its popular character by the relaxation of certain rules in deserving cases but cannot set them at naught; for such an indulgent attitude will affect its soundness and impede its progress.

The second question is: *Is the rich man to quit the co-operative field?* The progress of Co-operation in our country has shown

that the well-to-do members have played a good part and imparted soundness to many an institution. It is therefore not fair to dub them as vested interests. The Co-operative Movement is an entirely democratic one; and it is therefore doubtful if at any stage it could do away with the support of rich men of character and public spirit.

The third important question is: *Who is the poor man whom the co operative institutions should succour by giving special facilities?* This is a knotty question; for poverty is relative and there is no absolute standard for determining it. However, it is necessary to draw the line somewhere so that the objective of succouring "the poor man" may be realised. We may mention in this connection the opinion expressed by the Registrar in general on the occasion of the inauguration of the Chandramouli Nagar Co-operative Colony at Guntur. He said "There are two sections among the poor—those who are totally unable to save anything out of their earnings and those who have a surplus budget but still are unable to pay the full instalments due by them towards loans." He ruled out the former as ineligible for assistance through co-operative societies. Charitable institutions might, however, help them. As regards the latter he suggested that public bodies and the richer classes might contribute liberally so that the burden of the poor may be lessened to some extent. We feel that, if the fundamental principle of Co-operation is succouring the poor, no section of the poor should be left out but should be helped as far as possible. We invite the views of our numerous readers on this matter.

Considering, however, all the points at issue, we hold that the objectives of the co-operative Movement should be service to the common man—the man of limited means—and development of character. The Co operative financing institution should therefore be mainly a business concern since the common man cannot afford to waste funds on unremunerative activities. At the same time he should help his poor brother to some extent. The rich man also should be drawn into the co-operative fold so that he may impart stability to institutions by investing some money and interest himself in the general well-being of the community. The poorman, while he receives help from the man of some means, should at the same time endeavour to do his best to repay his dues. Thus, while the co-operative institutions should function as business concerns, they should also be centres for character training.

In the matter of succouring the poor the co-operative institution should distinguish between the absolutely poor man and the poor man who has a small repaying capacity. A part of the Common Good Fund may regularly earmarked and donated to charity-houses for helping the absolutely poor. A Poor Man's Fund may be instituted separately out of the profits of the institutions for giving interest-free loans to those who have some repaying capacity. From out of this Fund, interest-free loans to the extent of Rs. 50 each for a period of, say, one year may be given to the poor. Only surety loans, on one or two sureties, may be given. Provision should be made to write off irrecoverable amounts. But every attempt should be made to recover even in very small instalments as far as possible. Rules and regulations should, therefore, govern this Fund also and an earnest attempt should be made to inculcate character and discipline among the members.

Other countries have made a beginning in this direction and our country should not lag behind. Some sound institutions like the Tinnevelly District Co-operative Bank and George Town Co-operative Society will do well to make a beginning in this direction so that the others may follow suit by and by and help promote the real objectives of the Movement.

Such Achievements Inspire Us:

We have received a statement from the Tinnevelly District Co-operative Central Bank, Ltd., relating to their Demand Collection Balance for seven years, from 1942—43 to 1948—49. The same has been published elsewhere in this issue. It will be seen from the figures of the Bank that the entire demand both under principal and interest for the year 1948—49 has been cleared for the sixth year in succession. We understand that the collection of the entire dues for the year was effected as early as the middle of June.

By its unique achievement, the Tinnevelly Bank has won the place of pride among the credit institutions in our Province. We learn that the Registrar of Co-operative Societies congratulated the Bank "on the collection effected for the sixth year in succession". The appreciation is well-merited. We hope that the Bank will endeavour to continue this career of credit for years without a break.

The achievement of the Bank is a lesson for many a financial co-operative institution in our country. It is commonly felt even among co-operative circles that the credit movement in our country

has not put up a high record on the *qualitative* side largely due to the indifference of the members of co-operative financing institutions to making payments regularly. Such of those who may have some misgivings about the possibility of enforcing regularity in democratic financing institutions will find in the Tinnevelly Bank an inspiring example of successful handling of business. The co-operative spirit of the customers of the Bank without which the Bank could not have done successful business would also be a good example for any other district to adopt. It is hoped that all the co-operative financing institutions in our Province will emulate the example of the Tinnevelly Bank and help promote genuine co-operative business.

Housing—The Problem of Problems:

Inaugurating the Co-operative Colony at Chandramouli Nagar (Guntur) recently, the Hon'ble the Premier explained clearly how housing was a problem during the war time and has been so even after the war due to high costs of production and other abnormal conditions. He also mentioned how the Government of Madras have taken up the matter on hand and have endeavoured to encourage co-operative house construction and also how, in pursuance of the recommendations of the Committee on Housing, steps have been taken to organise housing committees in all municipalities and major *panchayats*.

In the course of his Address, the Premier made two points quite clear. First, he said that the help and facilities offered by Government could not be utilised best without the corporate or co-operative effort of groups or individuals. Obviously, active public interest in housing schemes is lacking in our country and hence our slow progress in this direction. On the other hand direct and active interest is seen in other countries. For instance, it has been reported, as a note published in this issue says, that some steel workers in Canada have formed a group and have built up miniature houses and propose to build up on those models as soon as they receive State-aid. Such direct and active interest is to be developed in our country.

The second important point relates to housing the poor. We have in our Province, in particular, housing schemes for the well-to-do. But as the Premier said, "greater attention should be paid to the construction of cheap design houses suitable for persons of ordinary means." Progress in these two directions will go a long way to solve our problem of problems.

Make the Best of the Bargain :

At its meeting held early in June 1949, the Madras Provincial Co-operative Union considered the question of disposal of the large accumulated stock of handloom cloth of the weavers' co-operatives and other producers and resolved to move the Government of India in the matter of negotiating with Pakistan and other countries for purchase of our handloom cloth. The matter has since been taken up with the Government of India and it has been suggested that the Government of India might give their immediate attention to the matter so that an impending crisis to the handloom industry might be averted. The export restrictions on handloom cloth have since been removed by the Government of India. They have now intimated the Union "that licences for import of *lungis* from India will be issued now freely by Pakistan Government. Import licences for other handloom cloth will also be issued by them up to the limited extent."

It is encouraging to note that facilities are being given by our importing neighbour for our handloom cloth. The quota fixed by the importing country is too small in relation to the stocks available for export in our country. Yet we should try to make the best even of the small facility offered. It is said that some exporters of handloom cloth are not enthusiastic on account of the reported demonstrations of the Pakistan merchants against our products. Now that, as a recent press report says, the Pakistan Government have announced that they are not a party to such acts of certain vested interests there, the handloom industry in India will do well to take the full benefit of Pakistan's offer by making a bold attempt. Meanwhile, it is desirable that the Government of India should negotiate with the Pakistan Government for protection to the contracting parties on their soil. This step, while solving the textile problem in both countries, will also help promotion of goodwill between them.

A Two-Fold Path for the Middle Classes :

On the occasion of the Silver Jubilee of the Madras Government Telegraph Employees Co-operative Society, Sri A. Palaniappa Mudaliar, Joint Registrar of Co-operative Societies, gave wholesome advice to the members. Employees of Government and private offices mainly come from the middle classes; and it is they that are suffering most and are "crushed between the mill stones of inelastic income and soaring prices since 1942. If they should tide over this difficult period of their existence, the Joint Registrar said, they should adopt a policy of thrift. He said: "It is very hard to put by anything in times like these. It is here that the *discipline* of the Society should come to the rescue of the members and enable them to save something *compulsorily* even though it may mean foregoing a little of the accustomed standard of living." We have an example of this thrift system in the George Town Co-operative Society. It is necessary that all societies with middle class members should take this advice and act up to it.

Secondly, the Joint Registrar advised the Society to take up multipurpose activities and include cottage industries also among them so that the women in the house may produce some articles and add to the family's income. Only recently, the Committee which inquired into the conditions of the middle classes recommended the taking up of some occupation or industry by middle class women. It is high time our women gave up sentiment and did some useful work and added to the family's income. The Women Cottage Industries Society has made a beginning in this direction. Families of the middle class employees will do well to join in these activities and solve their problems. It is certain that this two-fold path will help the middle classes to tide over these hard times.

The Problem of Rural Investments :

On more than one occasion we have discussed the question of rural investments in the pages of our Journal. As a result of certain circumstances created by the War and the Aftermath, a good deal of money has flown into the hands of the agriculturists. A part of this income is being invested on the purchase of new lands or constructing houses and another part of it in private money lending and so on. The result is that no finance is forthcoming for investment in industrial expansion schemes at the present time when such capital is most needed. This question has been discussed in detail by Sri M. Dattarayalu, Secretary of the Madras Central Co-operative Land Mortgage Bank, in his article published in this number. In this article, while he has endeavoured to place the problem squarely before the public, he has also tried to suggest ways and means of tapping the surplus money which is lodged in the hands of the agriculturists. Village banking, as suggested, will go a long way to attract the money from the agriculturists. But they require *attractive* rates of interest. This question will have to be tackled and the investors should be convinced of accepting a fair and reasonable rate of interest in national interests. A good deal of propaganda is necessary for the purpose. A province-wide scheme for reorganising the rural credit system and introducing multipurpose activities is now on its progress. It is hoped that the extensive propaganda of official and non-official Co-operators in this behalf will succeed in tapping rural money resources and diverting them to industrial and other useful channels.

Announcement to All Co-operative Institutions

The 27th International Co-operative Day

and

The All India Co-operative Day

Saturday, 5th November, 1949

The Co-operative Day this year falls on Saturday the 5th November 1949. Our readers are aware that the Day is being observed by Co-operators to re-affirm their unflinching faith in the principles of Co-operation and to make a powerful demonstration in support of the ideals of free and voluntary co-operation.

All Co-operative Institutions are requested to celebrate the Day in a fitting manner. The Resolution proposed by the International Co-operative Alliance, London, published in this issue may please be adopted at all meetings on the Co-operative Day. The message sent by the President, the Indian Co-operative Union, published in this issue may also be read at the meeting.

A short account of the proceedings may be sent to the Madras Journal of Co-operation and other local papers.

With Co-operative greetings:

P. NATESAN,
General Secretary.
The Madras Provincial Co-operative Union.

On Attracting Shy Rural Capital

SRI M. DATTATRAYALU, B.A., C.A.I.B.
Secretary, The Madras Co-operative Central Land Mortgage Bank, Ltd.

During the war there was a plethora of funds and money rates fell very low. Government could successfully float loans at 2½ and 2¾ per cent. New companies floated could get all the money they needed for the mere asking. This state of affairs was then explained as due to the continuous addition to the amount of notes issued by the Reserve Bank of India against *ad hoc* securities of the Government of India. Now the conditions have changed. Every one of the loans floated by the Government of India or Provincial Governments in the last three years has proved a failure. No company which has come to the capital market for a share or debenture issue in this period has been able to secure the funds needed at satisfactory rates of interest. The Government of India were borrowing during the war at the rate of about 200 crores per annum. They have not been able to borrow more than Rs. 100 crores in the last three years. It is possible that a good portion of this amount was subscribed by the Reserve Bank of India. The deposits of banks have multiplied several times over their pre-war borrowings. Their lending too has increased several fold. But there is a great cry for bank accommodation which remains unsatisfied. The present position in the money market may be summarised thus. Government is unable to pursue its usual borrowing programme as the loan issues are all failing. Industrial organisations which require capital are not able to get the amount needed by them. Banks are very shy lenders. Private money lenders are reported to be charging abnormally high rates of interest though the ostensible rate of interest is noted as 5½ or 6¼ per cent. Every where the question is: what has happened to the money and how this great squeeze has occurred.

