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The Madras Journal of Co-operation

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EACH FOR ALL AND ALL FOR EACH

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The Re-shaping of Things

The Handloom Cloth Impasse:

We have published in this issue a speech delivered by the Joint Registrar for Weavers' Co-operative Societies at the Tamilnad Weavers' Co-operative Conference held at Kanchipuram. In his speech the Joint Registrar has dealt with the various problems relating to the handloom industry in our Province and has given his suggestions for improvement of the industry. Coming from one who is rich in experience with the handloom industry, the suggestions are very valuable.

The handloom industry enjoyed a boom during the later years of the War and the early of the post-war period. Mill cloth was scarce in the country and the consumers had to fall back on handloom cloth. There was also a considerable demand for handloom cloth in the markets of Rangoon, Singapore and Colombo. Trade in this cloth was therefore brisk in spite of several handicaps in handloom cloth production and marketing.

The position has obviously changed now. Mill cloth is available in plenty in the Indian market as well as the foreign market, with the result that our handloom cloth has much difficulty in finding a market. Huge stocks have accumulated all over the country; there is at the same time a large quantity of yarn available for the weavers for further production. The industry is placed in a critical condition.

The Joint Registrar has analysed the contributory factors to this situation. The most important causes are the high price of handloom cloth; the absence of standardisation of varieties; the unattractive nature of handloom cloth finish; and the restrictions on export trade. Thus it is a question of better production and proper marketing.

The chief handicap consists in the high prices of handloom cloth in comparison with mill cloth prices. A price reduction is urgently needed. It can be effected by reducing the costs of production. The price of yarn, which forms a large part of the cost of production, is very high. The Government should take steps to reduce it. The establishment of a co-operative spinning mill at an early date will enable the Government and the industry to have correct estimate of the cost of producing yarn; and these costs will also serve as a measuring rod for determining the prices of yarn of the other mills. Other methods of reducing costs of cloth are the reduction in the distributive margins of yarn and cloth, reduction in dyeing charges and weaving wages. In this way the handloom cloth can be offered at a price slightly higher than mill cloth. Standardisation of varieties and better finish will make the cloth attractive and saleable. Consumers' would not be unwilling to buy such cloth in spite of slightly higher price, since this higher price will be compensated by the greater durability of handloom cloth than mill cloth.

Export of our handloom cloth had never before been such a serious bottle-neck as it has now been. Our cloth had always been saleable in foreign markets before. Now also it will be so if the price is reduced to reasonable levels. The export restrictions on hanloom cloth have now been removed by Government; and yet this high price of cloth has affected our exports. Another difficulty lies in the fact that in Pakistan where there is a large market for our cloth, the Government have been unwilling to issue import permits for Indian cloth. Large stocks of exportable varieties have been held up on this account. It is learnt that the Government of India have taken up the matter with the Pakistan Government. We hope for favourable settlement of the issue.

But meanwhile, the weavers should realise one point. They should remember that as long as the Co-operative weaver is not loyal to his society or the outside weaver keenly competes with the Co-operator Weaver, the conditions will not be stable for the whole

industry. Weavers should therefore join the Co-operative Movement in larger numbers so that a uniformity in production and marketing policy could be effected on behalf of the handloom industry.

A Silver Jubilee of the Co-operative Movement:

One happy feature of the activities of the Co-operative institutions in many parts of our Province at the present day is the celebration of the Silver Jubilee of the institutions which have completed a quarter-century of useful life in the cause of Co-operation. Nearly a score Co-operative institutions, big and small, have celebrated their Silver Jubilee during the past one year or so. These institutions include credit societies, urban banks, house building societies and even a printing press indicating a variety in the Co-operative activity of the Province. The celebrations have been characterised by great jubilation and enthusiasm among the public at the progress achieved by the institutions which have dedicated themselves to Co-operative service. The happy occasions have invariably been availed of by the institutions to invite responsible and eminent officials and non-officials to participate in the functions and give their valuable opinions and suggestions for expanding and improving the Movement further.

Though there has been a sort of chain of celebrations spread over an year's time, these jubilee celebrations are rather the functions of individual or local institutions. It appears rather desirable that the Silver Jubilee of the Movement in general in our Province should be celebrated. The *Rashtrapathi* (the President of the Indian National Congress) said in his message to the George Town Co-operative Credit Society in connection with its Silver Jubilee "Almost every month some Co-operative institution or other is celebrating its Silver Jubilee. This is a matter for congratulation and wide rejoicing. In fact I do not see any reason why the *Movement* itself as a body should not celebrate the Silver Jubilee." These words of the *Rashtrapathi* are very suggestive. It is highly desirable that such a function should be celebrated by all the Co-operative Institutions in the Province and by the official and non-official Co-operators. The occasion of a Provincial Co-operative Conference or a Co-operative Day may be availed of for the purpose. This will give an occasion for all the Co-operative institutions to measure their progress and to judge the extent of the field they have yet to cover. It will enthuse them and will really rouse them to active work. It is hoped that the Co-operative institutions and the Co-operators in the Province will endeavour in this direction.

A Good Multipurpose Co-operative:

Readers will find in this issue a note on the Basinikonda Co-operative Credit Society in Chittoor District. *A Gramasangham* was started in the village in November 1946 and began to work according to a systematic and organised plan for the social and economic betterment of the village. At the request of the *Gramashangam*, an agricultural co-operative credit society was started with "multipurpose" objects even as early as December 1946. The objects included credit supply, supply of seeds and the like to members, promotion of education, sanitation and general cultural activities in the village. The record of the progress of the Society speak of the keen interest taken by the members and office bearers in the promotion of the "multipurpose" objects of the Society. The Society has been not merely a supplier of credit, but has also been dealing in controlled commodities, mill cloth, oil-cake and manure. Encouragement of thrift has been one of its best features. The society now proposes to take up the objects relating to social and recreational activity and it is expected that the Society will have a great influence in moulding socio-economic life of the people of the village and in setting an example for the other societies in the district follow.

It is gratifying to note that the Society anticipated even as early as 1946 the need for reorganising rural credit societies and introducing multipurpose activities. And what is more remarkable, the Society has not allowed its objects to be a dead letter but has endeavoured to promote them successfully. There is now an earnest attempt all over the Province to promote multipurpose Co-operative activity. New and dormant societies will do well to emulate the example of the Basinikonda Society so that the whole province may before long be dotted with numerous such societies breathing new life into the countryside.

Some Lessons from American Co operation:

The history of the Co-operative Movement in all countries may be said to be somewhat similar, barring certain features which are peculiar to the respective countries. It will therefore be of advantage to countries which are in Co-operative infancy or transition stage to take lessons from the experience of other countries and shape their future with due regard to their experience. In this issue is published an extract from an article on Co-operation in North America, appearing in the Review of International Co-operation. The extract

gives briefly the reasons for the past failure of Co-operative organisations in North America and the new conditions which produced new progressive forces ready to assist Co-operatives in legislative fields and in economic development.

