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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

FEBRUARY 1949

No. 8, VOL. XL

PRICE AS. 10 NET

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 Re-shaping of Things

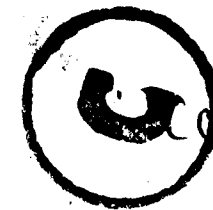
A Shift in Emphasis:

The Co-operative Movement in the World has been for some years dominated by Consumers' Co-operation. This had been necessitated by the dislocation of international trade during War. The disproportion between the abnormal volume of purchasing power and the sub-normal volume of supplies had to be fought mainly by rationing and price control. But rationing and control mean increased responsibility on the State for supplying the requirements of the people.

The Government of India have for some years past met the huge demand for goods by importing large quantities of all goods from outside. Shortage of supplies having now become a common feature of World economy, the imports into India have had to be regulated and even reduced in many cases. India has, therefore, to shift for herself in the matter of supplying the needs of her teeming millions. The situation has not been quite encouraging particularly since 1947. The survey of the United Nations Department of Economic Affairs (which has just been published) shows that there has been little change in agricultural and industrial production in India since 1947; there is also a decline in *per capita* supplies of essential goods, particularly food and cloth. The survey also adds

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that following the gradual decontrol of prices pursuant on the policy announced by the Government of India at the end of 1947 and the absence of any substantial change in the supply-demand situation the general level of prices moved upward rapidly during 1948.

The problem at present is how to improve the "supply-demand" situation without prejudice to a policy of decontrol and lowering of the price-level. The solution is obviously a genuine effort at increasing production both in the agricultural and industrial fields. These two fields of production cannot be tackled separately as such. For instance, agriculturists hardly have any incentive to produce more even for a higher price unless they have more of not only materials like fertilisers and implements but several essential goods like cloth and housing materials. Agricultural production is therefore intimately bound up with industrial development.

Here we find the need for shifting the emphasis from distributive regulation on to production programme. The Co-operative Movement played an important part in distribution. It has now to play even a more important part in production since it has now been acknowledged as one of the most potent factors of national economy.

The shifting of the emphasis had been urged by the Hon'ble Minister for Co-operation and the Registrar of Co-operative Societies, Madras, in their speeches at the Pudukottai Bank Silver Jubilee function published elsewhere in this issue. The Hon'ble Minister made an appeal to all those having the welfare of the people at heart to see that all co-operative organisations help produce all articles rather than distribute them. The Registrar re-iterated this need when he said, "Production, therefore, is our greatest need and in this matter co-operative societies can really be very helpful." He also dealt at length with the measures of the Government for increase in food production—land reclamation, supply of pump sets to ryots, co-operative dairying, and so on. Qualitatively this progress looks quite well. But judging quantitatively, it is far below the requirements of the province.

There is, however, noticeable in the policy of the Government of Madras a recognition of the need for linking up agricultural production with industrial production as far as possible. The promotion of multi-purpose societies is an instance in point. The Hon'ble Minister advised that every credit society should convert itself into a multi-purpose society and take one or two cottage industries to see that more things are produced immediately. The

Registrar also suggested likewise. If this new emphasis on agricultural and industrial production is followed up with active work, an improvement in the situation cannot be too far away.

"Co-op."—The Hall Mark of Quality :

A report from Australia published in this issue says that at the recent Queensland Co-operative Union Conference, the West Australian delegate raised the question of the use of the name "Co-op." as a trade mark on manufactured goods. He suggested that as the Movement was organised on a national scale, the Co-operative Federation of Australia should consider the administration of this trade mark. The Council resolved that the State Co-operative Unions should act as the guardians of the principle of the trade name "Co-op." being a guarantee of good quality, to prevent improper use of the name.

Thanks to the global war which has stimulated co-operative activity on a larger scale than ever before, the Movement is now being organised on a national scale and strengthened in every country. Co-operatives have now taken up numerous lines of industrial production. In U. S. A. and Canada fish, tea, tools and implements, motor oil, car batteries and even radios are covered by co-operative production. Similarly in several other countries. In our own country cloth, milk, eggs, fruit and so on are co-operatively produced and handled.

Co-operatives are said to be "a practical method of introducing needed correctives to a capitalistic, competitive economy of which they are a part." They are also meant "to restore competition to its rightful and necessary role, which has been thwarted by the practices of large scale monopoly." It is therefore essential that the trade name "Co-op." should be made the hall mark of quality and that the improper use of the name should be prevented. This would infuse confidence in every customer that might visit a co-operative or other store and induce him on her to look for the Co-op. label.

This guarantee of quality pre-supposes standardisation of specifications and grading and sampling in accordance with the standards. Standardisation ensures uniformity of quality and facilitates bulk transactions. Notwithstanding increasing co-operative activity, our country, it must be owned, is yet to learn the art of guaranteeing quality in bulk productions. The "Agmark" products offer some guarantee but their range and quantity are small.

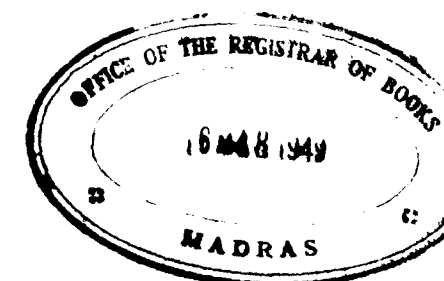
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The Madras Journal of Co-operation

Regd. No. 1284.



EDITOR : V. VIYYANNA, B.A., B.L.

ASSOCIATE EDITOR : VISWANATHAN TEKUMALLA,
M.A., B.Ed., F.R. ECOM. S. (LONDON).

PUBLISHED BY

**The Madras Provincial Co-operative Union,
Esplanade, Madras.**

ANNUAL SUBSCRIPTION :

INLAND :: Rs. 6.
FOREIGN :: Rs. 7.
SAMPLE COPY AS. 10.

VOL. XL No. 8
FEBRUARY 1949

A case for standardisation exists, for instance, in co-operative handloom fabrics which have a large production and an extensive market.

Co-op. label is a guarantee of quality in America and many parts of Europe. India will do well to adopt the principle and administer the trade mark. The Provincial Co-operative Unions may be made the guardians of the principle of "Co-op." being a mark of quality. An early step in this direction will carry us nearer to our goal of co-operative living.

Women's "Auxiliary" Co-operatives :

Women's Co-operative Movement has been in progress in this Province for some years past. There were 43 women's co-operatives with a membership of 3,515 and a turnover of about Rs. 1.75 lakhs in 1946-47 in the Madras Province. In the City of Madras women's productive co-operatives were started in 1944 on the initiative of Mrs. Sathianathan. For a time their progress was hampered by economic factors like scarcity of basic materials and difficulty in marketing products. The Co-operative Department, however, lent a helping hand. Whatwith the Departmental sympathy and the earnest endeavours of the President (Mrs. Sathianathan) and the Woman Special Officer, the societies could hold their own even under trying conditions. Their number is now nine with a total membership of 786 and a share capital of Rs. 2,689. The number of actual workers (producers) is 332. The production averages about Rs. 3,500 per month.

The need for a central society and a sales emporium had been felt for some time. Thanks to the earnest efforts of the President and the others, the Central Society has come into existence and a Sales Emporium has been opened recently. It is hoped that this new status of the Women's Co-operatives will enthuse them to work vigorously and build up their strength.

The aim of the societies, as Mrs. Sathianathan stated in her report, is to help middle-class women to earn a living for themselves and thus gain self-respect, self-confidence, ability and efficiency to manage their own business. The endeavour of the members is commendable.

Women's productive co-operation is a vital branch of the World Co-operative Movement. Our women's co-operatives have their counterparts in many other countries like Canada, Poland, Czechoslovakia, U. S. S. R. and Italy—all of which are also predominantly agricultural countries. In Canada for instance a Co-operative

of Arts and Crafts was formed in 1945 in the province of Quebec. Its aims (which are published elsewhere in this issue) are much the same as those of the Women's Co-operative in Madras. Judging from numerical strength, our Women's Central Society is far larger than the one at Quebec. But one distinguishing feature of the latter is its aim of stimulating progress in rural districts also. The Madras institution is a purely urban one. It must needs expand its scope of activity if it is to serve the cause of middle-class women to an appreciable degree. The Maharani Saheba of Bhavnagar visualised this real need when she advised the Central Society the other day to extend its activities to the districts also.

This responsibility obviously devolves on the Society by virtue of its present position. It can even now make a start by affiliating moffusil societies like those at Vizagapatam and Coonoor and undertaking to sell their products on consignment basis until it can reach up to the status of a full-fledged apex institution. The handicraft products of our women are much prized abroad. The darned thread wedding veils of Dummagudem and the crochet lace products of Narasapur and Nagercoil have been world famous for decades past. A genuine love for what is genuine Indian artistry is still present in the West. Only the other day a fashion display of Indian sarees, a westernised version of which has become a popular style in evening gowns among American women was arranged in Washington by the wife and daughter of the Indian Ambassador Sir B. Rama Rau. The Central Co-operative in Madras will do well to inherit the tradition and to press into service this talent of the rural women workers.

This is, of course, no easy task; for most of our women shun any public enterprise. But it is so even in Canada. We learn that the activities and influence of married women there are restricted by-law and that married women can now be only "auxiliary" members of societies. So also are most of our women; they want co-operatives to be only "auxiliary" bodies to guard the home front. They join co-operatives rather out of sheer necessity. Strong co-operative leadership will make them a little more enterprising. Contact with the International Co-operative Women's Guild, London, may go a long way to keep our women's co-operatives well-informed of the world trends and movements.

Let us hope that our women's co-operatives will form a first rate second line of defence in the economic warfare at the home front inspiring the men to bear the brunt.

Co-operation—Its Democratic Basis*

SRI K. CHANDRAMOULI,

Minister for Co-operation, Madras

Gentlemen & Brother Co-operators,

It is very rare and at the same time very pleasant to meet co-operators nowadays. Particularly after the two bitter wars the world has realised that the salvation for the whole people lies in collective action—irrespective of caste, creed or religion—and lies not in separation but in Co-operation only. If you want to have an all round progress and prosperity and *if you want to eliminate the inequalities and the bitterness that have been generated by them, it is by Co-operation and Co-operation alone that such a thing can be achieved.*

It is a fashion nowadays particularly in modern civilisation to decry philosophers. Philosophers have their own world and I am sure every one of you will agree with me when I say that the whole existence of the world depends on that one word "idea". Out of the "idea" the conclusions come. So you will know why intellect should be given its due place. If the idea is perfect, if it is pure and noble, then only all the good things that are being talked of in the world can be brought and pressed to the service of the common man and thus elimination of hatred and competition can be achieved. That is why I say it is always fortunate that we should meet nowadays as co-operators. Recently we had the International Co-operators Day at which several things were talked of. But the central idea is that the salvation of the world lies only in Co-operation; and that is why every individual who has got at heart the welfare of the Humanity, should work, strive and achieve that common goal namely the welfare of the people.