Government appointed a Committee under the chairmanship of Sir Ardeshir Dalal to find out the reason for the present state of affairs and to make suggestions for building a sound capital market. This Committee have submitted their report. Among various reasons, they have stated that the present prostrate state of the capital market is due to the fact that (1) certain investing classes such as the Princes and Zamindars have not been able to play their usual part, as their income is now practically dried up; (2) the changes in the distribution of income have resulted in wealth shifting more and more to the non-investing classes like the agriculturist; and (3) the high cost of production and the tax structure which left only small profits in the hands of the companies were, they said, responsible for the fall in the amounts available for investment either in the public or private capital issues.

We shall deal in this article particularly with the suggestion that changes in the distribution of income have resulted in the shifting of wealth to non-investing classes. Agriculture was for a long time neglected both by the people and the Government. Every one considered it as a mode of living and not as an industry. Only in recent times an honest attempt has been made to give the agriculturist his due. It was found that the agricultural producer who, after taking several attendant risks, offered the produce in the market, got comparatively less profit than the middle-man who purchased the produce and passed it on to the consumer with or without processing. Even the industrialist who processed the food grains and other agricultural produce made better profit than the agriculturist who had to take grave risks with Nature and spend his time and money in the course of production. In order to remedy this defect, while fixing the price of agricultural produce, Government have fixed minimum as well as maximum prices. As rationing is in force in the country and as the Government are the main purchasers and sellers of food grains, they could calculate and fix the price at which food grains should be bought and the rate at which they should be sold to the consumer. As a result of this policy, the margin of profit of the processing industries, *i.e.*, rice mills and the merchant agencies dealing in agricultural produce has to some extent been reduced and the margin of profit to the agriculturists was increased. The Dalal Committee's point is that as a result of such a swing, money went more and more into the hands of the agriculturists who are not accustomed to invest their moneys whereas if these moneys were in the hands of industry or trade, they would have come back for investment either in Government securities or in industry. As a result of this set-back there has been a squeeze in the capital market with the attendant difficulties. These are facts and there is no denying that what the Government desired by a change of policy in regard to the agricultural industry, has adversely affected the capital market. As the persons connected with industry and the capital market are influential persons, unless urgent steps are taken to remedy the defect and make surplus funds

available to the capital market, it would inevitably strengthen their agitation and force the Government to change their policy in regard to the margin of profit at present allowed to agriculture.

What the agriculturists are doing with the surplus in their hands is a natural question to ask. To a certain extent the surplus has increased their standard of living and to that extent both the industry and agriculture stand to benefit. But at the same time some have got accustomed to wasteful expenditure. During the Depression, the agriculturist had necessarily to restrict his expenditure on marriages and other ceremonies. All those thrifty habits have now been forgotten. Large sums are being wastefully spent on ceremonials. The traditional land-hunger of the ryot has revived and unbalanced his poise and he has again begun to purchase land at fancy prices. He knows that the high prices now prevalent would not remain for long but thinks that within a short time he would be able to repay the debt contracted for the purchase of land from the high prices he would receive for the produce. The same phenomena occurred after the first World War. The agriculturists in the delta areas utilised all the surplus in their hands left after their wasteful expenditure for the purchase of land. As such surpluses were not adequate, they resorted to borrowing from the *Marwaris* at 15 per cent to 24 per cent. When the Depression set in not only the land purchased but also the ancestral property had to be sold out to satisfy debts. The same phenomenon is now being repeated at the end of the recent World War in spite of warnings from competent authorities. In some areas land which was sold prior to the War at Rs. 400 to Rs. 600 an acre is now being sold at Rs. 2,000 to Rs. 3,000 an acre. In parts of the Presidency the lands producing paddy have been sold at Rs. 6,000 an acre also. The richest country in the world, namely, America, has been able to put a stop to the rise in the land values by propaganda and education among the farmer classes. In that country the best land is now sold for about 600 dollars an acre though a vigorous agricultural policy is being pursued there from a long time and the farmers are well-organized and are able to make their presence felt on the administration of the country. The position is not so good in our country. We have forgotten the events of the past and are heading towards another crisis by purchasing land at phenomenal prices. The *rationale* of the high prices of land consists in the fact that such surplus as is available in the hands of the agriculturists is being utilised for paying abnormal prices for land. This does not help the country; nor does it help the agriculturist. But the other avenues for investment are not known to him very well.

The only other mode of investment known to an agriculturist besides investment in land is moneylending. Moneylending has been our bane for a long time. When one could get a return of between 6 and 12 per cent by lending money, he would never think of investing his funds in industry and commerce where the return may at best be 5 or 6 per cent with the risk of depreciation always present there. So it may be taken that as long as money lending at attractive rates is possible it will be difficult to divert the surpluses in villages to the capital market. If a long view is taken, it will be realised that this moneylender economy has helped neither the borrower nor the lender nor the country as a whole. It is, therefore, for serious consideration as to how the surplus moneys in villages should find their way into the capital market and rural credit should be canalised and provided through institutions.

During the war in order to mop up surplus purchasing power Government instituted a drive for purchase by the ryots of Government Securities and National Savings Certificates. Both proved a failure and their objective of attracting money from the villages for the purpose was frustrated. In those days agriculturists were asked by the authorities to purchase Government Securities and officers were allotted quotas. Some ways and means were found to satisfy the officers and at the same time escape the need for investment in Government Securities. Middleman brokers sprang up who arranged with the banks for advancing the moneys needed and purchased the stocks either in the name of the banks or in the name of the individuals who agreed to immediately endorse them in favour of the financiers. For arranging this, the middleman brokers made anything from 5 to 15 per cent, and the banks themselves earned 2 to 3 per cent on such transactions. Thus the whole transaction was completed within four to five weeks. Having found that it was not a success, Government introduced a scheme of National Savings Certificates which could not be transferred, as in the case of Government Securities. These were taken up in small lots where the middle-men brokers arranged finances from institutions and individuals who were willing to wait till the transaction could be effected by the postal department. The discount in this case, *i.e.*, the commission, was very high. It ranged from 15 to 40

per cent but the transactions were too few; and the Government abandoned it.

The Dalal Committee has again recommended that the small National Savings Scheme should be intensified in the villages It will prove a failure again. The agriculturist can be induced successfully to invest his savings in some form which will make it flow into the capital market only if (1) the investment will fetch him interest at a rate at which he can legally realise the money if lent to his villager on pro-note and (2) the investment is such that he can understand. Now shares in companies and Government Securities, the income from which is paid only after deduction of income-tax will only scare him. All these years village banking has not been tried even in big villages which are reported to be wealthy. If we are to foster the investment habit, it is necessary that village banking should be tried on an extensive scale with the active support of the Government. The Dalal Committee has suggested that certain select banks may be authorised to open branches in the villages on an assurance that there would be no competition from other banks in those areas for a period of 10 years. The Committee has also recommended that the Government should lend to such branches the necessary cash free of interest. This is a welcome suggestion and if worked properly, it will have far-reaching results. However much joint-stock banks may be helped by the Government to extend their activities to the villages, they would soon find that they are misfits. *Only* a co-operative society can do this service. A joint-stock bank which opens a branch in the village will have no other interest except to receive deposits and issue loans. A co-operative society, on the other hand, where every adult member of the village can become a member has other interests. It is managed by the villagers themselves. Where in a village the rich agriculturists join a society and deposit their savings in it, they themselves become the directors and manage the society. They will have faith in their own management and with their rich experience, they may know whom they could believe, and to whom they should lend. If our village credit societies have not been a success as is the case till now, it is primarily due to the fact that our rich villagers have kept themselves aloof from the societies. Experts have differed as to the reason why they have remained outside the co-operative field. Some of them say that the rich *mirasdars* are always afraid of the unlimited liability being enforced and their being made victims of bad lending indulged in by some irresponsible directors. Whatever be the reason, it has been admitted that the rich ryots of the villages have not joined the co-operative societies.

If unlimited liability societies cannot attract the richer classes of the village into their fold, perhaps *limited* liability societies formed for each village or preferably for a group of villages may be able to attract the well-to-do villager who when he is actually in the management will exercise due caution in lending and also invest his own funds in the society. At the beginning the Government should place at the disposal of these societies somewhat heavy initial capital in order to inspire confidence in the villagers. Such capital will earn dividend and there will be no loss to Government on this account. The rates of interest on deposits from the agriculturists up to a specified maximum should be fixed at attractive rates, say 5 to 6 per cent. These are near about the rates at which money lent to the agriculturist could be legally recovered from him. The societies should be asked to lend at 6 per cent and invest their surpluses in Government Securities or in other approved paper. In order to meet the loss on account of such investment and to meet the working expenses, *etc*., Government should subsidise these societies for a period of ten years. During this period people will get accustomed to deposit their funds in the village societies and Government may withdraw subsidies and their own capital by degrees. It is said that Government are contemplating a compulsory saving scheme in order to divert surplus purchasing power into the capital market. If co-operative societies on the above lines are functioning in the villages a compulsory saving scheme for the villages also may, with advantage, be put into force. When it is realised that prudent management of these societies pays them decent dividends, they would prefer to invest their surplus there. Thus the money that is at present going into the wasteful expenditure or purchase of land at inflated prices, would be invested in banks. Such institutions will then have surpluses to invest in the industry and capital market.

Co-operation in our country has largely confined itself to the villages and only in the last few years the agriculturist has found a chance of improving his economic status, thanks to the margin of profits allotted to him by the Government. Powerful forces are at work to reduce the margin of profit at present allowed to the agriculturist and they would sooner or later force the hands of the Government to revise their policy unless the agriculturists particularly the richer classes, understand the implications of the present state of affairs and act quickly in a way which will benefit the country as well as themselves.

Some New Lines for Employees Co-ops.*

SRI A. PALANIAPPA MUDALIAR, M.A.,

Deputy Commissioner, Prohibition, (Amelioration) and Joint Registrar of Co-operative Societies, Madras.

It is indeed a real pleasure for me to address you on this happy occasion.

Your Society is celebrating its twenty-fifth anniversary—a land mark in its history. It is indeed an occasion for jubilation as well as for taking stock of the achievements of a quarter century. Today our minds naturally go back to the formative years when the infant institution had to contend against difficulties and we utter a silent prayer of thankfulness to the Almighty. Secondly, it is an occasion for the members of the institution to rededicate themselves to service of their fellow-men in the future years. The success of a human institution like a Co-operative Society largely depends on the loyalty, zeal and devotion of its individual members for the cause of Co-operation. Thirdly, celebrations like this serve to give publicity to the useful activities carried on by the institution. This is quite necessary for co-operative institutions and has an educative value of its own. It will serve as a beacon to other co-operative institutions and enable them to emulate a noble example. Lastly, it is an occasion when the institution receives the blessings and good wishes of outsiders, who are not directly connected with the society but are nevertheless interested in its successful working. The presence of the Hon'ble Minister for Finance, the officials of the Telegraph Department and a number of other well-wishers on this occasion is an indication of the interest they take in your Society.