Co-operators in our country will do well to bear mind the various conditions that led to the early failure and those that led to the recent success of American Co-operatives and consider the Indian situation against such conditions. While in America the social and economic climate which was adverse to Co-operative success changed into a favourable one, there is still something like a transition stage in our country. Conditions like the acceptance of the profit motive and of capitalistic enterprise, legislation favouring profit enterprise, people's love of "bigness" as against the small beginnings of Co-operatives, and mistakes in financial and business policies are present. As against them there are the favourable conditions like the usefulness of Co-operatives during hour of need, the evidence of the gradual success of Co-operatives and the failures in profit business, and the establishment of wholesales and productive units to lend strength to the local organisations. These are saving features no doubt; but experience with Co-operation has shown us that at least two very important conditions are still lacking. They are firstly a sincere appreciation and understanding of the Co-operative Principles which alone can develop loyality to the institutions and the Movement, and secondly the establishment of a relationship of Co-operative Societies with farm, labour, religiou and school groups. These two are probably the most important; for while the former can bring strong ties of sentiment, the latter will make the individual feel the presence of Co-operation in every aspect of his life. These two conditions can be attained only when the people and the State work together in the direction. The present campaign for the development of multipurpose co-operative activity in the country is thus a step in the right direction. It is hoped that the nation will direct its energies and activity towards the creation of all these favourable conditions so that the Co-operative ideology may pervade the mental outlook and the physical environment of the individual and make him a "Co-operative being."

Silver Jubilee of the George Town Co-operative Credit Society, Ltd

WELCOME ADDRESS

By

P. Natesan, M.B., B.S.,

Chairman of the Silver Jubilee Committee

Mr. President, Hon'ble Minister for Co-operation, and friends,

On behalf of the members of the Silver Jubilee Committee and on behalf of the Board of Management of the George Town Co-operative Credit Society, Ltd., I offer you a warm welcome on this memorable occasion. More than a quarter of a century has elapsed since the Society was organised and every member of the Society to-day feels proud that the organisation has progressed steadily from its inception and has had the privilege to serve many a citizen in the metropolis of the presidency.

A glance at the figures given in the Souvenir will show that the Society commenced with a humble capital of Rs. 319 subscribed by 48 members in the year 1923 and indescribable will be the pleasure of the founder members to learn that the membership has increased to about 2000 and the share capital to Rs. 1,47,506 and the total working capital from Rs. 1,317 to Rs. 16.17 lakhs.

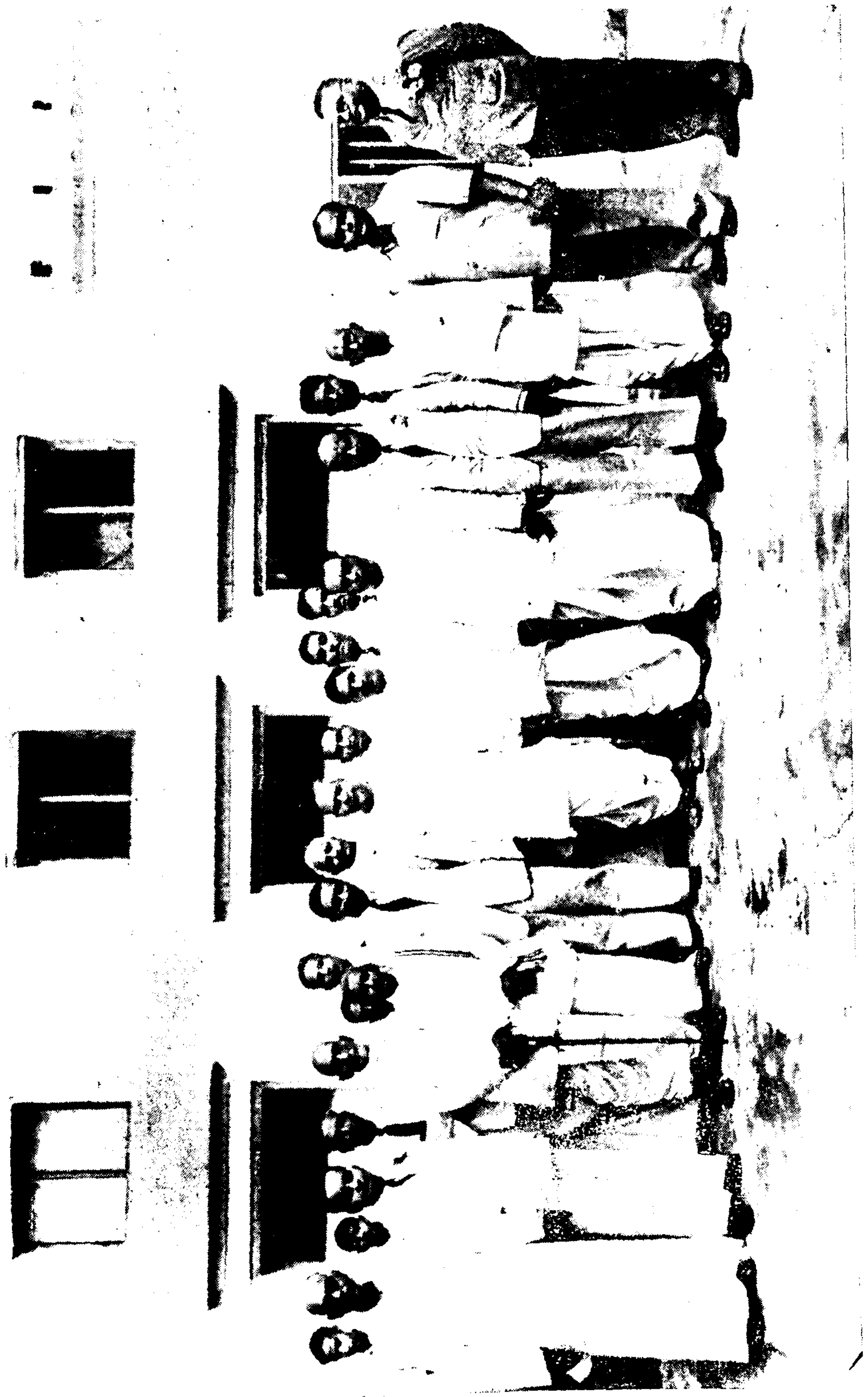
The Citv of Madras presents certain special features from the point of view of credit activity as contrasted against other districts. In the absence of agricultural operations, there are neither land mortgages nor agricultural loans. 178 Credit Societies have been registered in the Madras City which may be classified as follows :—

1.	Employees' Societies ...	61
2.	Scheduled Class Societies ...	27
3.	Other Urban Credit Societies ...	90

Most of the employees' societies have the special privilege of collecting instalments due through the pay-disbursing officers of the respective institutions where the members are employees and thus most of these societies do not have heavy overdues or bad debts. The social and economic circumstances are responsible for the circumscribed activity of the scheduled class societies. Of the other 90 credit Institutions where compulsory recovery of instalments is not possible and repayment is only voluntary, the George Town Co-operative Society is one and I may be allowed to state that in spite of this handicap this Society stands foremost in the City and has an outstanding of about Rs. 15.51 lakhs as loans against members with very little bad debt.

The George Town Co-operative Credit Society, Ltd., SILVER JUBILEE 7-8-1949.

Dr. P. Natesan, Chairman of the Reception Committee Welcoming the guests & members.



Group Photo taken on the occasion of the Silver Jubilee Celebration. The Hon'ble Sri K. Chandramouli, The Hon'ble Sri Justice P. Rajagopalan, Rao Bahadur J.C. Ryan, Registrar and other officials with the directors of the society are seen [illegible]

One particular predominant feature of the Society deserves special mention. The Co operative Credit Movement not only provides for loan transactions but also insists on the members to subscribe to a thrift fund in every society. The model by-law provides for the same. But in practice this particular aspect has been very badly neglected all over. But I must place before you that this Society has a special branch "The Monthly Savings and Loan Fund", where members save as well as borrow. The Savings as well as loans extend for a period of 7 years. There are nearly 2000 members all of whom contribute to the Monthly savings and Loan Fund. The small compulsory monthly savings help each member to depend on the same in an unforeseen contingency and he need not be obliged to take a surety loan but can demand a portion of the savings for the emergency. Thus this branch has been helpful to a very great extent even to a very mediocre person either to save in thousands or to liquidate a loan of thousands in the course of seven years by contributing small sums every month.