Today we are meeting here for celebrating the Silver Jubilee of your Co-operative Central Bank. India also had its own conception of Co-operation even long before the advent of the British. If you look back into the whole of our village organisations, how true it is that they are based on the highest concepts of Co-operation! They have worked on a co-operative basis, each working not only for himself but also collectively for the whole village. The essential needs of the villagers should not be measured in terms of paper currency or metallic currency. But they should be valued in terms of human values. That was the conception under which our villages have been created and our social organisations have been worked. Whatever they produced, say milk, vegetables or other food grains, they never used to part with them for the sake of money nor send them to other villages, allowing the people of their own village to starve for want of these

*Opening speech by the Hon'ble Sri K. Chandramouli, Minister for Co-operation, Madras, on the occasion of the Silver Jubilee of The Pudukkottai Co-operative Central Bank Ltd., Sunday 7th November 1948.

things. Today we are supposed to be advanced in civilisation. Today we are supposed to be living in a scientific age. The value of a thing depends upon the nature of its use but not upon its inherent quality or capacity. If one rupee be put in the market and food-stuffs are bought out of it, its value is good. But if it is spent in the toddy shops its value becomes harmful and useless. This is the conception of the value of money we have today. So also civilisation and science. They are appreciable things, no doubt, by themselves. That is why we are trying today to take to Co-operation and social methods which have conferred blessings upon us and the humanity at large. *Service and welfare of the people should be the motto of every co-operator.* Fortunately Mahatma Gandhi came into the field, into the political arena of India, and he, by his will force, conferred blessings upon India and brought independence which we had lost several years ago. When he advocated non-violence and non-co-operation, several people—not only the men in the street but even his best followers—used to question how *Swaraj* could be achieved without guns and munitions. Today we have seen the result—how the soul force is mighty. Thanks to the efforts of Mahatma Gandhi we have become a free nation. Now it is time for us to work collectively or co-operatively as you may put it, and see what Co-operation could achieve and confer upon the people. The past history of the Co-operative Movement clearly indicates that it has never worked for the benefit of the individual only nor created any sort of antagonism or party spirit. But it has created a beautiful atmosphere of equality, fraternity and what not. It has got one idea that all could work together and share the benefits equally and be content. That is the blessing that has been attained by Co-operation and those who ponder over it say that it should be pushed into every walk of life to make our independence a reality and be beneficial to the common man who has suffered for a long time. In our province we have rich and fertile soil and perennial rivers. We have all natural resources. But we have not enough food, nor enough cloth, nor enough articles of daily consumption. This misery is due to the western methods of civilisation. In the Madras Province the fruits of the Co-operative Movement have already begun to be tasted. It has progressed more here than in the other Provinces. Our Province has always been leading in the matter of Co-operation.

The Madras Co operative Registrar has always had some contact with the State and so we have the opportunity of coming here and knowing the experiences of the people connected with Co-operation here. The Co-operative Laws passed here are also in consonance with the laws that have been administered there in Madras. I am particularly happy to note that in the development of the Co-operative Movement in Pudukkottai State several of our Registrars have visited your State and given the benefit of their advice. But I note there are one or two things in which the Pudukkottai State had even an advanced lead. The system of shop-keeping in some of your

co-operative stores is very much advanced when compared with the Madras Province. Now that the Pudukkottai State has been merged with our Province we have become one. As the President has put it, we are now under a democratic Government. Democracy means co-operation for rights and liberties. That is the conception with which we have to work together and see that the good name of our Province is kept up along with the progress of Co-operation and that we act as a model, at least in Co-operation, to the other Provinces. The Registrar of Co-operative Societies, Mr. J. C. Ryan, told me that he has already visited your area and made arrangements for the distribution of cloth, yarn and other needs. During this transition period I am glad that the right step has been taken by the Madras Government and that the Registrar has taken the earliest opportunity to keep up contact with the co-operators here. I learn he has taken up the question of improving the handloom weavers' society and of organising a land mortgage bank. As I have told you already at least the daily essential needs such as cloth, food-stuffs, agricultural implements, and manure should be produced largely. If we are true co-operators we must turn our attention to this direction. *Every credit society should take the earliest opportunity of converting itself into a multi-purpose society and try to take one or two cottage industries, to see that more things are produced immediately. This is the immediate need of the people. Even the Government cannot continue for a very long time if the present state of economic depression were to continue. That is why I appeal to all co-operators and to all those who have the welfare of the people at heart to join hands and see that all co-operative organisations produce all articles collectively rather than distribute them. Not that I mean that we should not distribute them co-operatively and efficiently but, that if you have not got the necessary articles and if you think of individual property, you can never solve any problem. Blackmarketing is rampant as also official corruption. Neither of them is good for the Co-operative Movement.*

Our Registrar has said it is not good for Co-operation to confine itself to the distribution of necessary articles. I appeal to you, one and all, to take up this productive line, to produce more articles and confer blessings upon humanity.

I have the Jubilee report of the Bank. It has done splendid work during the last 27 years or so. Considering the results, you have every right to be hopeful of a great promise of further development. All these have been possible due to the genuine efforts and sacrifices made by the able directors of your Bank. I take this opportunity to thank them all for their endeavours and congratulate them on their achievements. I am also confident that the present directors would take up the progressive lines suggested by me for the improvement of cottage industries on co-operative lines.

I declare the Silver Jubilee celebrations of the Pudukkottai Co-operative Central Bank open.

Production First, Rather than Distribution*

RAO BAHADUR J. C. RYAN, M.A.,

Registrar of Co-operative Societies, Madras

Hon'ble Sir, Ladies and Gentlemen,

I am grateful to the organisers of the Silver Jubilee celebrations, for giving me the privilege of associating myself with the celebrations to night. On an occasion like this, our thoughts first go to the founders of this great institution. Successive Directors have run this Bank in an enviable manner and we owe our heart-felt thanks to them for having conducted this institution on sound business lines and brought it today to the grand strength which it enjoys. You are conducting this Bank with a capital of a lakh of rupees and a transaction of 20 lakhs of rupees. These are things which, as I said, are due to the able management of the Directors who held the helm of affairs. I am glad to find that out of the eleven founders as many as seven are still with us today; four of them still hold their seats on the Board; and one of them is occupying the Presidential Chair from 1936 till today. That, I think, is a great achievement in these democratic days of electioneering campaigns. Your President deserves our warmest congratulations, and, may I add that he would preside over the destinies of this Bank for many years to come! Gentlemen, this reminds me of a lovely passage which I read in Mr. Darling's Report on Co-operation in Germany and Italy, where he records with satisfaction that when he visited a Co-operative Bank in Germany he was told that the President of the time had been holding office for a period of 20 years and that before him his father had held the office for a period of 25 years. That, gentlemen, reveals the good sense of the members who believed that in business, politics and electioneering devices should not enter. A good man must be allowed to work out his plans in the best interests of the institution.

We are today, as the Hon'ble Minister has observed, in a transitional period so far as Pudukkottai State is concerned. In the opening words of the Vice-President of your Bank, the *Vellar* river seems to be the trouble. Well, may I hope with you that the State territory will be held in tact and that the *Vellar* river will play no more part than flow full with water and irrigate the lands of the State? This feeling of uncertainty about the future, I found here when I came to this State about a month ago. One of the questions asked me was "what is the future of our Central Bank?"—the Bank which is celebrating its Silver Jubilee today. It was probably feared that this Bank might have to be amalgamated with the Trichinopoly Central Co-operative Bank or some other Bank in the

* Presidential address of Rao Bahadur J. C. Ryan, M.A., Registrar of Co-operative Societies, Madras, on the occasion of the Silver Jubilee celebrations of the Pudukkottai Co-operative Central Bank, Ltd., on Sunday the 7th November 1948.

neighbouring districts of Tanjore or Madura. Gentlemen, so far as I am concerned—I am glad that I am speaking in the presence of the Hon'ble Minister for Co-operation—I believe it will continue to remain as it is an independent entity working the economic progress of your State on its own. It has a tradition behind it—a good tradition which it must keep. It will have a unifying influence on the territory over which it operates. However that is my opinion; but the Bank's affairs are to be decided by your own members. If they choose a course of amalgamation or any other course, I certainly will be the last person to stand in the way, when such a decision is taken by your general body. A similar point was raised in connection with your Co-operative Stores in this State and it was asked if I would be marshalling them into the Wholesale Stores at Trichinopoly. Again, I say, I shall be doing nothing of the sort. It is entirely a matter for the various institutions concerned to join with the Trichy wholesalers or to stand independent of them and organise themselves into a separate Co-operative Wholesale Stores. I shall in this matter be led entirely by the vote of the members themselves. Another similar issue was raised in regard to your weavers' society. On that, however, I should like to take a different attitude. Your weavers' societies are not too many. They are only three. So far as the Madras Province is concerned, there is no separate central organisation for weavers' co-operatives for each district but only one provincial organisation embracing within its fold as many as 850 weavers' co-operative societies, commanding a production of over 55 lakhs of rupees' worth in a month, and handling over 6 crores of rupees' worth of finished goods in a year. Now this important cottage industry of weaving is best handled when it is done by the Provincial Organisation which has opened emporiums all over the Province. It has opened emporiums outside the Province also in Travancore, in Bengal, in Ceylon, and in Malaya—and may open one possibly in South Africa too. The great problem for the weavers is marketing; particularly, marketing outside our Country. I am glad to say the Government of Madras has taken the problem seriously and have succeeded in getting a permanent export permit for handloom goods. Such export permits are best handled by a provincial organisation. Therefore my recommendation to you is that your weavers' societies will be best advised to join the provincial federal body as members both for getting their yarn supply and for marketing their finished goods. The yarn supplied by the Provincial Society was for a few months completely under the control orders. Possibly, by the beginning of next month, just 50 per cent of the provincial quota will be handled by the Provincial Society; but members of the weavers' co-operative societies affiliated to the Provincial Weavers' Co-operative Society will get their full requirements.