The Silver Jubilee Souvenir contains a record of the achievements of this Society during the last twenty-five years. It is a record of which any institution may well be proud. The steady progress which the Society has made all these years is not a little due to its successive Boards of Directors and to the enlightened co-operation of its members. The Officers of the Telegraph Department, particularly the Heads of the Madras Circle and Heads of the Central Telegraph Office, who have been taking keen interest in the working of the Society particularly the then Chief Superintendent, Mr. F. M Smith and his Assistant, who took considerable interest in the formation and successful working of the Society in the initial years deserve the gratitude of the members on this occasion. Yours

*Speech delivered by Sri A. Palaniappa Mudaliar, M A., Deputy Commissioner of Prohibition (Amelioration) and Joint Registrar of Co-operative Societies, Madras, on the occasion of the Silver Jubilee Celebrations of the Madras Government Telegraph Employees Co-operative Society, Limited, Madras, on 29th August 19.9.

is one of the largest Employees Co-operative Societies in the Province, having a membership of over one thousand with a paid-up share capital of about half-a-lakh of rupees. The working of your Society is marked by several pleasing features. First, it has been able to tap deposits from its members, including thrift deposits to the tune of Rs. 1.40 lakhs, which constitutes about 52 per cent of the total borrowings by the Society, the borrowings by way of deposits from non-members and from the District Co-operative Central Bank being 29 per cent and 19 per cent respectively. Secondly, except during the last few years, when the cost of the management of the Society went up owing to the prevailing high prices, it has declared almost the maximum rate of dividend permissible under the Rules. Again, the promotion of savings on the part of members by a system of thrift deposits and the undertaking of extra credit activities by widening its sphere of usefulness are outstanding features in the working of your Society. Your thrift fund stands today at the impressive figure of Rs. 1.25 lakhs, the system having been introduced as early as 1929. The payment of bonus on thrift fund contributions proportionate to the amount and period of each deposit is a special feature of the Society which deserves praise. In addition to dispensing cheap credit—the primary objective of your Society—your Society has a stores section with a ration shop attached and a free public library and reading room. During the war years especially in the evacuation period in 1942 the stores section has been of great benefit to the members and also to the public, thanks largely to the interest taken by Mr. K. G. Sundaram, one of the Directors of the Society. The library and the reading room sections have also flourished and shortly a radio is to be installed in the reading room as part of the celebrations. Another noteworthy feature is that your Society has been issuing fidelity guarantee bonds to the members since 1939. 172 policies guaranteeing a sum of Rs. 51,120 have so far been issued and no case of risk has arisen in this business till now. By undertaking this business you have helped truly in a co-operative way those who have no other assets except their honesty and character.

Gentlemen, you may congratulate yourselves on having held aloft the true principles of co-operation. In a country distressed by conflicting political ideals, religious differences and economic inequalities, co-operation exercises a unifying and soothing influence. Mahatma Gandhi, though not a formal one, was *essentially* a Co-operator. An exponent of the claims of the weak, an unflinching champion of the exploited, oppressed and downtrodden, he was a tower of strength to co-operative ideology. It was his inspiration that led the Congress in its latest manifesto to realise that the best instrument for the rural regeneration of the country and the economic betterment of India's millions was Co-operation. The greatness of Co-operation is based on permanent human values such as truth, honesty, goodwill, mutual aid and fellowship. It is based not

upon selfishness but on collective endeavour, not on exploitation but on equity, not on class hatred but on economic justice, not on regimentation but on democratic freedom. It discourages selfish greed and promotes common enterprise on the basis of self-help and mutual aid. Co-operation best succeeds when its constituents realise that it is a great social enterprise and when they are gripped by the desire for justice and better conditions for their fellow beings and proceed together to attain these ends. So the men in charge of the affairs of the co-operatives should be sincere and honest workers imbued with the true co-operative spirit and animated by a zeal to work for the benefit of others. To the extent that the country can produce such workers—there is no doubt that such workers will be forthcoming in plenty—to that extent we shall expect the Movement to play its part in the building up of future India.

It will not be out of place if I digress a little and refer to the role of Employees Co-operative Societies in promoting the economic betterment of this section of the community. In doing so, I shall confine myself only to two aspects—*first*, promotion of thrift and *secondly* the promotion of multipurpose activities—the two fields in which your Society has already made substantial progress. In Madras Province, there were on 30-6-1948 209 societies exclusively for Government Servants and 240 societies for Employees of Municipalities and District Boards. These societies did good business during the year ended 30-6-1948. They issued loans to the extent of Rs. 247 lakhs to their members. The volume of loan transactions in the Government Servants' Co-operative Societies was the largest compared with other Employees Societies. During the year, the 209 Government Servants' Co-operative Societies lent more than Rs. 143 lakhs and at the end of the year a sum of Rs. 128.75 lakhs was outstanding againt members. Yet the fundamental object of any Employees' Co-operative Society should be the promotion of thrift on the part of its members. Credit facilities are no doubt necessary; but they should form only a secondary object. Co-operative credit societies, particularly employees credit societies, are not mere money-lending institutions. Loans in them ought to be comparatively a minor matter and should only be issued against members' own savings. However, in most employees societies, credit forms the major activity and thrift is usually relegated to a secondary position. Provision is generally made in the bylaws of employees societies for the compulsory savings on the part of the members. I am aware of the hardships of the middle classes in these days. Most of you come from the middle classes, who between the mill-stones of inelastic income and soaring prices have been having a gruelling time since 1942. It is easy to save in times of plenty when the family budget can the balanced without much difficulty; but it is very hard to put by anything in times like these. It is here that the discipline of the Society should come to the rescue of its members and enable them to save something compulsorily even though it may mean foregoing a little of the accustomed standards of living. It will pay you in the long run. When you sever your connection with the Society on retirement from service, each of you will have a substantial amount to his credit and will be grateful to the Society for the system of compulsory savings, though at present it may be a little irksome. Thrift is also of national importance at the present juncture as an anti-inflationary measure. Employees societies have a splendid opportunity to serve the Nation by taking effective steps to stimulate thrift and savings among their members and providing only controlled credit in cases of need.

The second matter that I would like to refer to is the introduction of multipurpose objects in employees credit societies. You might have heard a good deal being said about co-operative institutions undertaking multipurpose activities in recent times. Under the guidance of the Hon'ble Minister for Co-operation, a province-wide scheme has been launched for the introduction of multiple activities within the frame work of the bylaws of rural credit societies, which provide for such functions. Government have come forward with generous help in the shape of a subsidy of Rs. 1.29 lakhs per annum to enable co-operative central banks to appoint additional supervisors so as to bring down the number of societies in the charge of each supervisor to 20 with the object of providing intensive supervision for rural credit societies. This scheme is being worked through the Special Development Officers appointed under the Prohibition Scheme. New multipurpose societies have also been organised in select centres as an experimental measure. But multipurpose activities need not be confined to villages alone. If the agriculturist and the rural artisan stand to gain by the introduction of multipurpose activities in rural credit societies, there is no reason why the public servants and the urban employees should not be equally benefitted by its introduction in urban credit societies. That it is possible to introduce multiple objects in urban credit societies has been demonstrated by your Society, which, besides functioning as a bank, also serves as a stores, an insurance agency in a limited sense and as a public reading room. One of the reasons why multipurpose activities did not make much headway in rural credit societies was the dearth of suitable men to look after the several activities of the society. To manage a credit society is comparatively an easier task than to manage either a distributive concern or a sales organisation. Literate persons with the requisite business skill and acumen are very few in our villages. But such a plea will hardly hold good in the case of societies functioning in urban centres and composed of educated public servants. Nor can you, members of urban employees societies, complain of lack of leisure, because you work for certain fixed hours and the rest of the time is your own. You can, if you are so inclined, spend every day a few hours for the development of your Society. If the activities of the

Society are divided into different compartments and each compartment is placed in charge of a small committee, it will be certainly possible to multiply the activities of the Society and widen its sphere of usefulness.

On occasions like this, it is usual to chalk out plans for future development. This is a matter for the Board of Management of the Society and I am sure you have certain plans in view. May I venture to make a few suggestions which may be considered by your Board of Directors? As I have already stated, your institution is progressing on right lines. There is already provision for thrift deposits; but it may be made compulsory for all members, whether they are borrowers or not. The rates of minimum subscription may also be enhanced a little, taking into account the present low purchasing power of money. To ensure that the savings are conserved and are not frittered away, it is necessary that provision should be made to link up savings with some definite objective or purpose and for the accumulation of deposits to be invested in some permanent form of assets for specific objects. The depositors can take up for instance insurance policies for short periods which will provide them with funds say for the education of or marriage of their children and other useful purposes and the savings accumulated by them in the societies may be earmarked for the payment of premiums of the insurance policies. Another method of encouraging savings is to make the members add to their share capital by continuous or annual instalments as long as they remain the members of the societies, subject, of course, to the maximum laid down in the rules framed under the Madras Co-operative Societies Act. This would not only promote thrift but also considerably strengthen the financial position of the Society and increase its resources. Your Society may also arrange to supply homesafes and *hundi* boxes to the families of members to stimulate savings, which will be of great educative value. As a transitory measure you have enhanced the borrowing limit of indvidual members from five times the pay to eight times. I wish that you cut down the limit as quickly as you can. As regards extending the sphere of activity of the society, your stores section can easily widen its activities. I understand that it is now dealing in rationed articles and controlled commodities. If you desire your stores to be a permanent adjunct to the Society, it is high time that it dealt in non-controlled commodities as well. For, the moment controls are withdrawn, you will have the wind taken out of the sails of the stores and it may find it difficult to survive in a period of free trade. But, if you build up trade in all commodities, even now, when controls are in force, there is a fair chance of survival. You may also consider the feasibility of starting a restaurant section in your stores department to provide your members with wholesome food. This will incidentally enlarge the volume of transactions of the stores. There is a Co-operative Milk Supply Union in the City and it should be possible with a little planning and adjustment to link the activities of your stores with it in regard to procurement of milk.

The Society can also encourage subsidiary occupations and cottage industries among the families of its members and arrange to take over the finished products and assist in the sale of such products. By these means, the Society can help its members to supplement their salary. Again, I find that in spite of twenty-five years of working, the Society is not having a building of its own. The area of operations of your Society extends to the whole of the Madras Presidency and the Indian States. If the mofussil members should have an opportunity to attend general meetings of the Society at Madras and take interest in its working, it is necessary that the Society should have a building of its own so that the mofussil members may use it as a stay-house when they go to Madras. The amount to the credit of the building fund of the society was Rs. 5,162 as on 30-6-48. With this amount and by raising subscriptions and donations from members and sympathisers, the Society can put up a building of its own so that it may serve as an office, as a stay-house for the mofussil members, as a meeting place and as a recreationary centre. I am sure that the Board of Directors consisting, as it does, of enthusiastic workers will consider these suggestions and strive in the years to come to develop the Society in various directions so as to make it a potent instrument for the economic and social well-being of its members.