Various other bright features of the Society, we are proud to state on this occasion: To have successfully worked for a period of twenty five years, to have shown a marked increase in the transactions from year to year, to have been ranked as an 'A' class society throughout a quarter of a century. to have had no bad debts, to have provided sufficient reserves to safe guard against unforeseen disasters, to have acquired a building of its own for housing the office of the Society, to have worked for the common good of its members, to have treated the poor and the rich alike, to have held principles far high above personalities, and above all not to have allowed the sacred principle of "each for all" to dwindle into "each for himself" are all factors, which are responsible for the present exalted position of the Society, and which we humbly place before the President and the Hon'ble Minister.

Our experience has taught us that co-operative societies must observe there cardinal principles, if they should aim at perfection.

(1) First but not fore-most is the observance of all rules and regulations relating to the business of the society. A co-operative institution is also a business concern and not a charity house and the members should exercise as much precaution and vigilance as in a regular business concern. The society should also adhere to the provisions of the Act and the Rules. I have always believed that a happy co-operation of the non-official administrators and the departmental staff facilitates in easily maintaining technical discipline.

(2) Secondly a sincere enthusiasm on the part of the Board of Directors to improve the material status of the society is absolutely essential. Sacrificing time and energy towards chalking out programmes and devising ways and means of acquiring and diverting funds are all essential for the sound foundation of a society.

(3) Last but really the foremost is honesty on the part of the Directors in whom the entire management is vested by the General Body.

Only the other day, on the 16th June 1949 while inaugurating the Conference of the Representatives of Wholesale Stores and District

Co-operative Central Banks the Hon'ble Mr. J. L. P. Roche Victoria, Minister for Food, stressed on the increase of mal practices in the co-operative movement and the temptation that lay in the way of those engaged in administration. He emphatically declared "While honesty was essential in all walks of life it is all the more necessary in the Co-operative field where the ideal is one of service". On the same day, you Sir the Hon'ble Minister for Co-operation, fully endorsed the view expressed by the Hon'ble Minister for Food and emphatically declared that the same must be put down at all costs. These words are still ringing in my ears. In his last Annual Administration Report the Registrar of Co-operative Societies very painfully pointed out the number of convictions for criminal offences. These cases were proved offences and one can easily imagine the number of sub-criminal offences committed in the name of co-operation. Distribution of large surety loans without adequate security for various considerations, over estimation of properties proposed to be mortgaged, deliberate evasion of vaiid legal objections, toleration of dishonest employees, are all conditions where the directors anaesthetise their conscience and murder co-operation.

If Co-operation means economic democracy, if co-operation has been accepted has the real path for the onward progress of our Country, if Co-operation is the real via media between the monster of Communism and the unwanted and much hated Capitalism, if co-operation is synonymous with the development of the character, let us in the name of all that is sacred on earth build up efficient and honest societies.

Silver Jubilee Celebration of the Nellore District Government Employees' Co-operative Credit Society, Ltd. No. 5313, Nellore.

The Silver Jubilee of the Nellore District Government Employees' Co-operative Credit Society was celebrated in a grand manner on 24-7-1949 at the L P Hall Nellore. The public meeting commenced with some group prayer songs sung by the girls of the local Government Training School for Women. After the introductory remarks of the President Sri K. Jagadisa Ayyar, B. A, (Hons.) of the Forest College, Coimbatore, the Silver Jubilee Souvenir was read by Sri B. Venkataswami, Secretary of the Society. Then the Deputy Registrar of Co operative Societies, Nellore, Sri D. Narayana Rao Naidu, B. A., made a brief speech wherein he pointed out that such celebrations are rare in the co-operative field and that it should be really a matter of pride that this society has lived to celebrate its Silver Jubilee and wished the society progress and prosperity. The President, Sri K. Jagadisa Ayyar in his presidential address recalled the notable events achieved by the society and gave a detailed and very useful talk on the position of a public servant in Free India. With thanks givings by Sri D. Venkataramanayya, the Vice President of the Society, the public meeting came to a close. Immediately there-after there was an entertainment given by the Renaissance Artists, Nellore, who staged 'Tupan' in Telugu which was very amusing from beginning to end. A silver shield was presented to the Artists on behalf of the society.

"A Model *Khaddar* Co-operative"—

The Vizianagram Spinning and Weaving Co-operative Society, Ltd.

VISWANATHAN TEKUMALLA

(Continued from previous issue)

III The Slump

In 1929, the Economic Depression[1] set in and held the world in its grip for over a half-decade. This great catastrophe was caused by maladjustments of production and demand. There was over-production both in agriculture and industry due to technical improvements in the methods of production. On the other hand, demand was characterised by instability. The changes caused by the Great War and the aftermath in the distribution of income among several countries and among individuals in the same country dislocated the ordinary standards of consumption; while causes like the constantly increasing burden of tariffs reduced the purchasing power and lowered consumption of the countries. India also felt the severity of this "Economic Blizzard" indicating a close parallelism with world conditions. The price of raw cotton of short staple, for instance, fell from Rs. 373 a candy of 784 lbs. in 1928-29 to Rs. 184-10-0 in 1931-32. A divergence between the prices of primary articles and of manufactured products was also noticeable. The purchasing power of the Indian *ryot* having fallen heavily, he was compelled to reduce much his consumption of comforts and luxuries in particular. Even in respect of necessities of life among which cotton piece goods occupy an important position, he was forced to reduce his purchases considerably.[2]

For instance, the *per capita* consumption of cotton cloth in India fell from 15.5 yards in 1929-30 to 12.8 yards in 1930-31 and stood at 13.6 yards in 1931-32.[3]

The Depression, while it had an almost immediate effect on many industries in our country, did not, probably, make its mark on the *khaddar* industry with the same rapidity. It was evidently because the political and social value attached to *khaddar* out-weighed

[1] For details about the Economic Depression and its effect on the textile industry and trade of India my book "*Industrial Planning—Food and Cloth*" may be read.

[2] *Review of the Trade of India*: 1931-32.

[3] *Report of the Fact-Finding Committee (Handlooms and Mills)*, 1941; P. 291.

economic considerations. But by 1932 the political tide which had attained great heights tended to move down to lower levels. Due to a misinterpretation of the Congress sanction of the use of Indian mill cloth as *Swadeshi*, the popular *Swadeshi* sentiment was somewhat diverted from *khaddar* towards indigenous mill-cloth. The intensity of the nation's enthusiasm and sentiment having decreased, the cumulative effect of the Depression continuing over a number of years on the general purchasing power of the public became marked.[4] Demand did not keep pace with production and there was accumulation of stocks of all textile varieties. External and internal competition with a view to dispose of stocks became keen and prices had to be reduced. "To the hand-spun and hand-woven cloth, the (Indian) mills are as much a menace as the imported cloth or even more".[5] This situation left the *khaddar* industry no alternative but the reduction of prices.