Another point on which I would like to stress this evening is the point which the Hon'ble Minister referred to, that is, that Co-operation to day is

much needed in the line of production. You are aware that we are short of supplies of foodstuffs. We lack rice; we lack wheat; we lack millets; we want even pulses. *Production, therefore is our greatest need and in this matter co-operative societies can really be very helpful.* To come to Pudukkottai today, we had to come through Pattukkottai where the Hon'ble Minister was pleased to see two Land Reclamation Co-operative Societies. There are in the taluk about 20 such societies and you will be surprised to hear that they have brought under cultivation of food crops 3,900 acres of land which formerly grew nothing. That shows what Co operation could do in the matter. He visited also an Ex-Service-men's Land Colonisation Co-operative Society on the way at Thirumangalakota. They are speedily bringing under cultivation about 500 acres of land there of which 200 acres have already yielded two crops. As we were travelling in the Pudukkottai territory we found vast extents of land which have not yet experienced the plough. Therefore it seems to me that there is great opportunity for land colonisation in Pudukkottai also. Co-operative Societies in our Province have been given many facilities by the Government. If the members of these societies, poor landless labourers, will only live on these lands, even their share capital will be given by Government. In addition, seed and manures will be given free in the first year; a sum of Rs. 750 each will be given for purchasing agricultural implements which they can repay in easy instalments. Government also give Rs. 250 each for purchasing bullocks, of which Rs. 125 is given away; the balance of Rs. 125 is repayable in 5 years. Irrigation wells could be sunk wherever water is available. I know there were some doubts expressed, when I last mentioned the subject of well sinking in Pudukkottai; that well sinking was a real problem here. I am not so sure that it is so. I rather think that adequate attempts have not been made. If you think that it is only in irrigated areas production can be attempted, I would cite instance of a Land Colonisation Society in your neighbouring district of Trichinopoly. The scheme put up in that connexion is under the serious consideration of the Government. In Marudhur in Trichinopoly District, 4 landlords owning about 400 acres of land have brought 100 acres under cultivation with the aid of the Cauvery water; 300 acres are lying fallow. The proposal is to have a Land Colonisation Co-operative Society there, a common organisation, comprising the 4 landlords and about 60 tenants. The lands are to be taken over on lease for 30 years. The 4 landlords have agreed to mortgage these lands to Government for a long-term loan of a lakh of rupees. With this loan pumps are going to be installed, irrigation is going to be provided and 300 acres are going to be brought under cultivation. Out of the harvest raised, annual collections will be made by the Society to repay the Government loan. We hope that while Government make an advance towards the capital expenditure, the Central Co-operative Bank at Trichinopoly will provide loans for the ordinary expenses of cultivation to

each member. The members will pay off the loan obtained for cultivation out of their harvest year after year.

Another commodity about which I wish to speak in connection with food is milk. You have in your State, as per figures furnished to me, one co-operative dairy and one co-operative milk supply society; and there are possibilities for more. I shall only detail here what facilities Government will provide; and I take the liberty of saying that I can provide them without waiting for new laws to be applied to the State Territory. Government have provided me already with 7 lakhs of rupees to be lent out to these milk supply societies free of interest for purchase of cows and buffaloes and irrespective of any technical difficulty, I think I can make bold to advance loans for the purchase of buffaloes and cows here. The milk derived can be collected by the milk supply societies and can be distributed at your headquarters or in other important towns. I have also funds to help the purchase of transports for conveying milk.

These are instances of what we have been able to do with regard to agricultural production in Madras Province. I shall just say a word as to what we have done in the direction of industrial production. Apart from separate societies organised for metal workers to make *kudams*, *thavalais* and *andas*, apart from societies organised exclusively for carpenters for the manufacture of chairs, tables and so on, apart from co-operative societies organised exclusively for *chakiliars*, apart from all these separate societies, we have got, as the Hon'ble Minister indicated, our own rural credit societies in some areas taking to milk supply, to the manufacture of mats, to the manufacture of leather goods, etc. There is, therefore, a great opportunity even by way of converting rural credit societies into multi-purpose societies to do industrial production. But I observe—please do not misunderstand me for it will look like a little bit of criticism—I find that your Central Co-operative Bank is a bit too economical. On examining the figures, I find that the percentage of establishment cost to working capital is only 0.5 whereas our presidency average is 1.14 per cent. I have been telling the Madras Government in connection with the organisation of the rural multi-purpose societies that the supervising staff should be strengthened a great deal if solid progress is to be attained. How can one supervisor look after 80 villages which attend to this kind of work? They should have societies within manageable numbers. If you put one supervisor for 10 societies it is possible that he visits them twice a month. If he is given 30 societies to supervise he cannot go to some societies for months together. Therefore I say that a much more liberal view should be taken with regard to paid staff. Provide more and more paid staff to take up these new activities in the shape of agricultural production or in the line of industrial production. I am glad to say that the Government themselves, as observed yesterday by the Hon'ble Minister in connection with the International Co-operators Day, have consented to offer some subsidies enabling Co-operative Central

Banks to put in supervision at the rate of one supervisor for every 20 societies and to provide two supervisors as reserve staff for every Co-operative Central Bank. I suggest that your Co-operative Central Bank should take up the opportunity at once and send up a resolution asking to strengthen your own supervisory staff; and I can assure you, so far as I am concerned, that I will back it up to the Hon'ble Minister.

Gentlemen, I shall conclude. Co-operation is a very grand thing. It has brought you all here in large numbers. 25 lakhs of rupees from your Bank are capable of achieving more. The potentialities are immense. My appeal to you is to continue on the same lines as you have been doing till now; *have faith in the Movement and instil this faith in others.*

The Madras Provincial Co-operative Union Examination, March 1949.

An examination for the students of the Tanjore, Coimbatore, Anantapur and Rajahmundry Institutes will be held at the respective Institutes' headquarters from 21st to 26th March 1949 as per programme given below.

Monday	...	21-3-1949	1 a.m. to 1 p.m.	Co-operation—Historical, General and Principles.
Tuesday	...	22-3-1949	10 a.m. to 1 p.m.	Co-operative Law.
Wednesday	...	23-3-1949	10 a.m. to 1 p.m.	Audit.
Thursday	...	24-3-1949	10 a.m. to 1 p.m.	Book-keeping
Friday	...	25-3-1949	10 a.m. to 1 p.m.	Banking.
Saturday	...	26-3-1949	10 a.m. to 1 p.m.	Rural Economics, etc.

Candidates who failed to pass in the previous Provincial Co-operative Union Examinations held during 1942 to 1948, are hereby informed that they can also sit for the above examination.

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

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

The examination comprises of III parts:—

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

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

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

The last date for receiving examination fees is 4-3-1949.

For further particulars please apply to:

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

Rural Social Work and Reconstruction—Panchayat Organisation

V. N. KUDVA, Esq., C.I.E., I.C.S.,

Member, Board of Revenue, Madras.

The problem of *Panchayat* organisation is intimately connected with that of rural reconstruction. The proportion of rural population to the total population in the country is so high that it has often been said that India lives in the villages. The economic condition of the villagers is at present very low. Their income has to be increased to enable them to improve the standards of nutrition, housing and education. This means a well-planned and co-ordinated effort on the part of the Government and the public. There is a strong body of opinion which considers that the most suitable and effective agency through which these plans can be executed to secure rehabilitation of rural life is the village *panchayat* and that for this purpose every village in the country should be under the management of a *panchayat*.

There is yet another aspect from which the organisation of proper administration of village *panchyats* has always occupied a great deal of attention. The entire structure of any form of democratic Government must rest on the strong foundation of enlightened public opinion. Many of the problems which confront any Government, exist in a miniature form in rural areas, and these can be dealt with more effectively by persons of common interest with local knowledge. The organisation of *panchayats* provides a valuable field of training in civic affairs in their own villages, and it is considered that their efficient management should form the basis of good Government in the country.

It is common knowledge that there is at present lack of civic consciousness particularly in the village. The poverty of the villagers seems to have almost devitalised them. They have lost their ancient spirit of self-help and self-reliance. Their poverty and ignorance make them easy victims of exploitation, with the result, that the administration of village *panchayats* is, generally speaking, not satisfactory. The present state of affairs in villages is so utterly different from what prevailed even at the commencement of the British Rule that it is necessary for a proper study of the problem to take into consideration the various factors that have led to a gradual and steady decay of the villages.

A typical village consists of a central residential site with open space for a pond and a cattle stand. This is surrounded by cultivable area and

*Paper read by V. N. Kudva, Esq., C.I.E., I.C.S., Member, Board of Revenue, Madras, at the Indian Conference of Social Work held in Madras on 20-12-'48.

lands reserved for grazing or supplying fuel. It has well-defined boundaries and often some kind of defence against common dangers. (This description does not, however, apply to large portions of Assam, Eastern Bengal and the West Coast of this Province, where people live in a small collection of isolated houses.) Till recently it contained a large section of the educated and cultured communities who exercised a dominant influence in the conduct of its affairs. It also contained groups of artisans like potters, weavers, carpenters and smiths, and they were welded together into a little community governed by the customary rules. It was self-sufficient and self-supporting. Its organisation was not merely economic; it formed the smallest unit of administration and enjoyed a great deal of local autonomy. Its institutions administered justice and peace, provided for education and sanitation, looked after public works like roads, tanks, wells and buildings and charitable institutions.

A detailed account of the organisations prevailing in the villages in this part of the country is available in the numerous inscriptions of the *Chola* period. The following account of the manner in which they worked is gathered from the excellent chapter on local self-government during the *Chola* period by Prof. Nilakanta Sastri.

The Government was by means of primary assemblies of adult males which aimed at securing harmony of the working of the various groups. The functions of the groups were limited in their range of operation to some specific purpose such as the maintenance of a temple or the regulation of a trade. The groups, as long as they did their work well, relieved the assembly of their work, but the ultimate responsibility for local welfare lay on the assembly, which had the widest range of functions in relation to the locality. The assembly had concurrent jurisdiction even in matters which fell within the competence of a particular group and heard appeals if the group was at default. Of the village assemblies proper, there were the *Ur*, which was the simplest type of these assemblies; the *Sabha*, which was invariably associated with *Brahmin agraharams*, many of which were created by royal grant which had a more complex machinery; and the *nagaram* which was probably a primary assembly of merchants. These assemblies existed side by side and acted side by side themselves or jointly according as the business on hand required and co-operated with one another and other corporations when necessary. The membership of the assemblies was generally unrestricted and open to all residents of the village. They acted through executive bodies or committees which were responsible to the assemblies for details of local administration and which were assisted by a small staff of paid servants, who also maintained the records. Membership of the committees was honorary, and there are reasons to believe that age, learning, official position and public benefactions were taken into account. There were also territorial assemblies representing the *nadu* and they discharged important duties particularly in

regard to revenue administration. While the villages were in practice little republics with a large measure of autonomy with powers of taxation for local purposes and granting exemptions from such taxes and were also entrusted with the supervision of even charitable endowments, they were subject to the control and general supervision of the State. There was a periodical audit of their financial transactions and officials were present at important meetings where important business such as alteration of land rights affecting the revenues of the Government was considered.