Gentlemen, I thank the organisers of this function once more for the honour they have done me in asking me to deliver the Silver Jubilee Address. I wish the institution prosperity and a long career of usefulness.

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Chandramouli Nagar—A Co-operative Colony

Proceedings of the Inauguration

The *Chandramouli Nagar*, a co-operative colony, was declared open at Guntur on 7th July 1949 by the Hon'ble Sri P. S. Kumaraswami Raja Premier to Government of Madras, in the presence of a large and distinguished gathering. The Premier, the Hon. Chandramouli, Minister for Co-operation and Local Administration, and Sri J. C. Ryan, Registrar of Co-operative Societies were received by the President of Chandramouli Nagar Co-operative House Building Society, Sri Kodali Appayya Chowdari. Dr. P. Veerayya Chowdari presided. Addresses of welcome were presented to the Hon. Ministers.

The Registrar of Co-operative Societies addressed the gathering first explaining the co-operative measures taken to solve the housing problem. He paid tributes to the President and the Directors of the Co-operative Building Society for the enthusiasm evinced by them in getting the colony established. He also explained that while co operative societies were in a position to help only the middle and upper classes of people, the poorer classes were unable to take advantage of the co-operative machinery. He divided the poorer classes into two sections those who were totally unable to save anything out of their earnings and those who had a surplus budget but still were unable to meet in full the instalments payable on account of the loans for the construction of houses. He ruled out the former as ineligible for assistance through co operative societies. They had to be provided accommodation by charitable institutions and philanthropists As regards the latter he suggested that public bodies and richer classes should contribute liberally for subsidising the construction of houses, so that the incidence of the burden on the poor members may be lessened to enable them to repay their loans out of what savings they could put by.

Inaugurating the co-operative colony at Chandramoulinagar, the Hon. the Premier said that wartime economic conditions, resulting in an abnormal rise in the price of materials, had rendered the problem of house construction almost a difficult one. Though four years had passed since the termination of the war, there has been no relief from the wartime disturbed economy. On the other hand, the termination of the war had brought in its wake fresh problems making the economic conditions more acute. Contrary to other expectations, the cessation of war had caused a great strain on the already disturbed economy of the country. The prices of materials and particularly of building materials like cement, timber, iron, *etc.*, had soared as high as four or five times the normal price level. The land value and the cost of labour had also gone up; so much so, house construction could not be undertaken by persons of limited means. For the lower middle classes and lower classes, house construction was unthinkable.

The Madras Government had already taken up the matter on hand, their policy being to provide new houses for the purpose of relieving congestion ; and assistance was given for the implementation of the policy. But the Government scheme however sound or well-advised, could not attain fruition unless people also co-operated with the Government so as to make it successful. The help and facilities offered by the Government could not be utilized to the maximum extent without the corporate or co-operative effort of groups of individuals. The housing problem could not be tackled successfully by starting house building schemes on a co-operative basis. The construction of houses by an individual would be a stupendous task almost bordering on impossibility of achievement, because of the huge efforts to be made to get land, building materials, labour, *etc*. But the problem could be tackled with a fair amount of success if the housing scheme were undertaken by groups of persons through the agency of co-operation.

It was the definite policy of the Government to encourage co-operative house construction, as it was easier to assist a collective scheme than to deal with them individually. The Madras Government in this connection constituted a committee to go into the question of housing and in pursuance of the recommendations made by the committee steps were taken to organise housing committees in all municipalities and major *panchayats*. New housing scheme were also organised wherever there was adequate public response. The Government assisted the housing societies by granting State loans, by acquiring under the provisions of the Land Acquisition Act private land suitable for house-construction and by procuring and supplying building materials. A provision of one crore of rupees had been made in the current year's budget for grant of State loans on favourable rates of interest and a special land acquisition staff consisting of a Special Deputy Collector with necessary subordinate staff had been appointed to attend to the land acquisition work.

The Premier said, he would lay stress more on providing houses to the lower middle classes and lower classes By building large houses the congestion problem could not be solved to a great extent. So, greater attention should be paid to the construction of cheap design houses suitable for persons of ordinary means. Efforts were being made by the Government for rural housing on co-operative basis, *i.e.*, for the provision of houses at a low cost so as to suit the paying capacity of the labourers and working classes.

A Note on the Working of the Society

The inauguration of the *Chandramouli Nagar* on 7-7-49 by the Hon. Premier, Sri P. S. Kumaraswami Raja as an extension of the Guntur Town marks the progress of co-operative house construction schemes sponsored by the Madras Government. It was given to the Madras Co-operative House Building Society to have the first colony of houses declared open in Adyar during June 1949 by *Rashtrapathi* Dr. Pattabhi Sitaramayya. Among the many mofussil schemes set in progress, Chandramouli Nagar takes the first place by having got up a neat colony provided with the essential requirements of modern life. In common with the other important towns in the Province, Guntur has been facing an acute shortage of houses and the need for the extension of the town on healthy and sanitary lines has been long felt. A bank of enthusiasts under the leadership of Sri Kodali Appayya Chowdari ventured to solve the problem to a certain extent, taking advantage of the facilities offered by the Government to co-operative enterprises.

Having purchased through private negotiation a neat block of 6 acres within the outskirts of the town abutting the Ring Road, they applied for the formation of a Co-operative Building Society. After consulting the municipal authorities about the suitability of the plot for housing purposes and after getting the layout of the proposed colony approved by the Town Planning Officer, the Society was ushered into existence on 17-12-47. About three acres were marked off for roads, parks, *etc.*, and the remaining area was divided into 19 convenient plots, 11 of eleven cents each and 8 of twenty cents each. The sale prices of the sites, excluding the cost of the amenities, ranged from Rs. 330 to 260 *per cent* in accordance with their distances from the Ring Road. The necessary prelimanary arrangements having been attended to, the construction of houses was commenced in February 1948.

All the 19 members decided to have a uniform type of building of 1,200 sq. ft., plinth area. It consists of three spacious rooms, a big hall and a varandah besides a staircase leading to the open terrace. The cost of each building was estimated at Rs. 14,000 and all the members agreed to entrust the construction work to the Society. The five Hony. Directors undertook the responsibility and carried out the work successfully, assisted by an Engineer engaged for six months on Rs. 175 *per mensem*. They got also the services of a co-operative Senior Inspector sanctioned by Government free of cost, for a period of 15 months. The houses reached the final stages within a year and all of them were ready for occupation by May '49. The Society did not employ any staff other than the Engineer and the Inspector. The overhead expenses were thus kept at the lowest possible. But as every one of the Directors evinced personal interest in the work assigned to him, there was no lack of efficiency in supervision. In fact, some of the Directors took their residence in temporary thatched sheds on the site itself, so that they could be in close and constant touch with the progress of the work at different stages.

The members were advanced Government loan through the Society at the rate of Rs. 11,200 per head except in the case of one who drew only Rs. 8,000. The amount of Government loans advanced thus aggregated to Rs. 2,09,600. The loans were given by the Government at $3\frac{1}{2}$ per cent and the Society passed them on to the members at 4 per cent reserving a margin of just $\frac{1}{2}$ per cent to meet the cost of management. The loans were drawn in instalments and utilized as and when the construction progressed. The Society obtained the requirements of iron, steel, and cement through the Registrar. Timber logs were purchased by the Society from Rajahmundry merchants. It secured the supply of bricks and lime from the producers direct on agreed terms. It engaged lorries on hire to transport sand and stone from a distance of 10 and 6 miles respectively. The cluster of sound and stylish houses as seen to-day emerged as the result of the earnest endeavour of the Directors. Compound walls of uniform pattern are being raised for all the houses. Each house is also to be provided shortly with a garage and an out-house at extra cost.

The greatest benefit which this Colony offers to its residents is the supply of drinking water through taps. It is fortunate enough to own a large well providing a copious supply. While wells of 50 feet depth and more in Guntur town proper are dry now, the water in this well is within 20 feet from the ground level. The Society has therefore provided all the houses with water pipes drawn from an overhead tank fitted with an electric lift from the well. The cost of the overhead tank, other installations and the pipes amounted to Rs. 10,000. Every house is also electrified by the local power supply. The street lighting is to be arranged shortly by the municipality. Three length-wise roads of 50ft., and 33ft. width and a cross road of 40ft. width were formed by the Society at a cost of Rs. 2,000. The municipality has undertaken to maintain the roads and has already metalled them.

There is a proposal for the opening of a school for the children of the Colony and its neighbourhood. Allotments of space have also been made for the construction of shops and for a park. On the site marked for the park has been installed the life-size statue of Hon. Sri Chandramouli, after whom this Colony is named. With the provision of flush out system and septic tanks as contamplated, the amenities will be complete and an ideal colony will have been established as the 'beauty spot' of Guntur. This is an outstanding achievement, *albeit* on a small scale, and it must serve as an inspiring example to many co-operators who have similar and larger schemes on hand as also to the general public who are interested in the schemes.

George Town Jubilee Souvenir

SILVER JUBILEE CELEBRATIONS—7th AUGUST 1949

SUMMARY OF PROCEEDINGS

The George Town Co-operative Credit Society, Madras, celebrated its completion of twenty-five years of useful service on Sunday the 7th August 1949. There was a special *Puja* at the Society premises in the morning of the 7th August. Prof. C. S. Srinivasachariar (now Principal, Rajah's College, Sivaganga) spoke, giving some very interesting points about the growth of the Society. The photos of Sri A. Narasimha Iyer, Ex-Secretary of the Society and of Sri Vavilla Venkateswara Sastrulu, Ex-Director of the Society, also were unveiled by Prof. C. S. Srinivasachariar on the occasion.

In the evening the function was celebrated with pomp and grandeur at the premises of the T. T. V. High School, George Town. About one thousand members and a number of guests were present on the occasion. The Hon'ble Sri K. Chandramouli, Minister for Co-operation inaugurated the Silver Jubilee session. The Hon'ble Justice P. Rajagopalan, I. C. S. presided on the occasion. Rao Bahadur J. C. Ryan, M. A., Registrar of Co-operative Societies, addressed the gathering. Prominent among the guests were all the five Joint Registrars of the Co-operative Department, Deputy Registrars in the City of Madras, Secretaries of the Provincial Co-operative Institutions and the District Central Bank. The Directors of the Madras District Central Bank and many other primary institutions were also present.

After tea, the Chairman of the Reception Committee and President of the Society, Dr. P. Natesan, welcomed the guests and members. The welcome address is separately published in the previous issue of this Journal.

Opening the Jubilee Celebrations, the Hon'ble Sri K. Chandramouli, Minister for Co-operation congratulated the Society on having completed 25 years of life and paid a tribute to the valuable services of those "several noble-minded and influential gentlemen" who constituted the Board of Directors at one stage or another. Co-operation had come into this country some 35 years ago and had since suffered, like all other good causes, a good deal in the hands of men. But, to-day it was a blessing to the society, as a whole, and was necessary for the peace of the world. It was, however, regrettable that though the Movement was started so early, it had not permeated into and saturated all aspects of the socio-economic life of the people Yet there was no reason why, with men loyal and sincere to the ideals of the Movement, the entire field could not be covered.