The Vizianagram Society was not slow to comprehend the situation. It knew that its primary duty was to popularise *khaddar* and to give work to its artisan members. At the same time it saw with sufficient foresight that it had to guard itself against the coming crisis. The year 1930-31 was the best for the *khaddar* industry in general for obvious reasons. And it was also the best for the Society; for its sales during that year were the highest on record, being Rs. 16,298. Yet the Society chose to reduce its prices that year. In March 1931, the price schedule was revised and the reduced prices were adopted from 20-3-1931. The price reduction ranged between 6¼ per cent and 25 per cent according to the width and variety of cloth, the general average working out to about 10 per cent. This step was well-advised for two reasons: For one thing, the local price of unginned cotton had fallen from Rs. 30 a candy of 500 lbs. to Rs. 25, thus helping some reduction in the cost of production. Secondly, the demand for *khaddar* at the time was high enough to ensure a large turn over which might make up for any loss that price reduction would entail.

The general price level having registered a further decline during the half-year which followed, it became necessary for the Society to effect a further reduction in the prices. The previous reduction did not necessitate any revision of the wage schedule of the

[4] *Report of the All India Spinners' Association*, 1932

[5] Written Statement of the Indian Chamber of Commerce submitted to the Cotton Textile Tariff Board, 1932.

Society because economies in production costs were made possible to some extent by the fall in cotton price. But now further price reduction could not be contemplated and further economies in production costs be effected without prejudice to the current spinning and weaving wages. It stands to the credit of the Vizianagram Spinning and Weaving Co-operative Society that its artisan-members volunteered to reduce their wages so that the business of their Society might not suffer. So it was that, on 12-9-1931, the Society reduced its prices and its wages.

The price reduction varied with the width and variety of cloth. Generally speaking, it was one anna per linear yard of cloth. In the case of pieces sold by the yard the reduction ranged between 6¼ per cent and 12½ per cent, the general average being about 10 per cent. But in respect of *kuppadam dhoties* of 7 yards × 45″, the reduction was as high as 20 per cent. The following table indicates the extent of the reduction of prices of the Society.

Comparative Prices of Typical Varieties of Khaddar[6]

Width and Variety.	Length yards.	Upto 20-3-'31.			From 20-3-'31.			From 12-9-'31.		
		Rs.	A.	P.	Rs.	A.	P.	Rs.	A.	P.
36″ Plain ...	1	0	7	0	0	6	0	0	5	6
50″ Plain ...	1	0	9	6	0	8	6	0	7	6
30″ Twill ...	1	0	10	0	0	9	0	0	8	6
30″ Drill ...	1	0	13	0	0	12	0	0	10	6
45″ *Kuppadam Dhoti* ...	7	5	2	0	4	12	6	3	12	0

The general reduction in wages also was appreciable. The spinner's wage was reduced from Re. 1 per four viss of unginned cotton to As. 12 which meant a reduction of 25 per cent. The weaver's wage reduction ranged between Ps. 3 and As. 1 per linear yard according to the width and variety of cloth. This indicated a range of 6¼ per cent to 25 per cent averaging about 18¾ per cent. In the case of the weavers the reduction meant a self-imposed wage cut of As. 3 to 5 for a fair day's work. The following table indicates the general level of wage reduction.

[6] A complete price schedule is given in the Appendix.

Weaving Wages for Typical Varieties of Khaddar[7]

Width and Variety.		Length in yards.	Upto 12-9-'31. Rs.	A.	P.	From 12-9-'31. Rs.	A.	P.
27" Plain	...	1	0	1	0	0	0	11
45" Plain	...	1	0	1	9	0	1	6
50" Plain	...	1	0	2	2	0	1	9
54" Double thread	...	1	0	3	4	0	2	8
30" Twill	...	1	0	3	8	0	3	0
45" *Kuppadam*	...	1	0	4	0	0	3	0

This reduction in prices and wages did not completely shield the Society against the general effects of the Depression. It only mitigated the severity of the effects and prepared the Society for a somewhat smooth transition from industrial activity to slump. The year 1931-32 was the year of transition and so characteristic of both: On the one hand, due to the progress shown by the Society there was an increase in membership to 410 spinners and 31 weavers, in spite of price and wage reductions. The status of the Society as a promoter of the interests of the artisans rose. But on the other hand, the regular business of the Society received some set-back; for, the production and sale declined to Rs. 7,910 and Rs. 10,010 respectively.

The quinquennium which followed was the hardest for the Society. Production steadily declined from Rs. 7,910 in 1931-32 to Rs. 3,978 in 1932-33 and then to Rs. 1,460 in 1936-37. Part of this decline in value was due to lower cost of raw materials like cotton; but the larger part of it was due to quantitative decline. The value of cotton and yarn used fell from Rs. 1,684 in 1931-32 to Rs. 873 in 1932-33 and to Rs. 356 in 1936-37, while the manufacturing wages fell from Rs. 6,226 to Rs. 3,105 and then to Rs. 1,104 during the respective years. The fall in the number of weaver members during later years was probably partly responsible for this decline in quantity.

The sales were not quite satisfactory. They fell from Rs. 10,010 in 1931-32 to Rs. 6,848 in 1932-33 and to Rs. 2,731 in 1936-37. The two important factors—the nation's reduced purchasing power and the popularity of Indian mill cloth as genuine *Swadeshi*—continued their repercussions on the *khaddar* industry and trade. The general price level having continued to fall, the Society reduced its prices

[7]A complete schedule of wages is given in the Appendix.

again. The reduction was made on 24-11-32 by about Ps. 6 per yard working from 4 per cent to 8 per cent in some varieties. A further reduction to the same extent was made on 22-12-33 with a view to cope with the situation.[8] Still the position did not improve This was probably due in part to the fact that the Society's production consisted of coarse varieties only where as popular taste was for finer varieties. The decline in the society's trade had considerably disturbed its financiul strength; for while the net profits only dwindled during the first three bad years, there was definite loss during the following two years.

But the period had, however, some salient features too. The total membership did not dwindle. In spite of the fall in the spinners' wages from Rs. 2,869 in 1931-32 to Rs. 1,142 in 1932-33 and Rs. 494 in 1936-37, the faith of the spinners in their Society remained unshaken and their strength remained almost the same during the whole period. As much loyalty was not in evidence among the weaver members. After two years of loyal forbearance, some of them left the Society. Their number fell from 31 to 18 by 1936-37. It might be that they had gone over to mill yarn weaving in view of the interest that the Government and Co-operative bodies had begun to take in its development.

It is a pity that the office establishment did little to ease the situation. The office could have imposed a salary cut for the purpose even as the All-India Spinners' Association had done. But it maintained throughout the same establishment at an annual cost of Rs. 766. This must have effected to some extent the Society's ability to hold its own during its hardest days.

The following table shows the position of the Society during the half-decade under reference[9].

Year.	Share Capital Rs.	Total Membership	No. of spinners	No. of weavers	Spinning wages Rs.	Weaving wages Rs.	Production Rs.	Sale Rs.	Net profit or loss Rs.
1932-33	2,963	522	414	31	1,142	1,486	3,978	6,848	+649
1933-34	2,977	513	410	28	1,158	1,204	3,555	4,998	+445
1934-35	2,854	505	408	22	500	480	1,424	3,773	+115
1935-36	2,809	500	408	18	288	544	1,443	2,870	—117
1936-37	2,616	500	409	18	494	562	1,460	2,731	—303

[8]Complete schedules of reduced prices are given in the Appendix.

[9]Other details are given in the Appendix.