The villages were not merely economic and administrative units. They were the centres of corporate life and culture. They had their festivals, their folk-songs and folk dances, their sports and *melas*, which kept up the joy of life and sustained the enthusiasm of the villagers. Whatever might be the form of the Central Government, the villages continued to be miniature Governments in spite of the unsettled conditions caused by foreign invasions and Muslim Rule, and they sometimes even protected themselves against aggression. It is this ancient village organisation which enabled our country till the beginning of the last century to survive the various cataclysms of our political history and preserve the continuity of our cultural development.

The highly centralised administrative system of the British Rule and the impact of modern civilisation led, however, to a gradual and steady decay of the village communities. The administration of justice even in villages was practically taken over by the Civil and Criminal Courts, and the Police Department took over the functions of maintaining peace in the villages. The administration of land revenue was centralised; there was improvement in production as a result of the settled conditions and the large amounts spent on irrigation. The preference for individual holdings with the growing spirit of individualism, weakened the joint family system. The growth of population as a result of the steps to check the ravages of famine and epidemics led to the pressure on land and its produce. The growth of railways, the introduction of the telegraph and the improvement in communications brought the villagers into contact with the outer world in a measure which had not existed for centuries; and they suddenly brought the villagers face to face with world forces at a time when their outlook was practically confined to the neighbourhood of their villages which had hitherto supplied nearly all their simple wants. The indigenous craft of skilled workmen like weavers and smiths practically died out with the advent of cheap machine-made goods to their doors. While the subsidiary village industries decayed, there was more dependence on agriculture and the value of agricultural produce was subject to the fluctuations of demand and price in the big markets of the world. Small traders were also affected, as the produce was being taken away directly from the villages in definite seasons to the towns. The old balance between

agriculture and industry was destroyed. There was no doubt a growth of a few industries; their growth, however, was exotic as the general economic structure was unprepared and undeveloped for industrialisation. This only led to the formation of new cities, besides which, in point of view of population, or importance, the older cities created in the past by royal residence or religious sanctity, paled into insignificance. While they grew richer, rural areas sank into greater poverty. There has been a gradual migration into these cities and towns of the intellectual and higher classes, skilled workmen of crafts and even small traders in quest of modern education or employment.

These factors have led to the disintegration of villages: life in the countryside has become dull and monotonous. Absentee landlordism is a common feature and there is considerable increase in litigation. With the depletion of the educated and enterprising sections, the finer traditions have been losing force. The self-reliance with which the villagers have always managed their affairs has gradually disappeared, and they have become inept, docile and fatalistic. The village *panchayats*, as useful rural institutions, sank into insignificance. The question of arresting the disintegration of village life has always engaged the attention of many earnest thinkers all over the country. The problem is of such vital importance that even Mahatma Gandhi and Rabindranath Tagore thought it necessary to devote a good deal of their attention in trying to think of constructive measures in the midst of their political and literary pre-occupations. If freedom is to mean anything for the masses, the National Government should have definite plans for reorganising village life and raising of the economic position of the villagers who lack at present even the barest needs of decent existence. The apathy in regard to social reform has perhaps been the most serious of the evils of foreign rule. Village reconstruction for Gandhiji was linked up with social reform. He not only inspired women to come out and participate in public life, but also insisted on the removal of the untouchability and the enforcement of prohibition. He has bequeathed to the country not only a new religious and social outlook but also a new vision regarding the problem of rural reconstruction. For Rabindranath Tagore, this problem meant the removal not only of poverty but also the sordidness of life and ugliness of surroundings, and the adding of joy to the life in the villages.

The present *panchayat* organisation in rural areas has grown out of the steps taken from time to time by the previous Government to deal with this problem. Even so early as in 1820, Montstuart Elphinstone observed "The village committees were an excellent remedy for the imperfections of a bad form of Government. They prevented the bad effects of its negligence and weakness." It was felt that the State should take definite steps to foster the promotion among the people of habits of voluntary co-operation for carrying out public objects; and steps were taken to enable people

to participate in the administration of municipalities and local bodies with a view to train them to look after their own affairs.

The credit for realising the importance of shaping the new measures on traditional lines goes to Lord Ripon. As a result of his famous Resolution of 1882, a series of Provincial Acts were passed extending self-government with the aim of imparting political education. The measures enacted in the provinces were however in accordance with what their Governments conceived to be the needs of their people, and except in Madras and Assam, powers were concentrated mostly in the District Boards. Though it was intended to make use of and develop such fragments of indigenous self-government as still existed in the country, the process was one of devolution of powers by District Boards to smaller units instead of federation of smaller units to larger ones. The progress in rural reconstruction was very slow and the Royal Commission on Decentralisation, 1909, pointed out that this was due to the fact that the edifice had not been built up from the bottom; and that it would have been better if the starting point of public life had been the village, in which the people are known to one another and have common interests. The Commission was in favour of establishing village councils under the time-honoured name of *panchayats* in selected villages where conditions were specially favourable and their gradual development under the guidance of sympathetic officers; and it recommended that they should be given limited powers to construct and repair minor works, such as wells and drinking water tanks, to clean the villages in their own way and to maintain village roads and buildings such as rest-houses. After careful consideration, the Government of India decided in 1915 that informal *panchayats* with certain administrative and judicial functions were to be constituted as an experimental measure; taxation in such cases was to be optional and their jurisdiction by consent of the people. In the Montague-Chelmsford Reforms, it was recognised that responsible institutions have to be broad-based if they are to be stably-rooted; and control over local bodies was completely transferred to Ministers in 1919. There was however a lack of uniformity in the series of Village Panchayat Acts which were then passed for establishing village *panchayats* in the provinces owing to the diversity of conditions prevailing in provinces. Powers given to them varied and they derived their income from different sources; and in the matter of expenditure also, items which received special attention varied from province to province.

So far as this Province is concerned, it may be stated that the Provincial Government have always carried out their instructions in a liberal manner. The working of the local bodies in this Province has perhaps been successful in a larger measure than in other provinces. If their working cannot be said to be entirely satisfactory, it is due to the far-reaching changes in our economic system which have led to the decay and disintegration of our villages.

Our Province was one of the two provinces which followed up the suggestion of setting up sub-District Boards known as 'Taluk Boards' when the Madras Local Boards Act, 1884, was passed in the wake of Lord Ripon's famous Resolution of 1882. About 400 'Unions' were then constituted for rural areas consisting of one or more villages, and definite functions were allotted to them. Their administration was generally under the control of Taluk and District Boards, which were in charge of Public Health, Education and Communications even in the unions. As our Province consists of about 54,000 villages, only a fringe of the problems of local administration in villages had been touched; as these unions besides being artificial groups, the interest of the kind which binds together the inhabitants living in a single village was lacking and in several cases, it was found that the interests of only bigger villages in the union were cared for and protected. It is not surprising that the people viewed them as mere tax-collecting agencies and it was obvious that these 'unions' had no future before them.

On receipt of the orders passed by the Government of India in 1915 on the Report of the Royal Commission on Decentralisation, 1909, a number of informal *panchayats* were created; 1,000 such *panchayats*, 310 of which were also looking after village forests, were working towards the end of 1918. As they had no statutory recognition, the Madras Village Panchayat Act, 1920 was passed and statutory *panchayats* were created on a voluntary basis over areas which were declared by the Local Government to be a village or *panchayat* area. In this Province, they were permitted to levy taxes like house-tax, fees on markets, cart stands and slaughter-houses, property tax, etc., with the previous approval of the Registrar-General. (For minor *panchayats*, land cess was the main source of income.) The organisation was entrusted to "Honorary Organisers of Panchayats" and was subject to the control and supervision of the Inspector of Local Boards and Municipal Councils whose office was created in 1921 and who was also known as Registrar-General of Panchayats till 1934.

Excellent work was done at that time by the honorary organisers under the guidance of the then Inspector, Mr. N. Gopalaswami Ayyangar, and there were hardly any election disputes. After some time, the enthusiasm of the organisers as well as the people began to decline. Though the Inspector had powers to remove bad presidents or members, the Government had not taken powers to compel recalcitrant and apathetic *panchayats* to function properly when factions or other factors made good administration impossible. Attempts were made to rouse their enthusiasm by initiating grants in deserving cases. From 1925-26 onwards, large amounts were placed at the disposal of the Inspector who made grants for village communications, water-supply, libraries and for opening *panchayat*

schools and their equipment to those of the *panchayats* which were prepared to contribute half the cost in cash or labour of construction or repair of any village road, well or drinking-water tank.

For some time, the inducement of financial help from the Government overcame the apathy of the villagers. There was no doubt the enthusiasm for the movement was definitely on the wane. The introduction of the principle of election tended to aggravate factions where they existed and contributed to discontent and jealousy. The audit made by revenue officials revealed grave irregularities and mis-appropriations and disclosed that grants in many cases had been exploited by influential persons for their own ends. In the absence of day to day control of administration by insisting upon the appointment of trained and qualified personnel, there was need for drastic action as it was too late to rectify matters when the serious irregularities came to notice. The financial position of the *panchayats* was one of the weakest points in the whole scheme. No tax was compulsory and *panchayats* were permitted to raise taxes suitable to the locality.

It was apparent that fresh measures had to be devised. It about 5000 *panchayats* which had come into existence by the end of 1930 had to be brought back into a healthy condition. The old Act was repealed in 1930 and the *panchayats* were placed within the ambit of the Madras Local Boards Act, 1920. Changes were made in the electoral system by the introduction of property qualification instead of adult franchise. Income was statutorily guaranteed to the *panchayats* by definitely assigning to them one-sixth of the land cess and they were advised to levy house-tax and profession-tax based on income. With the abolition of the Taluk Boards in 1934, the *panchayats'* share of land-cess was increased to one-third. The offices of the District Panchayat Officer and Assistant Panchayat Officer were created to replace the honorary agency for the organisation of the *panchayats* under the old Act, to make periodical inspection of *panchayats* and to assist the District Boards, which were now in sole control of the *panchayats*, to exercise their functions properly. The Inspector was at the same time given powers to remove bad presidents and also to dissolve and supersede bad *panchayats*. A regular system of audit was introduced in 1938. The affairs of the *panchayats* were carefully scrutinised, and by about 1939, 83 of the *panchayats* were superseded and dissolved. There has been a general improvement as a result of these measures. A number of new *panchayats* have since been constituted, and their number has increased to 7000.