Money lending, the Minister felt, was not after all the primary object of a society; in fact, it should not be. The development of the individual's character was the first and foremost thing the society should address itself to. This could very well be achieved by encouraging social amenities and by promoting social welfare services. The institution should work in this direction also, for so long as the individual's character remained questionable, fraud, mismanagement and misappropriation of funds, and the like were likely to follow in its train.

Continuing, Sri Chandramouli pleaded for more consideration and sympathy being shown to the poor members of the society. It was they who were in real need of support and, therefore, entitled to maximum help.

Adverting to the need for the production of wealth in the country, the Minister made an appeal to those present to join with the Government in their campaign to increase production all round, which ultimately would increase the material wealth of the country. The country was in need of every article that it could manufacture—articles not for luxury, but to meet the dire necessities of our brethren. It was, therefore, upto the co-operators to make a small beginning in this field also, just as they had done in the field of credit and had succeeded.

Sri J. C. Ryan, Registrar of Co-operative Societies, Madras, addressed the gathering next.

He said that it was in the fitness of things that the celebrations should be inaugurated by the Hon'ble Minister for Co-operation and presided over by a High Court Judge. This, he felt, promised a bright future for a Bank which had a good past. He referred to the President's account of how the Bank had risen from a very humble beginning to the position it occupied today and said that they were achievements over which the successive Directors might well take pride. He then made a reference to those who were anxious to educate their children but were short of funds and others who wanted to buy a strip of land or a cottage or invest in a small industrial undertaking—all of whom benefitted by the Society. The Registrar next referred to the growing tendency on the part of co-operative societies to cater to the needs of the well-to-do rather than to the needs of those with limited means. What was found to-day was that the Co-operative Societies were gliding towards the rich more and more. The surety loans were on the decrease and loans on mortgages were on the increase. It was necessary that societies should succour the needy. He mentioned how the needs of the poor are met in other countries and suggested that in a large flourishing society, a poor man's fund might be started out of the profits of the society and poor people of character be given interest-free loans, which might also be easily written off in case they were not realised on account of the unavoidable circumstances of the poor man.

In conclusion, the Registrar appealed to the Banks to cater as far as possible to the needs of the poorer strata of society, remembering all the while that the 'fundamental principle of co-operation is to succour, to run to the help of the men of limited means rather than of the men of easy means.'

The President, Justice P. Rajagopalan, in his concluding remarks, congratulated the Society on its Silver Jubilee. He said that the Co-operative Movement was an international force which had, as one of its objects, the development of character. He endorsed the appeal made by the Minister for the development of character, for he felt that the vicious circle had to be broken somehow and somewhere, so that eventually there might by less of capitalist tutelage and more of absolute powers of administration of societies.

Sri T. Parthasarathi Ayyangar, convener of the Silver Jubilee Committee, proposed a vote of thanks.

Prohibition in Madras*

Ameliorative Activities—Progress in June 1949

1. *Provision of Employment to Ex-Tappers*: (a) By organisation of special types of co-operatives :—

(i) *Jaggery Societies*:—During July 1949, 64 Jaggery Societies were organised in districts where the tapping of sweet juice was permitted, 59 societies were registered, and 59 started on their work. So far 1,527 jaggery societies were organised of which 1,505 were registered and 1,462 started on their work 630 Ex-tappers were enrolled as members and 3,937 licences were issued to tap sweet palm juice during the month. The total number of ex-tappers enrolled and licences issued at the end July were 1,00,154 and 74,189 respectively 54,985 mds. of jaggery valued at Rs. 4,27,406 was produced in July Up to the end of July, 13·33 lakhs of mds. of jaggery valued at Rs. 73.38 lakhs was produced by all the societies. The palmyrah tapping season having now come to a close in many districts, many members of these societies took up agricultural labour. In Tiruchi district 25 members were given loans amounting to Rs. 315 for purchasing lambs and kids for sheep-rearing as a subsidiary occupation.

(ii) *Milk Supply Societies.*—Milk supply societies were formed in different parts of the Province. Five jaggery societies in Malabar amended their bylaws to enable them to take up milk supply activities. Several societies in Malabar, West Godavari, Tiruchi, Madras, and North Arcot district have been sanctioned interest-free Government loans amounting to Rs. 63,665 in all mainly for the purchase of milk animals. Subsidies at Rs. 100 per society were also sanctioned for six months for some societies in North Arcot and Madras.

(iii) *Land Colonisation Societies.*—During July, steps were taken to settle the ex-tapper members by supplying building materials like palmyrah rafters and leaves, and credit facilities for land reclamation. The organisation of a society in Chittoor district is under contemplation.

(iv) *Labour Contract Societies.*—The Bukkapatnam Society executed contract work to the value of Rs. 3,261 and provided work for 67 families of ex-tappers during July.

(v) *Tenants' Co-operative Society.*—One such society was formed in Guntur district and land was made available for temporary cultivation.

(vi) *Field Labourers' Societies.*—Two societies were formed and registered in Krishna district.

*Summary of the Report of the Registrar of Co-operatives Societi[illegible] Government for July 1949.

(vii) *Cottage Industries Societies.*—The two cottage industries societies at Balyalagudem (Krishna) and Tadpatri (Anantapur district) were started on their work. The Ayodhyapatnam Carpet Society produced goods worth Rs. 696 and sold goods worth Rs. 1,172. The Kunnathur Weavers' Society for ex-tappers was given a special allotment of yarn for 50 looms and a short term loan of Rs. 5,000 for the purchase of yarn. One training centre in spinning was opened at Thiruvottiyur. 18 *charkhas* were given to the three training centres, 96 persons were given training of whom 53 attained proficiency. 198 hanks of yarn valued at Rs. 40-3-0 were spun in July. A proposal for continuing the two old centres for another three months was submitted to Government.

(b) *Other modes of employment.*—During July 6,367 ex-tappers were provided with work in various avocations as agricultural labourers, office peons, gang coolies, etc. Up to July 25,745 ex-tappers in all were provided with employment.

2. *Formation of Co-operatives for the Benefit of General Public including Ex-addicts* :—

During July 30 rural credit societies were organised in various districts; 30 were registered; and 16 were started on their work '3 milk supply societies were formed; One defunct society was revived; and 4 societies were started on their work. One milk supply union was organised and another was started on its work. In Bellary district a wood workers' society, intended to serve as a production-cum-training society, and in North Arcot a land colonisation society for *Harijan dhobies*, and in Krishna a metal workers' society and a bamboo workers' society were organised. A quarry workers' labour contract society was registered. A brick-makers' society was registered in Cuddappah district and a Government subsidy of Rs. 50 per month has been sanctioned for six months. The North Arcot Basket Makers' Co-operative produced and sold goods worth Rs. 1951-11-9 and Rs. 2,696-10-0 respectively. A basket makers' society in Madura district and hand spinner's society in South Kanara were also formed.

Interest—free Government loans to the extent of Rs. 13,385 were sanctioned for milk supply societies in Tiruchi, Cuddappah and Bellary districts chiefly for purchase of milch animals. The Kurnool Central Bank granted a cash credit accommodation of Rs. 800 to a leather workers' society.

3. *Development of Co operative Activity in Selected Firkas* :—

In July, 9 rural credit societies were organised, 6 registered, and 3 started on their work in various districts. Two agricultural credit societies in Tirunelveli district and a new co-operative union called Mercanad in the Nilgiris were registered. Two *Harijan* house site societies were organised and four were registered. The Kavetipuram Credit Society

in Chittoor district undertook button making and opened a ration shop. In Bellary and West Godavari districts seven credit societies undertook multipurpose activities like sale of food grains, mill cloth, and kerosene. Other activities like co-operative purchase of cotton seed and issue of loans on pledge of cashew nuts were seen in some societies. A spinners' society in Nilgiris received a Government grant of Rs 500.

In West Godavari, the Central Bank advanced loans amounting to Rs. 67,830 to some societies. Some jaggery societies in Tiruchi district issued small loans to members for purchase of lambs and kids and also undertook rice rationing and sale of agricultural implements. In Madura the Central Bank lent Rs. 15,730 to one credit society for purchase of heifers by members with a view to improve the local cattle wealth.

4. *Co-ordination of Beneficient Activities of Government Department and Promotion of Rural Uplift.*

(a) By the *Gramasanghams.*—During July 66 *gramasanghams* were formed in various districts. The total number was 12,805 at the end of July; of them 4,450 were active, 1,027 *sanghams* provided counter-attraction to drink; 367 were engaged in public health activities; 452 in sanitation; 255 in providing village communications; 577 in education; 231 in agricultural improvements; 17 in women's uplift. One *sangham* was revived in West Godavari.

The activities consisted in the construction of a culvert, cleaning a tank, opening a coffee hotel, opening reading rooms, installation of radios, giving free medicines, giving books and slates to the poor school boys, opening night schools, and a high school, and maternity and child welfare centre, construction of school buildings, and street cleaning in villages. The Injaram Betterment Committee (East Godavari) undertook to supply groundnut cake to the ryots at a small commission. The total commission will be used for buying a radio. In Chingleput District the Zamindar of Melayur offered to build a community centre on an acre of land. Grants were received by some *gramasanghams* for night schools, *etc.* In Tirunelveli District some efforts are being made to wean the *Kanis* from *ganja* smoking habit and prepare them for Prohibition.

(b) *By Rural Credit Societies.*—In July 256 societies amended their by-laws to undertake social and recreational activities; and so far 1,073 societies did so. During the month, 299 societies undertook social and rural uplift work: of them 253 undertook construction of reading rooms; 10 installed radios; and 56 opened libraries.

In Tanjore District a *firka* tournament was held by a credit society. In Tiruchi and Chingleput Districts medicines were provided by some societies. The Hon'ble Minister for Public Health opened a vocational training hall in a land colonisation society. A free Government grant of Rs. 5,000 was sanctioned to a markrting society in Visakhapatnam District.

Two credit societies in Chittoor District secured sites for godowns. One society in Madura District bought a paddy-sheller.

5. *Re-organisation and Intensive Supervision of Rural Credit Societies* :—

(i) *Number of Rural Credit Societies.*—There were 11,472 societies at the end of July ; of them 9,530 were good and active. The number of bad and indifferent societies decreased to 889.

(ii) *Number of villages covered and population served.*—These figures stood at 18,156 villages and 55.09 lakhs population, working out to 46·65 and 13·49 per cent of the respective totals for the Province.

(iii) *Membership and paid-up share capital.*—These figures were 8·31 lakhs and Rs. 99.90 lakhs respectively.

(iv) *Borrowings from Central Banks*—The borrowings amounted to Rs. 519·6 lakhs.

(v) *Members' Loans due to Societies.*—These outstandings stood at Rs. 562·21 lakhs.

(vi) *Multipurpose activities.*—251 more societies undertook these activities in July, making the total number of such societies 2,644 at the end of the month. 1.90 lakhs of members benefited by them, the amount involved being Rs. 16·89 lakhs.

6. *Counter-Attractions to Drink* :—

(a) *Drinks.*—Fresh tea and coffee stalls were opened at 68 places in the districts during July. Milk bars were opened by some milk supply unions.