IV The Rehabilitation

The year 1934-35 indicated a change in the economic condition of the world. The Depression was not as acute as in the early part of the previous quinquennium. There was some betterment in world conditions and quickening of international trade. The recovery, however, was unevenly distributed, some countries making marked progress, some others a little only, and yet others, none whatsoever. In India too, signs of recovery were visible in many directions. On the whole, industrial progress was maintained, particularly in cotton and other staple industries. There was also some advance in agricultural produce like cotton. This means, broadly speaking that the population had more to spend. Prices in general, however, remained at a low level. But one noteworthy feature of the price movements was that while since 1929 the decline in the prices of exported articles (chiefly agricultural produce) had been greater than that in the prices of imported articles (chiefly manufactured ones), there was now noticeable a slight change in the tendency of the prices: The prices of exported articles indicated a tendency to rise while those of imported articles indicated the opposite tendency. A comparison of the index numbers of both the groups showed that the prices of imported articles were[10] adjusting themselves to those of the exported articles.

This tendency towards improvement was some what marked in the textile industry and trade in India: The net imports of cloth rose from 771 millon yards in 1933-34 to 933 million yards in 1934-35 and to 937 million yards the following year; while the retained Indian mill production rose from 2,711.6 million yards in 1933-34 to 3,077.7 million yards in 1934-35 and 3,169.8 million yards in the next year.[11]

Despite "the stagnation" due to trade depression, the handloom industry also showed marked improvement: In 1933-34 the Government of India announced their intention to assist the handloom industry by giving grants-in-aid. The Provinces submitted their schemes of development and on the scrutiny and approval of the schemes by the Industries Conference of 1934, the Government distributed the grant among the Provinces. This strengthened the position of the handlooms using mill yarn; and handloom production

[10] *India-1934-35.*

[11] *Report of the Fact-Finding Committee (Handlooms and Mills) 1941*, P. 291.

which stood at 1,255.6 million yards in 1934-35 rose to 1,450.4 million yards in 1935-36.[12]

Yet prices of cloth were low and keen competition tended to keep them down so as to make cloth as cheap as possible to the consumer. The *khaddar* industry also had run the race with the others. It had already reduced its prices to the minimum. It was now faced with the problem as to how to effect further reduction without prejudice to the interests of the *khaddar* artisans for whose benefit the *khaddar* movement had been started.

The *khaddar* policy, as adopted, centred round two individuals—the rural producer and the urban consumer. *Khaddar* production was merely of the nature of rural relief work whose success depended on urban patronage even at rock-bottom prices. Gandhiji perceived a vital defect in this policy: He felt, "Every thing was being done with a view to finding work for the work-less, and the scramble for reduction in prices was due to *unnatural competition* with mill cloth. But in our hurry to do justice, we have unconsciously done some injustice to the spinners. . . . .

"We shall have to forget that *khadi* has to compete with mill cloth. Mill cloth is mill cloth and *khadi* is *khadi*. The mill cloth producer will always concentrate on cheapening it, we must concentrate on justice and a fair wage. There can be therefore no comparison between the two".[13]

Need having been felt for a reorientation of the *khaddar policy* which would transform *khaddar* from being primarily a relief work into what is essentially an uplift movement, Gandhiji suggested that the true objective of the *khaddar* movement should be not the sale of a certain quantity of *khadi* at any price or simply the provision of a certain amount of relief to the rural population, but what it could do to help the villagers and artisans to be self-reliant in the matter of their clothing requirements and to make their lives generally richer, fuller and better.[14] He maintained that this ideal of progressive self-sufficiency would eliminate the urban consumer and centre all interest round the rural producer as the producer and consumer of his own production.

This new policy of the All India Spinners' Association gave an impetus in 1935 to *khaddar* work in general. It was shortly

[12] *Report of the Fact-Finding Committee (Handlooms and Mills) 1941*, P. 291.

[13] *Harijan*, dated 10th August 1935.

[14] *Report of the All-India Spinners' Association, 1934.*

followed in 1936 by a revised wage scheme where by the spinners' wage was considerably enhanced with a view to their welfare. Production was thus stimulated; but the prices rose slightly and the sales declined to some extent. But a favourable psychological atmoshphere was created for the development of *khaddar* in the country. Thus the year 1936 was an year of transition from the stagnation of the depression period to the animation of the rehabilitation period.

It was so for the Vizianagram Society also as its figures for 1936-37 indicate: During the year the membership remained the same; but the total production increased slightly. There was an appreciable rise in wages from Rs. 238 in 1935-36 to Rs 494 for spinning and from Rs. 544 to Rs. 562 for weaving. Yet the total sales fell from Rs. 2,870 in 1935-36 to Rs. 2,731 resulting in a net deficit of Rs. 303 as against Rs. 117 in the previous year. One noteworthy feature was that the establishment charges had been reduced from Rs. 756 to Rs. 504. This probably showed that the staff had seen the need for economies in administration.

The two years that followed were a period of favourable atmosphere to the *khaddar* industry. The Congress election propaganda having stimulated the demand for *khaddar* in some measure, there was an endeavour all over the country to increase production. The formation of the Congress Ministries itself gave *khaddar* such social and political status as it had never enjoyed before. The Ministries forthwith set their hand to achieving the progress of " the wheel " by giving it some financial support in the form of a subsidy to the All-India Spinners' Association.

The general conditions were favourable to the Vizianagaram Society. But certain local circumstances seemed to hinder progress: The price of cotton which stood at about Rs. 30 a candy of 500 lbs. now rose to about Rs. 35. The necessitated a rise in the price of cloth. But the local private *khaddar* dealers who had been competing with the Society during the Depression kept down the prices in a spirit of unhealthy rivalry. *The wisdom and the spirit of co-operation with which the Society met the situation were truly characteristic of the lofty ideals which the organisers had cherished*: The Society realised that, in view of the welfare of the spinners and the general rise in spinning wages all over the country, the wages of the spinner-members needed enhancement. So it restored spinning wages from As. 12 to Re. 1 which was the pre-Depression wage. This increase as well as the rise in the cost of cotton tended to raise the cost of

production of cloth. With a view to keep down the costs, the weaver-members offered to reduce their wages to some extent. Accordingly, on 25-9-1937 the wages of some varieties were reduced by Ps. 3 per yard.[15]

This enabled the Society to maintain prices at a reasonable level. The prices of some varieties of cloth remained unaltered while those of the others rose with effect from 1-10-1937 only by Ps. 6 to As. 1 per yard.[16] Yet, unhealthy competition affected the sales. So the Society found it expedient to resort to propaganda. In 1937 its representatives toured the district along with the Staff of the Co-operative Refresher Class and did some propaganda. This increased the mofussil demand for *khaddar* and stimulated production. The local demand was still governed by the local dealers to a considerable extent.

The earnest measures adopted by the Society enabled it to recover part of its lost ground during 1937-38 and the following year. Though the membership was the same as in 1936-37, there was considerable progress in business. Production rose from Rs. 1,460 in 1936-37 to Rs. 3,247 in 1937-38 and Rs. 5,303 the next year. The wages paid increased from Rs. 1,104 in 1936-37 to Rs. 1,967 and Rs. 3,558 in the two following years. The sales, though not very high, were, however, not discouraging; for the rise was from Rs. 2,731 to Rs. 3,075 and then to Rs. 4,821 during the years under reference. The swing of the Society from a net loss of Rs. 303 in 1936-37 to a net profit of Rs. 336 in 1938-39 was the surest index of its progress during the period. The following statement shows the position of the Society during the period of rehabilitation :[17]

Year	Share Capital	Total membership	No. of spinners	No. of weavers	Spinning wages	Weaving wages	Production	Sale	Net profit or loss
	Rs.				Rs.	Rs.	Rs.	Rs.	Rs.
1937-38	2,618	501	409	18	1,014	835	3,247	3,075	Balanced.
1938-39	2,591	504	412	18	1,741	1,317	5,303	4,821	+ 336

[15] A complete wage schedule is given in the Appendix.