Though the State at least in this part of the Province has elaborate plans for rural development and has executed some works through its own agencies, funds are kept at the disposal of *panchayats* to attend to only those items of rural improvement in respect of which they are in a

better position with their local knowledge to attend to the needs of the villagers. Apart from the functions which are statutorily entrusted to them, it is open to them, under the Madras Local Boards Act, 1920 to take over the management of undertakings of common interest, such as forest *panchayats*, maintenance of topes and communal lands and repairs to irrigation sources and channels and to open village parks. Funds are also being set apart from time to time to be allotted to those of the deserving bodies which are prepared to take up specific activities and make and levy contributions for the purpose. From 1939, the Provincial Government has extended broadcasting system to villages and radio sets are being installed at concessional rates in those of the *panchayats* which agree to bear maintenance charges. It has to be admitted that on the whole the majority of the *panchayats* have taken up the minimum services that they have to perform under the Act. The smaller *panchayats* can afford to take up only lighting and scavenging services from what is left over from their income after spending a disproportionately large amount on salaries for the staff, and the general appearance of these villages would show that even these services are not well performed. The village roads are neglected and the tanks are not kept clean. The persons elected are not always suitable; meetings are not convened regularly; functions often paralyse their administration and funds are often mis-spent or squandered.

The question of reforming the organisation of these *panchayats* has been occupying the attention of the Provincial Government for some years now. It was apparent that if democracy and efficiency should go together, the actual day-to-day administration has to be entrusted to efficient non-partisan persons with administrative training, and since 1943, Executive Officers have been appointed to *panchayats* after giving them suitable training in accounts public health, road maintenance, etc. and practical training for four weeks in selected *panchayats* and two more weeks under a district *panchayat* officer.

There has been a marked change in the attitude of the Provincial Government towards local bodies after the assumption of office by the Congress Ministries in May 1946. The Provincial Governments have since decided to take all possible steps to rehabilitate rural life. In the sphere of local self-government, the present Government have decided to reverse the old policy of keeping *panchayat* boards as mere appendages with meagre resources to the centralised administration of District Boards. They are now working out a new Village Panchayat Bill under which every village with a population of over 500 and above is to have a *panchayat*; villages with a smaller population are to be suitably grouped together for this purpose; and these *panchayats* are to be given as large powers as possible to administer the affairs of the village with wider and some compulsory powers of taxation, and a greater share of revenue accruing in the village. The larger *panchayats* are to be constituted as "town

councils." Executive officers are to be appointed whenever the income permits this measure; a wide range of functions on the lines of those exercised by the old *panchayats* are to be entrusted to them. The control now exercised by the District Boards is to be withdrawn and the supervision and control is to be exercised solely by a central authority assisted by District Panchayat Officers and Deputy Panchayat Officers in the districts. Provision is being made for "grouping of village *panchayats*" with a view to enable them to undertake common activities like the running of a hospital, employing a sanitary staff in common, employing a Supervisor in common to help them to prepare estimates and carrying out works. The intention of the Provincial Government is that, when these *panchayats* are formed, they should form the basis of the whole structure of local administration; and that their efficient working should be the basis of universal good government in the country.

I have dwelt at some length on the progress of the *panchayat* movement in this province as I am familiar with conditions which prevail only in this province. I also thought that the members of this conference would be interested to know the working of the various measures enacted from time to time under the instructions of the Government of India which were in this Province put into practice in as liberal a manner as possible under the guidance of sympathetic officers.

The aim of the *panchayat* movement is to raise the civic consciousness of the people by providing them a valuable field of training in their villages. As pointed out on 6-8-1948 by Pandit Jawaharlal Nehru at the First Local Self-Government Ministers' Conference at New Delhi, an efficient administration of village *panchayats* must form the basis of any true system of democracy in this country, and democracy at the top cannot be a success, unless it is built up on foundations of local self-government below. Whatever may be the defects of the measures taken by the previous government to promote the cause of self-government in this country, it has to be admitted that there is at present a lack of sense of citizenship due to the poverty and ignorance of the masses. This has been responsible for the low standard of administration of our local bodies which compelled the Provincial Governments to curtail their powers in the past. Even apart from the sphere of local self-government, it is difficult for countries with a low economic condition like ours to grapple with any serious problem of administration. Reforms super-imposed by the State are not likely to have lasting results unless there is a change in the spirit of the people and unless steps are taken to improve their resources and raise their standard of life to enable them to spend more on the amenities in their villages.

The problem as to the steps that have to be taken up immediately to restore the administration of our village organisations to their traditional level of efficiency, is very difficult and not capable of easy solution. If the

measures of reform are to be successful, they have to be synthesised with traditional values respected by the rural population. Experience has shown that the movement has to be built on broad-based foundations and the process should be one of federation of smaller units into larger ones as was the case with the ancient village institutions and not a devolution of powers to smaller bodies from centralised organisations like District Boards. While elected representatives are in a better position to realise the wants of the people and can furnish natural leaders who can rouse the people to work with enthusiasm for their welfare and even contribute funds or manual labour for the purpose, the actual day-to-day administration has to be entrusted to persons of administrative experience if the services are to be properly rendered to the people. Besides, the State, which has entrusted important services and is likely to entrust other services of national importance to the *panchayats*, has a right to retain some form of control and to enforce certain standards of efficiency in their administrations, and this principle seems to have been recognised even in the *Chola* period. Officers who are entrusted with these functions should, however, deal with these institutions with a full understanding of their difficulties and guide them in a sympathetic manner in their activities.

While it is true that we may certainly adopt many of the features of the ancient organisations for the purpose of building up the new institutions in a manner which is suited to the genius of the people and to foster initiative and a spirit of self-help and self-reliance in the villages, the measures to be taken have to be adapted to the present conditions. Improvement of communications, the contact with the outer world and the impact of Western civilization have materially altered conditions in the country. The villages are no longer isolated, self-sufficient units. Ideas generated in towns and propagated through newspapers are gradually changing the rural outlook; and there is a gradual migration of enterprising sons of villages to towns. Though the bulk of the people still live in villages, it is sometimes being said that the town has begun to replace the village as a characteristic unit. While in the past the activities of the village assemblies in many parts of the country centred round the temple, ours is a secular state which has to provide for the needs of persons of different religions and all classes of people. While the ancient institutions aimed at the harmonious working of groups based on hereditary occupations, the spirit of our time aims at securing equal privileges and opportunities for all irrespective of their birth. This important factor has to be taken into account in our plans for the future.

The most serious difficulty is the lack of leadership of the villages. The tendency of the better classes to migrate to towns has to be arrested. Provision has to be made in our plans for industrialisation to provide suitable employment for persons with some modern education in the villages. The conditions of existence which are at present dull, monotonous and

often insanitary must be considerably improved and modern amenities provided so that persons with modern, urban education do not find it difficult to live in villages. Experiments in rural work made by some devoted workers and a few enthusiastic officials have shown over and over again that when devoted workers move with their villagers, talk in their language and identify with them in spirit, they have always been willing to accept new ideas. The very history of our struggle for independence which we have recently achieved in a unique manner shows that talent and capacity for hard work and sacrifice are available, and that there are vast potentialities if they are properly marshalled and directed.

I have endeavoured to sketch the nature of the problem of *panchayat* experience to which I have given anxious consideration for some years. However difficult its solution may now appear to be, there is no cause for despondency if determined efforts are made in a manner to quicken and mobilise the immense store of energy, good sense and public spirit which are now latent in the masses.

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The Pudukkottai Co-operative Central Bank, Ltd.

Proceedings of the Silver Jubilee Celebrations of the Bank held on
7th November 1948

The Silver Jubilee of the Pudukkottai Co-operative Central Bank, Ltd., was celebrated in the Bank premises at Pudukkottai, on the 7th November 1948, Rao Bahadur J. C. Ryan, M.A., Registrar of Co-operative Societies, Madras, presiding. The Hon'ble Sri K. Chandramouli, Minister for Local Administration and Co-operation, Madras, opened the celebrations. A large number of Co-operators, fraternal delegates from the adjoining districts, representatives of societies and local gentry were present at the pandal which was decorated for the function.

Rao Saheb R. Arunachala Ambalagarar, President of the Bank, read the Welcome Address, in the course of which he described the part played by the Co-operative Movement in the economic life of the State. There was all-round progress in rural credit, agricultural marketing and other fields of co-operative activity. Several development schemes for cottage industries, milk supply, etc., are under contemplation.

The Hon'ble Minister Sri K. Chandramouli declared the Silver Jubilee celebrations of the Bank open.

Sri S. Krishnaswami Iyer, Vice-President of the Bank, read the Jubilee Report of the Bank containing the origin and growth of the Bank. The Central Bank came into existence in 1920 and has since progressed. Its authorised share capital is Rs. 2,00,000. It has 106 member societies and is managed by a Board of 11 members consisting of elected representatives of societies and two co-opted experienced co-operators. The *Barbar* have graciously helped the Bank from its start in several ways, by granting overdraft facilities from the State Treasury, directing local bodies, etc., to invest their security deposits with the Bank and so on. The Bank now holds Rs. 5 lakhs as deposits. Till before the War the main object of the Bank was to provide credit facilities. The War gave rise to many non-credit co-operatives like stores. The Bank has taken up the financing of these societies also.

It has also taken up the supervision of societies as well as the propaganda work which was previously done by the State Co-operative Institute. A good library and reading room are also attached to it.

Rao Bahadur J. C. Ryan, Registrar of Co-operative Societies, then addressed the gathering.

The Secretary of the Bank read the several messages received from distinguished persons. Speeches felicitating the Bank were also made by several Co-operators.

Sri V. Nadimuthu Pillai unveiled the portrait of Rao Saheb R. Arunachala Ambalagarar, President of the Bank. Sri Nadimuthu Pillai spoke in appreciative terms about the distinguished service of Sri Ambalagarar.

The Chairman, in his concluding speech congratulated the Bank on the progress made by it and also assured that the Government and himself would render all assistance for the further development of the Bank.

The Sixth Tamil Nad Co-operative Conference*

Kancheepuram, 22nd & 23rd January 1949

SUMMARY OF PROCEEDINGS

Under the auspices of the Tamil Nad Co-operative Federation, the Sixth Co-operative Conference of the Tamil districts was held on 22nd and 23rd January, 1949 at the Pacchaiyappa's High School, Kancheepuram under the Presidentship of Sri T. A. Ramalingam Chettiar. The Pandal was elegantly decorated. Elaborate arrangements were made for the board and lodging of the delegates who assembled there in large numbers.

On the morning of 22-1-49 a large procession consisting of the President and other leading co-operators and delegates marched enthusiastically into the arena of the Conference. The Co-operative Flag was hoisted by Sri G. Alagirisami Naidu of Ramnad.

A large number of leading official and non-official co-operators including the President of M.P.C.U., the President of Andhra Desa Co-operative Union and the Registrar, delegates and local gentry assembled at the Pandal. The Chairman of the Reception Committee Sri M. Vedachala Mudaliar welcomed the President and the delegates.