(b) *Recreational Activities.*—Rural games, tournaments, *bhajanas*, *kalakshepams*, *kolattams*, *burra kathas*, folk dances, etc., were counducted in the districts. *Puranams* were also read at some centres. Some of the games and tournaments were presided over by the District Collectors or Special Development Officers and prizes were awarded to winners. Street dramas, magic lantern and cinema shows were also organised. A cinema proprietor in Tadpatri (Anantapur District) agreed to admit freely 5 *Harijans* a week to the shows. Government have been requested to allot Rs. 12,000 for subsidies to dramatic troupes. Public radios were installed at some places. The Hon'ble Ministers for Prohibition and Firka Development were present at some of these functions.

7. *Thrift.*—In July, 2,586 *hundi*-boxes were distributed and Rs. 17,165 collected through them. "Thrift" days were celebrated at various centres. Two ex-tappers of Tiruchi District took life insurance policies.

8. *Propaganda.*—Propaganda was continued with the help of propaganda vans. Mike equipment, gramophone records, radios, magic lantern slides, and educative films were used. Some public functions like the U. N. Children's Fund meeting were used for propaganda.

9. *Harijan Welfare.*—"*Harijan* Welfare Day" was celebrated at many centres. House site societies were formed. *Harijan* schools were opened and pupils were supplied books and slates. Cloths were given to those who kept their houses clean. Temple entry propaganda and programmes were conducted. The Hon'ble Minister for co-operation, and the Hon'ble Speaker of the Madras Legislative Assembly addressed several meetings. Activities like mat-weaving and egg production were started by some societies ; while some women in Bellary saved money through *hundi* boxes for taking shares in a women's cottage industries society.

10. *Supervision over the Free Distribution of Quinine in Rural Areas.*—In pursuance of G.O. Ms. No. 1046, Public Health, dated 25th March 1949 all the Special Development Officers were instructed to supervise over the free distribution of quinine in rural areas. Some progress was made in this direction with the help of the Health Staff.

11. *Miscellaneous Activities.*—His Excellency the Governor of Madras visited a *Toda* Colony in the Nilgiris. The Hon'ble the Premier and the Hon'ble Ministers for Co-operation, Food, Prohibition, Rural Development and Public Works visited several parts of the Province and studied rural conditions and addressed several meetings. They also inspected the work of several *grama sanghams* and contacted several societies like milk supply ones and credit societies.

12. *General.*—A distinct improvement in the condition of the ex-addicts was noticeable during the period.

Co-ops. at Work in the Province

A QUARTER CENTURY OF PROGRESS

The Government Telegraph Employees' Co-op Society, Ltd., Madras.

This Society was registered on 7-7-1924 for the benefit of the employees of the Telegraph Department resident in the Madras Telegraph Circle (Madras Presidency, the States of Hyderabad, Mysore, Travancore and Cochin). It commenced work on 9-7-1924. Though its main object was the dispensing of credit to members, other activities were not neglected. In order to popularise the principles and practice of co-operation, the Society used to observe every year a "Co-operators' Day" at which some prominent figures in public life used to address the gathering on co-operation and allied matters, and such celebrations were held regularly from 1925 to 1935. In 1930 a system of compulsory savings called "Thrift Fund" was introduced, this being the first institution in the Province to start such a fund. In 1933, a Store Section for the sale of handloom cloth as agents of certain co-operative production societies was started. In 1939, this was converted into a regular store, where goods were purchased outright and stocked for sale to members With the introduction of rationing in 1943 a ration shop was also added to the Store. During the war years the controlled commodities were made available to members as far as possible. Realising the value of literacy and education, as aid to the spread of co-operation, a free public library was started in 1932, and to this was added a reading room in 1934. From 1939, the Society has been issuing Fidelity Guarantee Bonds also in favour of employees of the department thus undertaking the activities of an assurance company. The Society, started merely as a credit instirution, has been slowly widening its sphere of activities, and is now performing the functions of a multipurpose co-operative society. The Silver Jubilee of the Society has been celebrated recently.

The George Town Co-operative Credit Society, Ltd.

The Society was registered on 12-4-1923 with 17 members. The features of the bye-laws of the society included the provision of a separate activity under the heading, "Monthly Savings and Loan Fund", Recurring deposits were allowed besides fixed and current deposits. The Fund branch was to be managed by a *Panchayat* of ten members, elected by the general body, while electing the Directors of the credit branch. The Society began to work on 30-6-1923 with 48 members and a paid up share capital of Rs. 359. Under the careful supervision of Rao Bahadur Vedachala Ayyar (Retired Registrar of Co-operative Societies) the institution progressed rapidly. Strict economy in establishment and vigilence in transactions were practised. By February 1925 its borrowing power rose to Rs. 25,000.

The Society played a very useful part in co-operative work in the City and at Provincial Co-operative Conferences. The Savings Branch Section was made permanent in 1927. By 30-6-1931 the Society had 390 members and Rs. 8,480 paid-up share capital. The Savings and Loan Fund Deposits were Rs. 74,692. In 1936, the membership and paid-up share capital were 503 and Rs. 12,876 and on 30-6-1941 they were 737 and Rs. 17,873 respectively. On 30-6-1941 there were 6,324 subscription units to the Loan Fund with Rs. 2,06,841 as subscriptions. In 1945 a Provident Fund for the employees was started.

On 30-6-1948 the membership and paid-up share capital were Rs. 1,777 and Rs. 1,47,506 respectively. The Loan Fund had 22,845 units amounting to Rs. 5,00,593. House mortgage and jewel loans and simple loans on paid-up subscriptions amounted to Rs. 14,83,554. The nett profits of the credit branch were Rs. 12,305 and of the Loan Fund Rs. 7,916.

During the quarter century only one amount (a small one) was written of as irrecoverable. The Common Good Fund is used for useful purposes. During the last five years house mortgage loans spread over 14 years were introduced. This helped the phenomenal growth of the Society during recent years. The Society has been placed in the "A" class.

The Society now owns a decent building.

*Expansion of the Co-operative Movement

SRI T. A. RAMALINGAM CHETTIAR

Government intend to ameliorate the condition of the villages through the Movement of Co-operation. So far as I know, 3 or 4 Departments are engaged in this task. But there is neither a well defined division of work nor an effective co-ordination among them. To increase the number of societies in a phenomenal manner seems to be the prime object of the Government and all efforts are directed towards this end keenly. But this is not the proper course. In the years 1920-21 similar efforts were made by the Government to blindly increase the number of societies with the result that many of them could not survive long. So, the right direction will be to educate the public and instil in them the spirit of co-operation by effective propaganda in advance. On their voluntary efforts and desire only, societies should be formed. Otherwise there is danger. Our people should evolve themselves in to such a nature as to be able to manage societies successfully and impartially.

Supervisors who visit the villages should sufficiently stay there and do propaganda among the people. At present not even 30 per cent of the societies do real work. Even there, societies are confined to credit transactions only. But now due to the difficulties of food control it is easy to form societies anywhere. But for want of public spirit among members, misappropriations and mismanagement are not infrequent. So long as the societies work at a profit there is no difficulty; when profits dwindle down, societies will be placed in an embarrassing situation.

Multipurpose activity has been tried in this district as early as 1925. I have been President of the Tirupur Co-oprative Sale Society for 20 years and have worked controlled credit. Formerly multipurpose was tried in relation to agriculture only. But now other activities are being tried. In their anxiety to show progress, all sorts of activities are tried. It is easier to talk. The difficulties of marketing should be considered. So, no rash beginning should be made. The present time is very inopportune. High prices have been ruling the market till now. But the days are changing. Money market is tightening. Pricesare falling. Even the Governments of India and Bombay are not able to raise enough loans. The Department thinks lightly of things and issues circulars. They have no business experience and have often come to distress by sentimental action. Supervisors are to be very careful. You should not be

*Speech delivered while inaugurating the Conference of Bank Supervisors of Coimbatore and Nilgiri Districts at Coimbatore on 18-9-49.

carried away by mere persuasions and orders of the Departmental Officers. You should weigh matters and act very carefully. You are the trusted servants of the Bank and the Bank relies on your reports and acts.

When a society is formed, efforts should be made to turn out some substantial work. To improve the soil should attract the major attention. Tractors may be purchased and made available to the members. In Northern India, especially in United Provinces and Central Provinces, bulldozers are purchased and supplied. If a single society is unable to do this, a group of societies may undertake this jointly. There is no use of relying on Departmental Inspectors as there is no sustained effort in them. One Inspector will be enthusiastic and his successor may not take interest. So you should take real interest in propagating the ideals and potentialities of Co-operation. After propaganda, people must come forward with applications forming societies. Then go ahead with formation of the societies. The societies will then work well.

Reorganisation of Rural Credit Societies

I. A Note on the Regional Departmental Conference

At the Regional Conference held at Rajahmundry on 23-8-49 of the Deputy Registrars of Co-operative Societies and Special Development Officers of the districts of Vishakhapatnam, E. Godavari, West Godavari, Krishna, Guntur and Nellore, the progress made in the scheme sanctioned by Government for the reorganisation of rural credit societies and introduction of multipurpose activities in them was reviewed and ways and means for accelerating the scheme were considered. The Conference was presided over by Sri A. Palaniappa Mudaliar, Dy. Commissioner of Prohibition (Amelioration) and Joint Registrar of Co-op. Societies, Madras. Representatives of the Central Banks in the districts concerned were also present, including Mr. P. L. N. Raju, M. L. A. and M. C. A. President of the Vizianagaram Co-operative Central Bank. Under the two-year scheme sanctioned by Government for the reorganisation of rural credit societies, 50 per cent of the villages in the Province are to be covered by rural credit societies and one-third of the population brought within the fold of such societies. Multipurpose activities should also be introduced in these societies. The scheme was put into effect about the beginning of February 1949. Nearly 45 per cent of the villages and 14 per cent of the population have so far been covered by rural credit societies. About 2,250 societies had done activities other than mere credit, such as distribution of controlled commodities, supply of agricultural requisites, marketing of produce, promotion of thrift, aid to cottage industries, *etc.* In order to give an impetus to the undertaking of such activities in rural credit societies and to enlist the help of the local men, it was resolved that one of the *panchayatdars* of the society should be nominated to see to the development of extra credit activities and to remunerate him in a suitable manner out of the profits on account of these transactions. The conference also resolved to give help to the artisans not only by way of providing funds for carrying on the industry but by undertaking the sale of the finished products. Societies will also be selected for undertaking schemes for providing houses to the members. The conference also considered the progress made by the societies in the construction of godowns, availing of the free grant that Government have provided to the extent of 50 per cent of the cost of the buildings. Besides, routine matters relating to the duties of the Special Development Officers and the Ameliorative staff were also discussed.

II. A Note on the Multipurpose Activity in Chittoor

(*a*) *Nindra Credit Society* :—The Society, started on 16-12-1948 has a membership of 83 and a paid up share capital of Rs. 1,975. It has

borrowed Rs. 5,395 from the District Central Bank It has been dealing in food grains, mill cloth and leather goods required for agricultural purposes. It is also recognised agent for procurement of food grains for the village. Its purchases and sales are about Rs. 6,000 and Rs. 5,650 respectively.