[16] A complete price schedule is given in the Appendix.

[17] Other details are given in the Appendix.

(to be continued)

The Handloom Industry—

SUGGESTION FOR BETTER PRODUCTION AND MARKETING*

SRI A. D. BALASUNDARA MUDALIAR, B.A.,

Joint Registrar of (Weavers') Co-operative Societies, Madras

I congratulate the co-operators, who have been responsible for convening this Conference at a time when the handloom industry in the Madras Province is passing through a difficult period. You are aware that the weavers' co-operative societies have at present large accumulations of their stocks and consequently are unable to provide the weavers with work to the same degree as they have been doing in the past. Even in the past, however, the industry had to face such crisis and every time it survived, but a great sacrifice to the economic freedom of the weavers. Hence a conference of this type will enable us to pool our experiences and chalk out a plan not only to over come the present difficulties but also to stabilise the industry with the help and guidance of our popular Government.

Looking back on the progress the industry has made on a co-operative basis, one can indeed be proud of its record. Thanks to the generous support it has received from the Government, there are at present 893 primary societies with a membership of 1,30,000 and a paid-up share capital of Rs. 62·20 lakhs. They have in their fold about 1,33,000 looms and the average monthly production of cloth is about Rs. 60 lakhs. The turnover of all the primaries during the year ended 30-6-1948 was Rs. 814·15 lakhs. The Madras Handloom Weavers' Provincial Co-operative Society to which they are affiliated is today the biggest organisation in handloom production and trade not only in the Madras Province but in the whole of India, exercising salutary influence on the handloom weaving industry and trade in general. Above all, it has been procuring and distributing yarn to all its members to the extent of nearly 6,000 bales every month. Its capacity for large scale production at comparatively cheap rates and its ability to tap inland and foreign markets have been established in the handloom market. The Provincial Society is maintaining 63 cloth sale depots in the Province at the rate of one or more depots for each district. Its turnover during the last year was Rs. 368·53 lakhs. It has opened depots in Calcutta, Travancore and Ceylon and has taken steps to

*Speech delivered by Sri A. D. Balasundara Mudaliar at the Tamil Nad Weavers' Conference held at Kancheepuram on 22nd January 1949.

open similar depots in Singapore, Rangoon, Bombay, etc. The Government have recognised its contribution to the development of handloom industry and thought it proper to entrust it with the distribution of yarn to weavers even outside the co-operative fold when control over yarn was re-imposed. Even in the past the Central Government had entrusted to it the distribution of hydro-sulphate of soda for the whole Province. By its province-wide activities, the Provincial Society has further awakened the weavers from their economic lethargy and spurred them to activity to free themselves from economic bondage. More and more weavers are coming into the movement. If all the primaries continue their loyalty to the Provincial organisation both in the matter of production and marketing, and with the continued sympathy and support of both the Central and Provincial Governments, the Madras Handloom Weavers' Provincial Co-operative Society will be able to achieve in a very large measure its main objectives, *viz*., to link the producers with the consumers direct thereby eliminating the unnecessary middlemen, to secure economic freedom to the weavers and serve the community at large.

At present there is much stagnation of handloom cloth in the Province, particularly of non-utility varieties like *lungis*, consequent on the export restrictions at this end and import restrictions at the other end, like Burma and Egypt. It is also due to lack of demand locally on account of the import of large quantities of mill cloth into the Province at cheap rates and the fall in the purchasing power of the average man. Even though there is no control over prices, production and distribution of handloom cloth, as there is on mill-cloth and even though it is expected to meet two-thirds of the requirements of the population of this Province, yet handloom cloth could not command a good sale nor could it compete with mill cloth successfully for more than one reason. The following are some of the most important reasons.

(*a*) The price of handloom cloth is high ;
(*b*) the variety is not standardised ;
(*c*) the finish of the cloth is not attractive ;
(*d*) the export of handloom cloth is not free.

The increased prices of handloom cloth are due to the high price of the yarn made available to hand looms, to the high cost of processing and colouring it and to the increased labour charges for manufacturing cloth as compared with mill cloth. The industry has to pay nearly 10 to 15 per cent. more for the yarn than what is payable by the mill industry. The dye charges are 20 to 25 per cent more than those for machine dyeing. The manufacturing cost is nearly double than that of mill cloth. These arguments, however justifiable, will not satisfy the average consumer unless the price of the cloth suits his purse and the quality is good. *So the paramount need of the hour is to reduce the cost of manufacture and to improve the quality.* Yarn is now made available to primaries for distribution to their members at $4\frac{11}{16}$ per cent over the ex-mill rate inclusive of transport charges. Even this rate is high and the question of reducing the margin for the Provincial Weavers' Society within reasonable limits will have to be considered. It may be examined whether the Provincial Weavers' Society may not reduce the margin it charges over the ex-mill rate to 3 per cent. inclusive of all charges.

Similarly the processing and colouring charges require to be reduced. The Provincial Society imported dyes from foreign countries in the past and it also used to make bulk purchases from importers at competitive rates for the use of the dye-factories run by it in eight places. This is not enough. There must be at least one dye-factory for each of the districts, provided with modern equipments like steam boilers, hydro-extractors, *etc.*, to keep down the labour charges to the minimum and increase the capacity for dyeing. Now even private dyers provide themselves with such labour-saving devices with the result that they have come forward to colour yarn at more competitive rates than those fixed by the Provincial Society. It may therefore take steps not only to import dyes from foreign countries but also to improve the capacity of its dye-factories and increase their number so that it can continue to help the primaries and supply their colour yarn requirements at cheap rates. In the case of other raw materials like art silk, lace, *etc.*, required by the industry, the Provincial Weavers' Society will have to try to import them from the places of production so that they can be had at competitive rates.

Apart from these measures to be taken, the primary societies themselves should take the initiative in reducing the manufacturing costs. This is possible only if the organisations agree to pay living wages to their weavers at rates consistent with the local conditions. At present the sole guiding principle in determining the wages seems to be the market rate. When the export trade is brisk and

when master weavers pay abnormally high wages, the co-operatives also pay the same rates if not higher. Otherwise the weavers desert the societies. Unless the weavers are educated to accept at all times reasonable living wages consistent with the marketability of cloth, the societies will not have a steady progress and earn a name for equity and fairness in their dealings with the consumers. One of the arguments adduced in favour of high wages is that the present supply of yarn is so inadequate that it provides work to a weaver only for ten days but all the same he has to charge for it thirty days' wages to maintain himself. The Government have already taken steps to get increased quota of yarn for the Province. Further on account of slump in trade, there is plenty of yarn in the market. It is, therefore, hoped that adequate supply of yarn will be available to the societies in future so that the members can work throughout the month and earn their wages.

It has been my experience in more than one place that the societies issue more yarn than what is actually necessary for producing the cloth. It is very necessary, therefore, to lay down specifications for the varieties that are popular and standardise them and enforce them strictly so as to prevent the excess issue of yarn and maintain the quality. There must also be frequent change of designs and patterns to suit the taste of the consuming public. In South India, particularly in Tamilnad, the women folk have a strong liking for coloured handloom fabrics interwoven with artistic designs in silk and lace. This is a field where mill industry cannot compete with handloom industry. This field should fully be exploited by employing expert designers. The Provincial Society should work in this direction.