Rao Bahadur J. C. Ryan, Registrar of Co-operative Societies, Madras, opened the Conference. The President of the Conference, Sri T. A. Ramalingam Chettiar then delivered the Presidential Address.

Messages wishing the Conference success were received from many prominent co-operators from all over the Province and outside and were read at the Conference.

An Exhibition on a small scale showing fret work, button making, and dairying, etc., was also held. The Veterinary Department also took part in it.

The Weavers' Conference was held in the afternoon. Rao Sahab A. D. Balasundaram Mudaliar, Joint-Registrar of Co-operative Societies, Madras, opened the Conference and Sri M. P. Nachimuthu Mudaliar of Erode delivered the Presidential Address.

The Co-operative Stores Conference was presided over by Sri A. R. Ramachandram Pillai (Tirupathur).

The Subjects Committee met in the morning and prepared several draft resolutions many of which were passed at the open Conference assembled in the afternoon and the first day's session was concluded.

On 23-1-49 the Conference met under the Presidentship of Sri A. Ramachandram Pillai and several resolutions relating to co-operative

* A Summary of the Proceedings and the Resolutions passed are published in this issue. The speeches will be published in the next issue of the M.J.C.

THE SIXTH TAMIL NAD CO-OPERATIVE CONFERENCE

stores were discussed and passed. The Weavers' Conference, with Sri M. P. Nachimuthu Mudaliar in the chair, considered and passed several resolutions relating to the welfare of the weavers.

Then under the Presidentship of Rao Bahadur M. Vedachala Mudaliar, certain general resolutions which had been left over the previous day were discussed and passed.

The Conference concluded with a vote of thanks.

The following resolutions were passed at the Sixth Tamil Nadu Co-operative Conference:

A. General Resolutions:

Resolved:

1. Expressing condolence at the death of V. C. Vellingiri Gounder, Chairman of the Fifth Co-operative Conference held at Salem;

2. To empower all Co-operative Societies to advance loans up to eight times the share-capital and Provident Fund of the members;

3. Welcoming the decision of the Government to render all assistance to the members of the village societies and to improve their economic condition in the villages;

Also to request the Central Banks to circulate the re-organisation scheme and come to a final arrangement in the matter of the selection of the areas etc., in consultation with the Department;

4. Welcoming the grant of Rs. 1.25 lakhs for 2 years to the Central Banks for supervision, and the Government's help to bring into the Co-operative Movement 50 per cent of the villages and 80 per cent of the population;

5. To request the Government to re-organise the Provincial Co-operative Advisory Committee as at present constituted by the inclusion of a larger number of co-operative workers, and some members of the Legislature, and to convene such re-organised Committees often, and to place before this Committee all matters relating to Co-operation and the development thereof;

6. Thanking the Government for agreeing to bear half the expenses for co-operative propaganda and calling upon the Provincial Union to utilise this properly in consultation with Linguistic Federations;

7. To request the Government to appoint a separate Joint-Registrar for inspection purposes under the Registrar, as at present there is great delay in inspection;

8. To request the Government to remove the maximum limit of Rs. 10,000 now fixed for the deposit into the current account of the Central Banks by the Local Boards and to permit them to deposit all their cash in the Central Banks;

9. To request the Government to grant encumbrance certificates free of charge to the members of the Co-operative Credit Societies also as done to the Land Mortgage Banks at present ;

10. To request the Government to exempt the documents of the co-operative societies and the documents executed in their favour by the members from payment of the registration fee ;

11. To supply manure and iron implements to the co-operative societies for distribution to the members of the societies ;

12. To request the Government to choose only co-operative societies instead of private merchants for the retail sale of controlled articles ;

13. To request the Registrar to help the agriculturists by granting time from one to seven years for repayments of the loans to the village societies by the Central Banks ;

14. To request the Governor-General to exempt at least the co-operative societies from the scope of the Transfer of Property Income Tax Assessment Ordinance, as the daily business of such societies has been affected by the said Ordinance ;

15. To permanently exempt from levy of Sales Tax, the Co-operative Milk Supply Unions that are not run for profit but only for supplying to the public pure milk ;

16. To request the Government to adopt the principle of directing the Jail and Hospital authorities to purchase their requirements of milk only from the Co-operative Milk Supply Unions and in places where there are no such Unions, from the Co-operative Milk Supply Societies at such prices at which it is sold to the public ;

17. To request the Government to extend the Provincial Co-operative Act to Pudukkottai ;

18. To request the Government to cancel the rule compelling co-operative stores to collect a portion of the net profits of the weavers societies for their supervision ;

19. To request the Registrar that the term of the departmental officers may be extended by one year as the primary societies are unable to meet the extra expenses for the supervision staff as per the Registrar's circular from out of their profits ;

20. To request the Government to completely and satisfactorily carry out in practice the Government's policy and directions to distribute controlled commodities only through co-operative societies wherever they are existing, as it is essential for the successful working of the new programme of the Madras Government ;

21. To request that liquidation proceedings of co-operative societies should be directed to be brought to a termination in 3 years ;

22. To grant subsidy for sinking wells even to those who have begun the work without obtaining sanction and to extend the scheme of subsidy to a further period of two years continuously ;

23. To charge at not more than 4 pies per unit for consumption of electricity for agricultural purposes and not to levy surcharge ;

24. To improve the scope of activities of the Tamil Nadu Co-operative Federation and the Journal "*Kutturavu*" and to request that the grant to the Federation may be increased to not less than Rs. 5,000 and to direct it to be paid directly to the Federation instead of through the Provincial Co-operative Bank ;

25. To request all profit-earning Central Banks and Stores and Societies, to give liberal financial help to the Federation and its Journal ;

26. That this Conference is of opinion that the administrative responsibility of the Bank Supervisors in the carrying of Government Rural Development Scheme by the Central Banks should be only with the said Banks and it is enough if the assistance of the Development Staff is made available to them whenever they require it ;

27. To request the Government to stop the present system of levying appraiser's fees of Re. 1 per 100 on the full value of the house, in respect of loans borrowed by members of the House Building Societies ;

28. To request the Registrar not to compel the members of Milk Societies to offer a mortgage for loans exceeding Rs. 200 and to raise that limit to Rs. 500.

B. Co-operative Stores Resolutions :

Resolved :

1. To request the Government to instruct the collectors of the Districts to entrust the work of supplying rationed articles to the Co-operative Stores only, so long as rationing is in force ;

2. That if any action has to be taken against any co-operative stores, the same should be ordered to be taken only after consulting the Registrar and such action should be in conformity with his opinion ;

3. That Government officers should take any documents from the stores only after taking the permission of the Registrar ;

4. In procurement schemes to allot separately after dividing the areas instead of entrusting the same both to Co-operative Stores and private merchants in the same areas at the same time, resulting in competition ;

5. That the Provincial Bank should render financial help if the Co-operative Banks are not in a position to do so for grain procurement, cloth distribution and manure sales purposes ;

6. That adequate arrangements should be made by the Provincial Bank to enable the District Banks to render sufficient financial help in time ;

7. That steps should be taken to make the central stores take the responsibility to purchase necessary provisions wholesale to be supplied to the primary stores through them ;

8. To request the central stores to give facilities to dispose of the unsold cloths and other goods of the primary stores by sending them to adjoining stores ;

9. That the Central Banks be requested to advance loans under the bye-laws to the primary stores, in the same way as loans are advanced to sale societies ;

10. That the Government be requested to procure buildings or building sites for such of the primary societies as have no buildings of their own and to recover the amount paid for the same in fixed instalments ;

11. That the Government be requested to amend the time fixed in rule 15 under the Co-operative Societies Act by fixing 5 years instead of 2 years as the time limit for taking action against any person for recovery of amounts of the society mis-appropriated by them ;

C. Handloom Weaving Societies Resolutions :

Resolved :

1. That the price of yarn should at once be reduced as the prices of handloom cloth have fallen and there is unemployment among weavers on account of the high price of yarn ;

2. To permit free export of handloom goods to Ceylon, Burma, Malaya, Sumatra and Pakistan and to arrange for licences, etc., for the same in foreign countries through the Trade Commissioners there ; if this is not possible that 50 per cent of the permits may be granted to the Provincial Society ;

3. To revive the Handloom Board which has not met for a long time and to direct representatives of handloom societies to be admitted to the same ;

4. To at once nominate to the All India Export Advisory Committee, co-operators who are interested in the export of South Indian handloom goods and are also experienced ;

5. To request the Central Government to adopt the same arrangements for the distribution of handloom goods to other provinces as are made for mill goods ;

6. That arrangements should be made for the regular supply of sufficient yarn to enable members to work the whole month ;

7. That the Government and the Registrar be requested to enable each society to advance loans up to eight times the share capital and Provident Fund of the members ;

8. That Sales Taxes should not be levied in respect of cloth produced on handlooms ;

9. That there should be separate representation for the weavers' branch on the Boards of the Central Banks ;

10. That a separate Minister be appointed to be in charge of the handloom industry and that a sufficient number of members be nominated to the Legislative Assembly to give advice and suggestions regarding handloom industry ;

11. That the award of Sri B. V. Narayanaswami Naidu, Chairman, Tariff Board for affording protection to the Handloom Industry should be implemented and legislation should at once be made for compelling all weavers to join the co-operative societies ;

12. That the production in mills should be so regulated as not to compete with handloom goods, and a Committee be appointed for the purpose consisting of representatives of weavers, the Government, mill representatives and mill workers to regulate the same ;

13. That sufficient rice for sizing warps should be given to weavers ;

14. That more kerosene oil should be supplied to weavers ;

15. That rice ration cards should be given to weavers ;

16. That steps should be taken to prohibit import of foreign cloth from foreign countries to this country ;

17. Welcoming the new arrangement of entrusting the co-operative societies with 50 per cent of the yarn for sale ; but urging that the entire yarn production should be entrusted only to the societies for sale ;

18. That the Registrar be requested that the by-laws of co-operative societies should be amended by which societies which have Rs. 1 lakh of reserve fund deposit should set apart 5 per cent of the profits towards the same and other societies should set apart 25 per cent of their profits toward the reserve fund amount, as a post war development measure.

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Extract

Women's Part in Productive Co-operatives

A Co-operative of Arts and Crafts was formed in the Province of Quebec, Canada, in 1945, by a group of women farmers and artisans. This is the first purely women's organisation of its kind not in Quebec alone but in the whole of Canada. It is self-governed, and has the recognition of the Supreme Council of Co-operation, to which it pays an annual subscription in return for certain services.