(*b*) *Karvetipuram Credit Society* :—This Society has a membership of 53 and a paid up share capital of Rs. 390. It has taken up button manufacture from bone as a cottage industry and has received a subsidy of Rs. 500 from Government for purchase of tools and raw materials. The instructor is paid Rs. 50 a month. There are six trainees and two lathes. It produced 123 gross of buttons valued at Rs. 138 and sold 34 gross for Rs. 38. The Chittoor C. W. S. is one of its agents.

(*c*) *Damarapakam Credit Society* :—This Society started on 30-11-'48 has 43 members and a paid up share capital of Rs. 1,070 It is a recognised dealer in food grains and kerosene. Its volume of business is now Rs. 2,670.

G. O's. and Circulars

Circular of the Registrar of Co-operative Socieсies Madras.

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

Rc No. 126545/49 X.5. *Dated 14-9-49*

Sub: Rural Credit societies—Introduction of multipurpose activities—Employment of paid staff and payment of remuneration to office bearers.

One of the main obstacles in the way of introducing multipurpose activities in rural credit societies is the want of time and the inclination on the part of the office-bearers of the societies to shoulder the extra work and responsibility that will fall on them thereby. For developing their non-credit business, societies will therefore do well to employ the necessary paid staff instead of depending purely on the honorary services of their office-bearers. From the additional income that non-credit business will bring them, it should be possible for the societies to meet the cost of any paid staff that they may employ for the work. However, to begin with it may be enough if each society employs only one clerk; as the business develops, more staff can be appointed.

Societies which cannot for the present meet the cost of any paid staff may, till they are in a position to do so, provide in their bylaws for the payment of some remuneration to their office-bearers who attend to the day-to day work connected with non-credit business. This may serve as an incentive to them to take some interest in such business. Societies may amend their bylaws on the following lines for the purpose :—

Add the following as by-law 54-A.

"It shall be competent to the Panchayat to entrust the day-to-day work connected with any noncredit business undertaken by the society to any of the panchayatdars selected by it for the purpose and pay him such remuneration as it may deem fit but not exceeding ten per cent of the gross profit earned by the society in such business in any year."

Recast the first sentence of by-law 30 as follows :

"The services of the members of the panchayat shall be gratuitous except as provided in by-laws 54-A and 55."

To ensure that societies develop their multipurpose activities soon, Deputy Registrars and Special Development Officers are requested to see that they either employ the necessary paid staff or amend their bylaws atonce as suggested above,

J. C. RYAN,
Registrar.

Monthly News Page

Foreign

During April 1949, Canada's widely spread Co-operative Movement made a concerted attempt to bring its views on several important matters to the attention of the Federal Government. Speaking through their four chief national organisations (The Co-operative Union of Canada, the Credit Union National Association, *etc.*,) Co-operators and credit unionists have exercised their democratic right to approach those in authority and state their case. A brief was presented to the Cabinet. The Canadian Prime Minister was pleased to see all sectors of the Movement working together and to know that both French and English speaking co-operators faced the problems together. The issues discussed related to Dominion Co-operative legislation, low-cost loans for housing co-operatives, and tax relief for credit unions and co-operatives.

* * *

Under the guidance of the S.F.F.X. Extension Dept., the Future Co-operative Housing Study Club plan to build their own homes. This group of ten steel workers and their wives organised about four months ago. They meet every Wednesday night. Once a month they have a joint meeting of men and women. They have built miniature houses and are planning their new community. They will study at least one year before they will embark on their new venture. They have selected a suitable piece of land where they can build nor only for themselves, but have land reserved for future groups. Next spring they intend to form a Company and apply to the Nova Scotia Housing Commission for a loan sufficient to build their houses. If their loan is approved the Commission will lend them the required amount for a twenty-year period at $3\frac{1}{2}$ per cent. The Commission will also give them free architectural service. The men themselves will do the work under a skilled supervisor.

* * *

The I.L.O. has announced that a field office on technical training has been established in India. It is the first regional office to be set-up under the I.L.O.'s programme of operations designed to ensure more efficient use of the world's man power. The office will give direct technical aid on request to the Asian and Far Eastern countries on how to improve their technical training programmes aimed at increasing the number of skilled production workers and thereby raising living stardards. It will also serve as a regional research and information centre on technical training. In its work it will co-operate with UNECAFE.

Indian

It is learnt that the Indian Co-operative Union is arranging for the Exhibition in New Delhi of handicraft products of Co-operative Socities in the country.

* * *

The first Madhya Bharat Co-operative Conference was held at Indore on the 29th and 30th July, 1949, under the auspieces of the Indore Central Co-operative Association. It was inauguarated by Shri Kashinathji Trivedi, Ex-Minister of Madhya Bharat Government and President of Madhya Bharat Provincial Congress Committee and was presided over by Shri Takhatmalji Jain, Ex-Minister of Madhya Bharat Government. About 200 delegates from all over Madhya Bharat Union representing central banks, urban and rural credit and non-credit societies attended the Conference. Officials of the Co-operative Department including the Development Commissioner and Registrar also attended it. The Hon'ble Development Minister and the Hon'ble Education Minister also were present. In all 14 resolutions were passed in the Conference including 3 important ones regarding formation of an apex Bank and a Provincial Institute for the Madhya Bharat Union. The third was regarding formation of a Madhya Bharat Co-operative Council to advise the Government on matters relating to co-operation. Resolutions requested the Government to take necessary steps to organise these institutions as early as possible. The question of formation of an Apex Bank is already before the Government which has appointed a Committee to report on the matter.

The Committee is preparing its report for submission to the Government. A draft constitution of the Madhya Bharat Provincial Institute was also passed by the Conference.

Provincial

A report says that the Government of Madras are considering a proposal for extending to villages the housing facility now being given to urban residents by means of financial aid to co-operative house construction societies.

According to the proposal, ten members of a village can form themselves into a co-operative housing society and seek Government aid. The Government will then assist the society with a loan amount equal to three-fifths of the sum needed.

To begin with, it is stated, Government will extend this facility to some villages in Coimbatore district.

• • •

A press note says: The present policy of the Government in regard to the sales of forest coupes is that they should generally be sold in public auction or by calling for tenders.

It has been represented that Harijans who are real workers in the forest coupes are not in a position to compete in open auction sales of forest coupes.

In view of this representation, Government have reviewed the position and with a view to promoting the uplift of Harijans they have ssued orders that a specified area in a block of forest coupe may be leased to the Harijans of that locality at a rate equal to the average of the revenue derived in respect of the coupe during the preceeding five years, provided they form themselves into a Co-operative Society for the purpose and that the rest of the area should be sold in auction as usual.

This concession will be in force for five years to begin with. The lease amounts are, however, liable to be varied during the five-year period with reference to the trend of bids for coupes which are sold in auction.

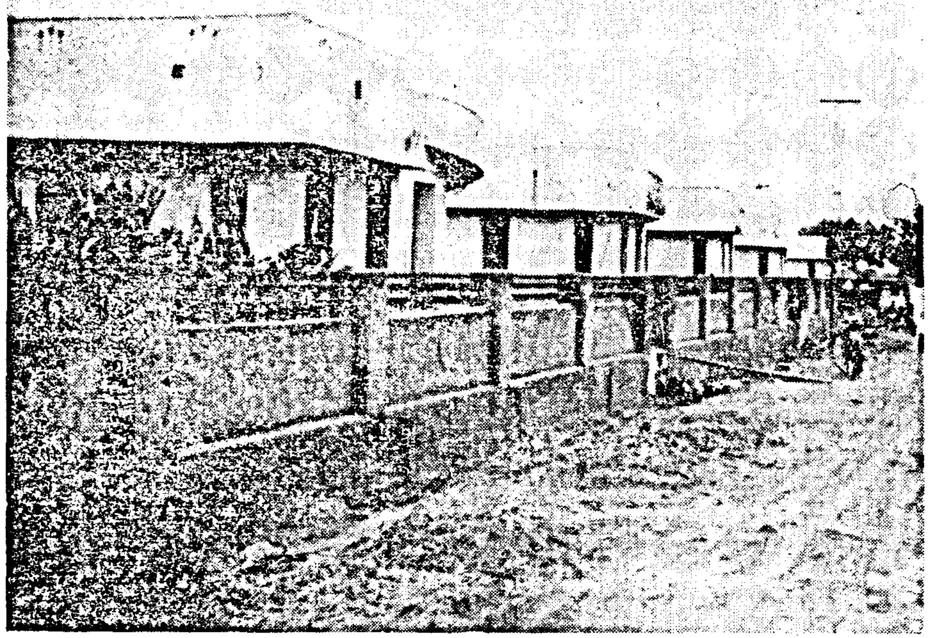
* • *

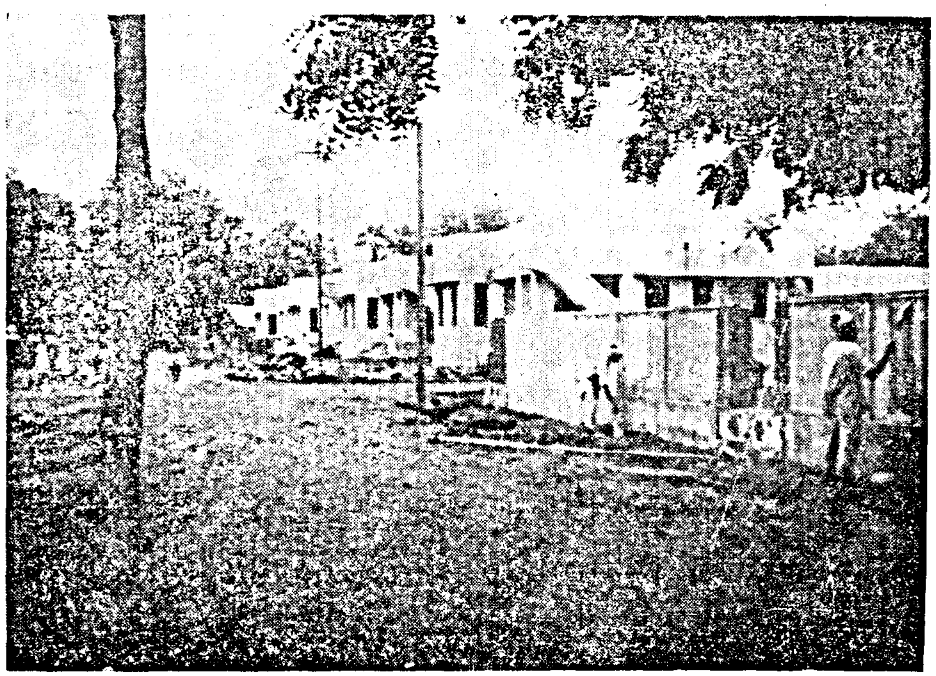
The Literary Association of the Rayala seema Co-operative Institute, Anantapur, celebrated the Independance Day on 15-8-49. In the morning, the national flag was hoisted by Sri B. Ranganatham, Vice President of the local C.W.S. He also explained the importance of the Day. The Superintendent of the Institute also spoke.

• • •

With a view to devise ways and means for the expansion of the Co-operative Movement, a Conference of the Supervisors working in the Districts of Coimbatore and Nilgiris was held on 18th September 1949 in the premises of the Coimbatore-Nilgiris Co-operative Central Bank, Ltd., Coimbatore. The Special Development Officer, Coimbatore and the Deputy Registrars of Coimbatare, Erode and the Nilgiris attended it.