Further the societies, particularly those engaged in the production of white varieties, should equip themselves with the necessary facilities to give better finish to the cloth by bleaching, calendering, *etc.* The Provincial Society will have to extend aid to the primaries in this regard.

Recently, the Government of India have imposed excise duty on mill cloth of finer counts and this is a welcome step. It will afford greater scope for the handloom industry to produce cloth of finer counts and enable it to compete with the mill industry successfully. The industry should, therefore, concentrate its attention on the production of finer counts over and above 48's so that it may establish a market for its goods and popularise them.

Another suggestion which I would like to place before you is the introduction of improved handlooms so as to step up production. Our looms are mostly pit looms provided with fly-shuttle and their capacity for production is 6 to 8 yards per day. In Bombay, I noticed pedal looms with arrangements for automatic movement of shuttles and they are capable of producing 30 yards a day. The Provincial Society has taken steps to set up in the experimental factory one or two looms to demonstrate to weavers the advantages and usefulness of these looms. I hope the primary societies after satisfying themselves as to the advantage of this new type of looms will take steps to introduce them in their places on a larger scale.

Apart from these steps to reduce the manufacturing costs, to increase the output and to improve the quality of handloom cloth, our marketing organisation should also be strengthened to capture the internal and external markets for our handloom goods. If marketing is to be a success, it should be centralised in the Provincial Society. Such centralisation would not only enable the weaker institutisns to share the profit of high prices but would also prevent competition among them. It is only by extensive marketing, the central institution can succeed in securing and retaining the loyalty of the primaries to it and the loyalty of their weavers to the primaries. So far as the internal market is concerned, the Provincial Society is having at present 63 sales depots at the rate of one or two depots for each district. In each district there should be a depot for each taluk. All the goods produced in the district should be pooled and distributed to these depots and the surplus transferred to other districts. A comprehensive scheme on these lines may be drawn and tried as an experiment in one or two districts. If it is found successful, it may then be extended to other districts.

The handloom industry flourished in the past on account of its external markets. On account of the disturbed conditions in Malaya and Burma, where handloom goods have established a name, and on account of the import restrictions in Burma and Egypt and the export restrictions to Pakistan, the exports have not been encouraging. The industry has to face locally unfavourable conditions snch as the absence of facilities in the matter of distribution of its production and the handicaps on account of the competition from mill industry. A policy of free trade for handloom cloth would go a

long way to enable it to regain the foreign market and survive the crisis it is facing now.

I was made to understand during my visit to Rangoon and Malaya that on account of the high cost of our goods it had become possible for countries like Japan, England and America to produce similar varieties and send them to these markets at cheaper rates. Fortunately for us these foreign countries have not yet fully exploited the market and the people there have a bias for Madras *lungis*. It should, therefore, be our endeavour to regain these markets by exporting to them quality goods at competitive rates. Exploitation of these markets at the expense of the consumers should not be our motto; but our aim must be to retain the market for the benefit of the producers at this end and of the consumers at the other end. That is the reason why the Government have helped the Provincial Weavers' Society with a large export quota. We should avail ourselves of this opportunity to establish and extend our trade connections in those foreign countries. The Madras Handloom Weavers' Provincial Co-operative Society has already taken steps in this direction. The Society has opened depots at Ceylon and taken steps to start such depots at Singapore, Kuala Lampur and Rangoon. These are not enough; more depots will have to be opened in other foreign countries as well as in places outside the Madras Province but within India and also in East Bengal and West Punjab. Government help to the Provincial Society is necessary in the establishment and the development of their markets by allowing free trade and by securing for it import permits in those places. A net work of these depots when established in important marketing centres, will enable the organisation to find an outlet for the goods produced by its primaries all through the year. The Provincial Weavers' Society would also do well to maintain show rooms in each of the offices of the Indian Embassy in foreign countries and exhibit its choice fabrics and thereby explore new markets for its goods.

It has become a common feature in weavers' societies that weavers are asked to work their looms for the societies when there is brisk trade and stop issue of yarn when there is slump. This will undermine the loyalty of the members to the societies. The strengthening of the marketing organisations on the lines indicated above will provide them work almost throughout the year. This is very necessary; otherwise when once the control over yarn is lifted and the supply of yarn is assured to everyone it is likely [illegible] these weavers may not choose to remain in the societies. The weavers should be provided with sufficient inducement to continue their contact with the societies and they should cultivate a spirit of looking upon the societies as the way to ensure a social life. The societies should serve as centres for the advancement of the weaving community which is the largest industrial group in the country. With this end in view, several schemes are being devised to promote their general welfare. For instance they have been encouraged to undertake the housing schemes for housing their members. The Yemmiganur Weavers' Co-operative Society is a striking example of what co-operation can achieve not only in providing ideal housing conditions for carrying on the industry but in elevating the conditions of weavers of the Society. This Society is constructing the weavers' housing colony, consisting of 100 houses. Similar schemes are being worked out in other districts like Salem District. I would a urge societies that are financially strong to undertake schemes for providing houses and other amenities to their members. With their common good fund they can instal radios, construct reading rooms, and provide opportunities for improving education among the members. May I suggest that it should be the aim of the societies to function as centres for the economic, social and rural advancement of the weaving community and for strengthening the bonds of loyalty of the members to the societies ?

Gentlemen, I am sure that the co-operators present will carefully consider the various suggestions, I have given for improving the industry. I now declare the Conference open.

Announcement

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

P. NATESAN,
General Secretary.

23-8-1949.

Prohibition in Madras

Ameliorative Activities—Progress in June 1949

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

(i) ***Jaggery Societies***: During June 1949, 17 Jaggery Societies were organised in the districts where taping of sweet juice was permitted; 19 societies were registered and 43 started on their work. So far 1,478 jaggery societies were organised of which 1,459 were registered and 1,449 started on their work. 3,714 ex-tappers were en-rolled as members and 3,405 licences to tap sweet palm juice were issued during the month. The total number of ex-tappers enrolled and licences issued at the end of June were 99,327 and 81,911 respectively. 1.15 lakhs of maunds of jaggery valued at Rs. 6.7 lakhs was produced in June. Upto the end of June, 12.84 lakhs of maunds of jaggery valued at Rs. 70.80 lakhs was produced by all the societies.

(ii) *Milk Supply Societies*:—7 such societies were organised and 3 registered and 6 started on their work in different parts of the province. 2 Unions also started on work. Several societies and unions showed an increase in their trade.

Interest-free loans of Rs. 4,800 in Coimbatore District, Rs. 24,750 in Madras, Rs. 4,280 in West Godavari, Rs. 3,425 in East Godavari, Rs. 8,830 in Tanjore District were disbursed to members for purchase of milch animals. At the end of June there were 138 milk supply societies and 3 unions providing work to about 850 ex-tappers as a subsidiary occupation.

(iii) *Land Colonisation Societies*:—Two such societies were organised in Tanjore District for ex-tappers and Harijans. Some more members were admitted into the other societies. Applications for sinking wells for the colonists were recommended for sanction of subsidy.

(iv) *Labour Contract Societies*:—The Bukkapatnam society executed contract work to the value of Rs. 259. 67 families of ex-tappers are provided with work through this society.

(v) *Field Labourer Societies*:—Four societies ex-tappers were registered in Krishna District and the revenue authorities were requested to assign lands to the members.