The aims of the Co-operative are : -

1. To instruct women in rural districts in the principles of Co-operation and to help them to participate in all its advantages.
2. To stimulate the economic progress of rural districts and to direct it along the right channels.
3. To facilitate the sale of the produce of women artisans and to help create a regular market.
4. To assure the women producers of the most remunerative prices for high-quality produce.
5. To procure for the artisans the raw materials necessary in the production of their articles.

The Co-operative has now a membership of 170. The Manager and the Secretary act as members' advisers in the production of articles from the point of view of their saleability. Exhibitions of work are held throughout the province in conjunction with conferences on the best methods of production and preparation of various articles. The Co-operative has its own shop in Quebec, and interested visitors and correspondents come from all parts of the world—India, China, England, France, United States, South America, &c.

The idea of women's productive co-operatives has also taken root in other predominantly agricultural countries, such as Poland, Czechoslovakia, Italy, U. S. S. R.

Italian Women artisans are the most recent addition to productive co-operatives. The number of women joining the co-operatives is rapidly increasing, since they learn that they can get much better prices for their produce. The Organisation of women within the Productive Federation of Italy has recently been admitted as a member of the International Guild (with its parent body receiving recognition of the I.C.A.)

We hope that as the Quebec Women's Co-operative grows more powerful, it will also join the family of the International Co-operative Women's Guild. At present not all women in the Co-operative Movement in Quebec enjoy equal rights with the men members: the activities and influence of married women there were restricted by a law passed five years ago. Married women can now be only "auxiliary" members of co-operative societies and may hold not more than 1,000 dollars in shares. Thus, the housewife who is part owner and chief purchaser of the co-operative store is deprived of the say in its management.

(From *The International Women Co-operator*, January, 1949)

Letters to the Editor

Mortgage Loans

Dear Sir,

The Governor General is pleased to promulgate an ordinance (Ordinance No. XXI of 1948) prohibiting the registration of any document relating to property other than agricultural land, unless it is certified by the Inspecting Assistant Commissioner of Incometaxes to the effect that such person is not liable for income-tax assessment or that he has paid the incometax or made satisfactory provision for the payment of anticipated incometax. This ordinance makes provision for the payment of all taxes before the transfer of property is effected.

It applies to one and all. A poor man, though he is not an Income-tax assessee, has to obtain a certificate from the I.A.C. of Income-taxes, before he effects a mortgage deed relating to his property other than the agricultural land, in favour of a Co-operative Society. Generally the poor member of an urban area has a house and it is mortgaged to the Co-operative Urban Bank to get a loan. There is already a general complaint about the delay in getting a loan sanctioned in a Co-operative Bank. It takes a fortnight to get the deed registered and to obtain the encumbrance certificate. In addition to these two there is the third obstacle of getting a certificate from the I.A.C. of Incometaxes who has to forward the application to the Income-tax Officer of the area and then issue a certificate on receipt of the necessary information from the Incometax Officer.

This ordinance causes further delay in the payment of mortgage loans. In order to overcome this, the authorities concerned may be pleased to move the Central Government, to show special concession in the registration of mortgage deeds relating to property other than the agricultural land in favour of a Co-operative Society on the assurance from the concerned Society that the member of a Society who effects the mortgage is not an Incometax assessee and that the Society will hold itself responsible for the taxes if due from the member. After the disbursement of the loan, the Society should submit to the I.A.C. of Incometaxes the details of the registration. If any amount by way of taxes is due from the member, the Society should collect and remit the taxes.

This concession would overcome the delay in getting and filling a certificate from the I.A.C., of Incometaxes.

RAJAMPET, }
29-1-'49 }

K. VENKATIAH NAIDU, B.A., Secretary,
The Rajampet Co-operative Town Bank, Ltd.

Co-operatives at Work in Madras

A Quarter Century of Progress :

The Dharmavaram Co-operative Town Bank, Ltd.

The Bank was registered in 1907 with 40 members and a borrowing power upto Rs. 5,000. By 1911 this increased to Rs. 30,000 and the system of recurring deposits was introduced. In 1918 there were 299 members with a share capital of Rs. 2,200 and deposits of Rs. 18,602 and outstandings amounting to Rs. 24,690. The progress became slow for some time.

In 1921 the rate of interest was reduced to 10½ per cent. Retailing of kerosene oil was started for the benefit of the members. In 1923—24 rice and straw sale and medical aid were taken up to relieve the people from famine conditions. In 1929 the Bank experienced a set-back in financial and administrative spheres.

Sri P. Baliah, the present President, was elected to the Office in 1929 and since then his untiring devotion helped the Bank to progress. In 1935 the Bank was converted into a limited liability concern. The system of issuing mortgage loans, cheques and *handies*, and provident fund for the staff were introduced in 1937. The new premises of the Bank were opened in 1940. In the same year the rate of interest was reduced to 7 per cent. During war the Bank suffered due to inflation, but since 1945, its business is progressing normally.

Sri Rama Co-operative Building Society, Ltd, Vijayavada.

The annual meeting of the General Body was held in its office premises on 7-11-1948.

The President, Dr. G. S. Sarma, explained to the members the various difficulties confronting them in getting material such as iron and cement. He also said that the Co-operative Department as well as the Government were not giving as much co-operation as was necessary so as to get the early sanction of loans and the supply of material.

The audit report was unanimously adopted. The Society declared a dividend of 5 per cent on the paid-up share capital.

The society was started in 19-11-1924 and ever since it has been working successfully. It has a reserve fund of Rs. 4,418-12-0 and dividend equalization fund of Rs. 2,719-12-0 and has been giving not less than 5 per cent dividend since 1929-30. The present working capital is Rs. 1,34,618-12-0, share capital Rs. 34,760 and the outstanding loan Rs. 1,33,881 6-0 as on 30-6-48.

This year 1948-49 alone it has issued loans to the extent of Rs. 17,850 to the members and some new applications are pending to the extent of Rs. 76,000. Loans sanctioned and awaiting disbursement amount to Rs. 20,000 up to-date.

G O's and Circulars

Copy of G.O. Ms. No. 51, dated 4th January 1949 from the Government of Madras, Development Department.

Co-operative Societies—Central Banks and Provincial Bank—Fluid resources—Maintenance—Orders passed.

Letter from the Reserve Bank of India, No. A.C.D.515 AC-36 (1) 48 dated 8-7-1948.

Letter from the Registrar of Co-operative Societies, No. 18970 46, L, dated 13-8-1948.

Letter from the Reserve Bank of India, No. 77986/B.I/48-4, dated 25-10-1948.

Letter from the Reserve Bank of India No. A.C.D.956 AC-36 (1) 48, dated 2-3-12-1948.

ORDER :

Under the existing orders the Co-operative Central Banks and the Madras Provincial Co-operative Bank have to maintain 50 per cent and 40 per cent respectively of their current deposits as fluid resources. His Excellency the Governor of Madras directs that the fluid resource to be maintained by the Co-operative Central Banks in respect of the current deposits shall be not less than 40 per cent of these deposits.

2. In supersession of all previous orders His Excellency the Governor of Madras also directs that the forms in which fluid resources may be maintained and the extent to which they can be included among fluid resources by Co-operative Banks shall be as follows :—

1. 100 per cent of cash on hand, balances with banks and post office savings bank ;
2. 90 per cent of the market value of Government securities including postal cash certificates or national savings certificates.
3. 80 per cent of the market value of the debentures of land mortgage banks and also of other trustee securities such as municipal loans etc.
4. 80 per cent of fixed deposits with other banks (approved by the Registrar.)
5. Undrawn portion of cash credit or overdraft with the Madras Provincial Co-operative Bank or the Imperial Bank of India obtained on securities other than Co-operative paper (i.e., Government promissory notes, Central Land Mortgage Bank Debentures, Fixed deposits).

Copy of G.O. (Ms.) No. 28, dated 4th January 1949 from the Government of Madras, Development Department.

ACTS AND RULES—Co-operative Societies Act—Rules—New Rule XXVII-B—Furnishing of Security by paid employees of Co-operative Societies—Amendment—Confirmed.

G.O. Ms. No. 4241, Dev. dated 11-3-1948.

From the Registrar of Co-operative Societies, No. No. 43942 18-B, dated 13-9-48 and 2-12-1948.

ORDER :

In the notification published at page 208 of the Rules Supplement to Part I of the Fort. St. George Gazette, dated the 24th August 1948, the

Government of Madras published under sub-sections (1) and (2) of section 65 of the Madras Co-operative Societies Act, 1932 (Madras Act VI of 1932), a draft amendment to the rules issued under the Act. The Government have considered the objection received and are of the view that the new rule XXVII-B should be confirmed as amended. The notification appended to this order will be published in the Fort. St. George Gazette.

(True copy)

APPENDIX

Notification

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

AMENDMENT.

After rule XXVII-A of the said rules, the following rule shall be inserted, namely:—

Security to be furnished by paid employees of societies.

“XXVII-B (1). No society shall appoint any person as its paid officer or servant in any category of service without obtaining from him security in such form and according to such standard as the Registrar may fix for such category of service in the society or for the class of societies to which it belongs.

(2) No society shall retain in service any paid officer or servant, if he does not furnish within such time as the Registrar may direct, security in such form and according to such standard as the Registrar may fix for the category of service in which he serves in the society or for the class of societies to which it belongs.

(3) The Registrar may, by general or special order, exempt any society or class of societies or any category of service in any society or class of societies from the provisions of this rule or relax in respect of any paid officer or servant the provisions of this rule in regard to the form or the standard of security which he should furnish.”

Consumers' Co-operation

SRI RAO BAHADUR J. C. RYAN, M. A., Registrar.

Dated, 4-12-48.

No. Pdl. 1/48, S. I.

Sub:—Stores Societies—Primaries and Co-operative Wholesale Stores. Progress for September 1948—Reviewed.

Reports were received in time from the Co-operative Wholesale Stores at Vellore, Cuddalore, Coimbatore, Cuddapah, Guntur, Kurnool, Tiruvarur, Tuticorin, Vizianagaram. Reports due from Deputy Registrars, were received in time only from Deputy Registrars Vellore, Cuddalore, Chittoor, Cuddapah, Rajahmundry, Mangalore, Ramnad at Madura, Tanjore, Trichinopoly and Vizagapatam. All Deputy Registrars and Co-operative Wholesale Stores are requested to be prompt in the submission of their returns in future.

Co-operative Wholesale Stores

Membership and Share Capital:—As on 30-9-48, the total number of members on rolls in all the 22 District Co-operative Wholesale Stores was 10,777 and their paid up share capital amounted to Rs. 34.71 lakhs as against 34.65 lakhs in the previous month. There is some improvement in the share capital position and the progress should be kept up by the Co-operative Wholesale Stores.