Sri T. A. Ramalingam Chettiar, B.A., B.L., President of the Bank and Vice-President of the Indian Co-operative Union inaugurated the Conference.





Views of Chandramouli Nagar Co-operative Colony, Guntur. (see Note on p. 113.)

Co-operative Notes

Writing in the *Co-operative Official* of England with a view to meet the criticism of the "Times" and the "New Statesman" in England that co-operative trading is a dull and stodgy business, doing little or nothiny toward refreshing distribution with the spirit of enterprise, Mr. Percg Redfern set out what he called "the record of innovations in its barest form". The first innovation is the Co-operative Movement itself which in all its branches is a break-away from the forms of trade still continuing in the world from ancient times. The second is the economic innovation consisting in the device of dividend on purchases which private firms have tried to imitate with little success. Thirdly the Movement has initiated the scheme of collective assurance for all trading members which has not been improved upon by any private body. Fourthly, the Co-operative Party itself is an innovation; for it is founded on "the woman with the basket and all her household. The Movement never lacked enterprise. Otherwise it could not have enlisted millions of members and owned vast properties within a short period of time.

* * *

In Denmark, the Co-operative Workers Union and the Central Board of Trade Unions at their recent Congresses adopted a declaration and rules for the settlement of all disputes arising in Co-operative factories, shops, and offices by arbitration since the Movement must be able to compete with private trading organisations. For the settlement of disputes the rules provide: 1. All disagreements on working conditions and wages must be adjusted by mediation; 2. If a problem cannot be settled by mediation the dispute, if one of the parties demands, must be submitted to a court of arbitration; 3. The Court shall comprise two representatives each of the Central Board of Trade Unions and the Co-operative Workers' Union and a fifth member shall be elected by the other members; 4. No stoppage of work can follow a disagreement on working conditions or wages.

* * *

Writing on the importance of costs, Prof. W. Arthur Lewis, of Manchester University, stated in his new book. "Democrats may rejoice that one result would be a rapid expansion of the consumers' co-operative movement in many trades for which it is specially suited. Here is a movement to which more than half the families in the country belong. Freed from the trammels of price maintenance, and inspired with a sense of its mission, this movement could set prices all along the line at levels which whould drive waste out of distribution. It is the pride of the movement that it protected the consumer in the days when adulteration, short weight and fraud were the bugbear of retailing. To protect him from waste would add another page to an already noble history".

* • *

Discussing the Declaration of the International Co-operative Alliance under the caption, "The Way Ahead". Mr Henry J. May said, "The economically under-developed countries need assistance to build up their co-operative organisations. It is a happy thought that in some of these areas co-operation has made a valuable contribution towards economic development. ...... The work of ardent Co-operators in Nova Scotia in India and many scattered areas all over the world has set an example proving that Co-operation is a creative force, a valuable tool for the economic development of man kind."

Writing editorially the "Co-operative News Digest" of Australia says: "Some manufacturers realise the justice of the Co-operatives' claim to a "share in the distribution of commodities and are willing to trade with them..... Such manufacturers are displaying common-sense and a realistic approach to the changing conditions of trade.

The Co-operative Movement is a peoples' movement and ultimately it will triumph over all the obstacles which vested interests may place in its way.

It makes the producer and consumer master of their own business. It provides democratic control with service to the community.

We must march with the times, but let our march be ever towards greater freedom, not to some other form of domination."

* * *

The Demand Collection Balance for the year 1948-49 is furnished here under along with the Demand Collection Balance for the years from 1942-43 to 1947-48.

Principal.

Year.	Demand. Rs.	Collection. Rs.	Balance. Rs.
1942-43	5,94,359	5,84,857	9,502
1943-44	9,14,036	5,14,036	Nil
1944-45	5,07,101	5,07,101	Nil
1945-46	4,88,341	4,88,341	Nil
1946-47	5,56,338	5,56,338	Nil
1947-48	9,16,614	9,16,614	Nil
1948-49	6,70,824	6,70,824	Nil

Interest.

Year.	Demand. Rs.	Collection. Rs.	Balance. Rs.
1942-43	50,221	50,221	Nil
1943-44	83,739	83,739	Nil
1944-45	96,309	96,309	Nil
1945-46	61,266	61,266	Nil
1946-47	1,53,563	1,53,553	Nil
1947-48	1,74,081	1,74,081	Nil
1948-49	1,94,682	1,94,682	Nil

The entire demand both under Principal and Interest for the year 1948-49 has been cleared for the 6th year in succession as early as 15th June 1949. The Registrar has congratulated the Bank on their unique achievement.

* * *

The following statement shows the progress of the Co-operative Movement in Mysore for 1947-48 and 1948 49.

	Particulars.	As on 1-7-1949.	As on 1-7-1949.	Increase.
1.	Number of societies ...	2,523	5,103	2,584
2.	Number of members ...	2,49,620	3,38,790	89,170
		Rs.	Rs.	Rs.
3.	Paid-up share capital ...	87,30,712	1,05,35,364	18,04,652
4.	Working capital ...	4,35,57,632	4,89,68,396	54,19,745
5.	Total turnover ...	35,82,97,288	39,16,96,967	3,33,99,679
6.	Net profits ...	7,99,921	8,99,288	99,367

Announcement

No Supplemental Examination will be held this year by the Provincial Co-operative Union for the trainees of the P. C. U. Co-operative Training Institutes who have not been successful at the previous examinations. Such candidates may appear for the Examinations which will be held in March 1950.

P. NATESAN,
23-8-1949. *General Secretary.*

Books and Reports for Sale.

	Price Rs.	A.	
P. C. U. Publications :			
1. CO-OPERATION AND INDUSTRIAL LABOUR WELFARE (With special reference to Industrial Employees' Co-operative Stores.) English Edition ...	1	8	a copy.
2. Do Tamil Edition.	1	4	"
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Other Publications :			
1. CO-OPERATION—By W. R. S. Satthianadhan and J. C. Ryan	0	6	"
2. COTTAGE INDUSTRIES OF INDIA—Guide Book and Symposium : Chitra and Tekumalla (Silpi Publications) ...	18	0	"
3. A GUIDE TO CO-OPERATIVE EMPLOYEES—By N. Venkatachalam, B.A., Superintendent of Rayalaseema Co-operative Institute, Anantapur	1	0	"

Postage extra.

Copies can be had of :
The Madras Provincial Co-operative Union.
379, Esplanade, Madras.

27th International Co-operative Day

DECLARATION

On the 27th International Co-operative Day, the International Co-operative Alliance—comprising Co-operative Organisations in the five continents which seek to implement the high aims of the Co-operative Movement to establish a non-profitmaking economy and to raise the economic and social standard of the broad masses in all countries—appeals to the Co-operators of the World to make a powerful demonstration in support of the ideals of free and voluntary Co-operation.

It urges them to manifest their will for Peace by denouncing all hindrances to its realisation, and by calling upon all those who share their ardent desire for peace solemnly to protest against the possibility of again being subjected to the appalling distress and indescribable suffering caused by modern warfare.

It declares that economic nationalism, which has proved a dangerous incitement to war, must be substituted by free economic collaboration between all nations which will guarantee to all peoples free access to the riches of the earth as well as the right to their equitable distribution, and will give the economically under-developed countries the assistance necessary for their advancement.

In this process combines and cartels, national and international, must be combated with all resources because, by their very structure, they strive to create profits for the few by keeping down production, regardless of the poverty thereby caused to the broad masses, and because the measureless ambitions for power of the stronger among them provoke wars.

The I C.A. further declares that the Co-operative system is the best Instrument for overcoming these Grave Dangers to Peace. Its Ideals of Justice and Freedom for All, and its ceaseless work for Economic and Social Progress by the power of Voluntary Association execlude exploitation, subjugation and nationalistic aggression, while Free International Co-operative Trade promoted by the establishment of joint co-operative productive and trading enterprises will ultimately be powerful enough to defeat capitalistic monopolism in its multifarious forms.

Finally, the International Co-operative Alliance pledges anew its full support to the Programme of the United Nations Organisation, the aims of which are, by bringing about the peaceful solution of political conflicts, to reduce armaments, to preserve the use of the results of scientific research for peaceful purposes, and, by the establishment of organs for international collaboration in the social and economic fields, to raise world production and improve the living conditions of all peoples.

All-India Co-operative Day

Saturday, 5th November 1949

Message from Diwan Bahadur Hiralal L Kaji,
President, The Indian Co-operative Union

I send you, Brother and Sister Co-operators, my cordial Greetings on the occasion of the All-India Co-operative Day.

The Importance of Co-operation is being increasingly recognised and admitted, not only by the people generally, but also by Governments, as the great instrument for equitable distribution of the wealth produced by the nation.

Co-operation is no longer merely a subsidiary device of second rate importance for small men, to secure the advantages of large scale operations by combination and coordination. It is no longer a small corrective for the inequities of maldistribution. Co-operation is an economic system by itself like Capitalism, Socialism, Communism and other " isms."

We Co-operators welcome capital, but not capitalism ; we welcome labour, but not its dominance ; we welcome the consumer, but not at the cost of the producer. The time has come when India should declare itself to be a Co-operative State basing its economic policies on co-operative principles and applying them not only to registered co-operative societies, but to industry, trade and agriculture generally.

At the present juncture, when the world is still groping for the light amidst the darkness of warring ideologies, let us not forget, that Co-operation is the only barrier against exploitation and disruption, the only stronghold of all who desire to achieve peace, progress and prosperity.

Co-operators ! On this occasion, think not merely of your own society, but of the Co-operative Movement and think of how best you can assist in the promotion of a Co-operative State.

14/9/48

NOTICE.

To all the Member Societies of the P.C.U.

Member societies of the Madras Provincial Co-operative Union are requested to remit the annual subscription due to the Union for the current year (1949-50) as well as the arrears, if any, at an early date.

As per by-law No. VI(4) of the Union, " the annual subscription shall fall due at the commencement of each co-operative year and be payable not later than the 31st October of the year. They shall be recoverable as debts due to the Union."

Hence the member societies are requested to remit their subscription at an early date.

MADRAS,
28th Sept. 1949.

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

Announcement

The Madras Provincial Co-operative Union.

Sri P. S. Guruvareddy, General Secretary, Andhra Desa Co-operative Union, Rajahmundry writes thus, under date 21st September 1949 :—

It was first announced that the XVI Andhra Provincial Co-operative Conference would be held on 17th and 18th of September' 49 at Anantapur, but the dates had to be changed owing to the elections to the district boards and other circumstances over which the Reception Committee had no central.

The Asian and Far Eastern Co-operative Conference is going to be held at Lucknow from 24th October to 3rd November. Many Andhra Co-operators have had to attend that Conference and they find it impossible to attend both Anantapur and Lucknow in the same month. To enable them also to attend both the Conferences the Reception Committee, after serious consideration and mature deliberation finally decided to hold the Conference *on 19th and 20th of November 1949.* There will be no further alteration of the dates and the same may kindly be noted by societies, delegates to the Conference and Co-operators.

We request you to kindly make this Conference a success by your attendance without fail.

Yours Ever in Co-operation,
P. S. GURUVAREDDI,
General Secretary.

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