The owned capital of the Co-operative Wholesale Stores was Rs. 54.96 lakhs comprising share capital of Rs. 34.71 lakhs and Reserve fund of Rs. 20.25 lakhs. The total borrowed capital amounted to Rs. 100.48 lakhs of which Rs. 95.97 lakhs represented loans and cash credit from the central banks and the balance of Rs. 4.51 lakhs from others. The total working capital as on 30-9-48 was Rs. 155.44 lakhs as against Rs. 141.89 lakhs in the previous month.

The total purchases and sales of the Co-operative Wholesale Stores during the month under review were Rs. 113.69 lakhs and Rs. 131.63 lakhs respectively as against Rs. 89.53 lakhs, Rs. 150.69 lakhs in the previous month, thus showing a decline in sales. This is not satisfactory. The Co-operative Wholesale Stores should now be able to show considerable increase in their business as distribution of textiles and manures has been entrusted to them. The Deputy Registrars should see that the Co-operative Wholesale Stores enlarge their trade in non-food lines and improve their business by reorganising their purchase departments as already advised.

Out of the sales of Rs. 116.50 lakhs (for which classifications have been made), Rs. 36 lakhs only represented sales to primaries which works out to 31 per cent as against 31 per cent in the previous month. This is too low and better progress should be shown. The need for promotion of better relations between Co-operative Wholesale Stores and primary stores has been repeatedly stressed but the Deputy Registrars do not seem to have taken any perceptible action in this regard. The aim of the Co-operative Wholesale Stores must be to cater to the needs of the primaries and to have a close link up with them.

Primary Co-operative Stores

Membership and share capital:—At the end of the month under review, there were 1747 stores societies with a membership of 5.71 lakhs and a paid up share capital of Rs. 95.92 lakhs as against 5.62 lakhs and Rs. 97.87 lakhs in the previous month. The total working capital on 30-9-48 was Rs. 184.73 lakhs against Rs. 183.25 lakhs in the previous month. It is observed that 403 stores have not sent reports. The Deputy Registrars should take timely action to get all the reports and no stores should be allowed to default. In spite of repeated instructions in the matter []

regrettable to note that some of the Deputy Registrars are slack and are submitting incomplete reports allowing a major number of stores in their districts to default. This is specially so in the districts of Anantapur, North Arcot, Bellary, Chingleput, Cuddapah, South Kanara, Kistna, Madura, Ramnad and Tirunelvely. The Registrar would like to impress on them the need for the submission of correct and full reports. Any failure to do this will be viewed with displeasure in future.

Business:—The total purchases and sales of primaries during the month under review were Rs. 126.86 lakhs and Rs. 137.61 lakhs respectively as against Rs. 140.97 lakhs and Rs. 157.43 lakhs in the previous month. The fall both in purchases and sales appears to be mainly due to the non-submission of correct particulars. Supplemental reports are also not being sent by some of the Deputy Registrars unless full and correct particulars are furnished, it cannot be possible to judge the exact position. The Deputy Registrars should take steps to ensure the submission of correct and full reports.

It is seen from the report of the Salem Co-operative Wholesale Stores that its purchases and sales in paper were Rs. 19,226 and Rs. 6,100 respectively. It is rather strange that these figures find a place under the head 'Bakelite articles' in the return submitted by the Deputy Registrar. Again it appears that an amount of Rs. 128/- representing sales in processed food stuffs was included in Deputy Registrar's report along with sales amount of the Co-operative Wholesale Stores in consumer goods, instead of under "processed food stuffs". It is not known how these wrong classifications are being made in Deputy Registrar's returns. Such omissions should be avoided in future.

Special Consumer Activities

Handloom and Mill made Cloth:—The total purchases and sales were Rs. 6.14 lakhs and Rs. 2.13 lakhs as against Rs. 1.71 lakhs and Rs. 2.18 lakhs in the previous month. Distribution of textiles has been entrusted to Co-operative Stores and still some stores are not at all furnishing particulars in this regard. Even Co-operative Wholesale Stores (for instance Anantapur and Guntur) neglect to give particulars in this respect. The Deputy Registrars should have seen to this.

Consumer Goods:—The purchases and sales were Rs. 3.15 lakhs and Rs. 3.41 lakhs respectively. The stores societies should still expand their activities and show appreciable progress.

Processed Food Stuff:—The total purchases and sales amounted to Rs. 32,422 and Rs. 71,120 respectively. This requires improvement and the stores societies should be asked to take up this line of activity.

Agricultural Implements and Bakelite Articles:—The total purchases and sales were Rs. 35 and 196 in Agricultural implements while they were Rs. 1,098 and Rs. 883 in bakelite articles. The Special Staff should see that at least rural stores develop their trade in this line.

General:—On the whole, the progress made by the Co-operative Whole Sale Stores and the Primaries is not encouraging. The Deputy Registrars should see that their Share Capital position is strengthened and their trade broadbased on an all-round basis. Business in non-food articles should be developed by the stores and they should take up Agency business and manufacturing and processing activities on a larger scale. The Deputy Registrars are requested to see that the special staff prove themselves really useful to the stores societies acting as their guides and promoting their growth on well planned and healthy lines.

Monthly News Page

Foreign

At the recent Queensland Co-operative Union Conference (Australia), the West Australian delegate raised the question of the use of the name "CO-OP." as a trade mark on manufactured goods. He suggested that as the movement was organised on a national scale the Co-operative Federation of Australia should consider the administration of the trade mark. The Council, after some discussion, resolved that the Co-operative Unions of the States should act as guardians of the principle of the trade name "Coop." being a guarantee of good quality, to prevent improper use of the name.

Indian

A press report says that the Ministry of Industry and Supply has reserved, at the request of the Ministry of Relief and Rehabilitation, textile stores of 24 varieties from disposals valued at about Rs. 2 million for sale to refugee co-operative societies. The Ministry of Relief and Rehabilitation have requested the various Provinces and States to encourage the formation of co-operatives societies of refugees to enable them to participate in this and other schemes that may be sanctioned in future.

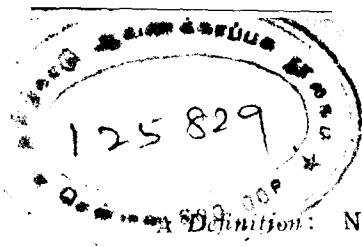
Provincial

A Sales Emporium of Women's Central Co-operative Society for Cottage Industries was declared open on 7-2-1949 in Madras by Her Highness the Maharani of Bhavnagar.

Sister Subbulakshmi welcomed Her Highness and the guests. Mrs. Sathianathan read the annual report in which stated that there were nine cottage industries societies in the City whose aim was to help middle class women to earn a living for themselves. Her Highness commended the members for their interest in handicrafts and advised them to extend their activities to the districts also. She also added that their federation would continue to receive support and encouragement from the Government.

Under the auspices of the Rural Uplift School, Melur a Rural Exhibition was organised from 15-1-1949 to 17-1-1949. The Rural Uplift School which trained 41 pupils closed its session. The closing function was presided over by the Collector, Mathurai, who emphasised in his speech the need for *Grama Seva* (rural service), rural sanitation, thrift and savings schemes, compost manufacture, and so on. A Prohibition drama was enacted.

Under the auspices of the Cocanada Co-operative Central Bank, Ltd., Cocanada The *Sarvodaya Day* was observed in the Bank premises on 30-1-1949 with due solemnity. Sri B. Ramamurthy, Treasurer of the Bank, presided on the occasion. The resolution of the All India Congress Working Committee was read and adopted solemnly.



Co-operative Notes Foreign

Definition: Narrating an Irish incident of four decades ago W. H. Brown, the famous British Co-operator said:

"The best thing I discovered during that week in the Emerald Isle—as Eire was then known—was the *definition of Co-operation*, which has been endorsed at the dozens of meetings I have given it every year during the last four decades.

"Meandering along the highway near Tipperary, I saw an old lady lead her donkey cart, loaded with a can of milk. I asked her where she was going. She replied, 'To the co-operative creamery.'

'Co-operative creamery,' I remarked and asked, 'What is co-operative? What does Co-operation mean?'

'I don't know, but sure I'm going' was her determined answer. I questioned her again, but we got no nearer an explanation till we approached the creamery, where between 40 and 50 similar vehicles, drawn by donkeys and driven mainly by women were arriving. Then I asked her again, 'What is Co-operation?'

'Sure,' she said, 'I cannot explain it to an English gentleman, but to us co-operation is just where all of us who have got nothing brings it to gether and it makes a lot.'

A Co-operative Parliamentary Group was constituted in July 1948 under the auspices of the Lega Nazionale—delle Co-operative and comprises more than 60 deputies and senators. Its object is to safeguard the interest of the Co-operative Movement in Parliament and in the sphere of legislation generally, especially as regards the granting of import and export quotas to the Movement (which has so far been practically excluded from the import and export business) and participation in the distribution of goods under the Marshall Plan.

The total individual membership of the I.C.A. organised in Consumers, Agricultural, Credit, Workers' productive and other types of Co-operative Societies, exceeds 100 million Co-operators. The following table shows the approximate position as on 1-7-1948.

Continent.	Countries.	Societies.	Members.
Europe	21	184,953	70,796,880
Asia (India, China)	3	322,549	28,869,524
	(India)	(161,643)	(9,000,968)
	(China)	(160,222)	(19,624,599)
America	4	5,346	2,195,922
Africa	1 (South Africa)	1	3,000
Oceania	2	558	328,669
Total	31	463,407	102,193,995

Provincial

Inaugurating the Triplicane Weaver's Co-operative, Rao Bahadur J.C. Ryan, Registrar of Co-operative Societies, Madras, said that to go on producing *Lungis* on the hope of exporting to Pakistan would only result in a glut in the local market and that while efforts would be made to restore the overseas markets, of the weavers should shed their conservatism and produce new types of cloth; such a change was quite possible if only there was a little effort on their part.

3 PER CENT DEBENTURES

Issue Price : Rs. 9-8

GUARANTEED BY THE GOVERNMENT OF
MADRAS

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

Post Box No. 609. Mvlapore, Madras 4.

Paid up Capital and Reserves

Over Rs. 34.5 lakhs

President

SRI C. S. RATNASABAPATI MUDALIAR

3 per cent 1959-69 Debentures, issue limited to Rs. 50 lakhs of which debentures for Rs. 25 lakhs have already been subscribed & reserved. The issue price is Rs. 99-8 per cent. Applications will be received up to and inclusive of 22-2-49. Full amount to be remitted with application.

Other particulars and application forms can be had from any broker or the bank.

The debentures are Tri Securities and are a approved securities under the Insurance Act 1938. A Redemption Fund will be constituted to pay off the debentures on maturity.

M. DATTATRAYULU, B.A., LL.B.

Secretary.