(vi) *Weavers Societies*:—One society in Chingleput District started on its work.

(vii) ***Cottage Industries Societies***:—The Ayoddhiapatnam Carpet Society produced goods worth Rs. 773 and sold goods worth about Rs. 1,080 in June. The trainees of the Thiruvanmiyur Cottage Industries

Society continued their training in Spinning and Mill Yarn Weaving as in May.

(*b*) *Other Modes of Employment* : During June 1735 ex-tappers were provided with work in various avocations as agricultural labourers, office peons, gang coolies, etc., upto June about 36,808 ex-tappers in all were provided with employment, chiefly in the new Prohibition area.

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

During June, 70 rural credit societies were organised, 78 registered, and 51 started on their work in various districts. 7 milk supply societies were also organised and one started on its work. 3 house site societies were organised in Krishna and Tanjore Districts and one started on its work. A labour contract society was organised in Kurnool District. In Malabar, one society for coir work and one for screwpine met weaving were organised. In Krishna one Cottage Industries Society was registered and one health society, one fishermen's society, and one agricultural improvements society were organised. 5 egg marketing societies in Tiruchi and South Arcot Districts, and one basket weavers' society in Ramnad District were also organised. One weavers' society in North Arcot was started on its work with ex-addict members. The basket weavers' society in North Arcot produced baskets worth Rs. 4,031 and sold goods worth Rs. 7,686. The Valliyoor Milk Society (Tirunelveli District) bought 30 milch animals out of the interest-free Government loan.

Loans to the extent of Rs. 4,750 in Bellary District Rs. 7,600 in Madura District, Rs. 7,000 in Thiruchi District, and Rs. 4,400 in Anantapur District were disbursed for the purchase of milch animals in particular. The milk business of the societies increased.

Government approved the scheme for a cattle-breeding society in North Arcot and sanctioned a subsidy.

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

In June 30 rural credit societies were organised, 28 registered and 3 started on their work in various districts. In Chingleput District five multipurpose societies were formed and one in West Godavari was started on its work. One Milk Supply Society and one Cottage Industries Society were organised in Tirunelveli District. Four house-site societies were started for Harijans and three such societies were started on their work. Mat weaving was introduced in a Harijan society in Madras and a subsidy of Rs. 200 was given. For a *khaddar* society in the Nilgiris, a subsidy of Rs. 500 was secured. A village development officer was also posted to be in charge of the society. The by-laws of some societies were amended to introduce multipurpose activities.

Two multipurpose societies in Madura District were authorised to deal in foodgrains. The Co-operative Central Banks of Mathurai and Cuddalore granted cash credit to some societies. The Denduluru Society in West Godavari undertook the processing of copra into oil and got 700 lbs. of copra from Malabar. The Pathiawadi Mat Society in North Arcot started on its regular work.

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

(*a*) ***By the Gramasanghams*****:** During June 40 Gramasanghams were organised in various districts, the total number at the end of the month being 12,740. Of them 3,834 were active; 980 sanghams provided counter attraction to drink; 435 were engaged in public health activities; 398 in sanitation; 261 in providing village communication; 554 in education; 241 in agricultural improvements; and 14 in women's welfare.

The activities consisted in the opening of night schools, reading rooms, libraries, maternity and child welfare centre, free distribution of books and slates to some poor boys, building and opening new schools, laying roads and the like. The Hon'ble Minister for Prohibition opened a reading room at Bethamcherla (Kurnool District) and the Hon'ble Minister for Finance laid the fundation stone for a school building at Sydapuram (Nellore District).

(*b*) ***By Rural Credit Societies*** :—In June 137 rural credit societies amended their by-laws to undertake social and recreational activities; and so far 772 societies amended their by-laws. During the month 74 societies undertook social and uplift work: 32 construction of reading rooms; 14 installation of reading rooms; and 30 opening of libraries.

5. Reorganisation and Intensive Supervision of Rural Credit Society:

Thirty Central Banks Worked the scheme. The following was the progress made by them:

(*i*) *Number of Rural Credit Societies* : There were 11,530 Societies at the end of June. The number of good and active societies was 9,493. The dormant societies decreased to 1,057.

(*ii*) ***Number of Villages Covered and Population Served*** : The numbers of villages covered and population served by the societies were 17,898 and 55.35 lakhs respectively, working out 45.95 per cent and 13.65 per cent of the respective totals.

(*iii*) ***Membership and Paid-up Share Capital*** **:** The number of members and their paid-up share capital were 8.27 lakhs and 99.09 lakhs respectively.

(*iv*) ***Borrowings from Central Banks*** : The borrowings amounted to Rs. 496.55 lakhs.

(v) *Members' Loans due to Societies*: The loans outstanding against members stood at Rs. 518.88 lakhs.

(*vi*) ***Multipurpose Activities***: 435 more rural credit societies undertook extra-credit activities in June; in all 2,239 societies under-took such activities sofar; 1.70 lakhs of members benefited by them, the amount involved being Rs. 24.27 lakhs.

(*vii*) ***Staff***: 614 supervisors visited 5,640 societies in June.

6. ***Counter Attractions to Drinks*** (*a*) ***Drinks***: Fresh tea and coffee stalls were opened at many places in the districts. A milk bar was opened by the Madanapalle Milk Supply Union.

(*b*) ***Recreational Activities***: Rural games, tournements, ***bhajanas, kalakshepams, kolattams***, folk dances, ***etc.*** were conducted in the districts. Some of the games and tournaments were presided over by the District Collectors and prizes were awarded. Cattle shows were held in Cuddappah and Coimbatore districts. Singing and lecturing competitions and ***Purana Kalakshepams*** were held in West Godavari. Public radios were installed at some places. Street dramas were organised in Guntur and Coimbatore districts.

7. ***Thrift***: During June 2,164 ***hundi*** boxes were distributed and Rs. 11,047 saved through them. Thrift propaganda was done and "thrift days" were celebrated in many districts by societies. In West Godavari the Hon'ble Minister for Firka Development distributed ***hundi*** boxes to some ***Harijans***.

8. ***Propaganda***: Propaganda was continued with the help of propaganda vans. Milk equipment, gramophone records, radios, magic lanterns and films of moral and educational value were used.

9. *Harijan Welfare*: ***Harijan*** days were celebrated at many villages. House site societies were organised in some districts. Loans were granted to some ***Harijans*** in Bellary district. Slates, pencils and note-books were provided to Harijan boys by several *Gramasanghams* in Coimbatore district. Fixed deposit funds and local donations Rs. 3,500 each were opened in Coimbatore district. A tank was dug in Tanjore district. In Madras, the British Information Service exhibited a few films. Lectures and cinema shows were arranged by the Red cross society in Nilgiris. The Hon'ble speaker of the Madras Legislative Assembly addressed the Harijans in Madras on their housing needs.

10. ***Miscellaneous Activities***: In Coimbatore District His Excellency the Governor of Madras visited *Harijan Cheris* where some houses were built by two philanthropists and commended their example to other rich men. He also declared open a school. The Hon'ble Minister for Prohibition visited Kurnool and studied the land colonisation scheme. He also visited Tenali and studied the conditions of the ex-tappers and their palm jaggery societies. He also laid the foundation stone of a godown in Chingleput District. The Hon'ble Ministers for Prohibition and Public Works addressed a ryots' conference in Chingleput District. The Food Minister of the Government of India was requested by the South Madras Fishermen's Society to provide cold storage facilities, etc

The palm ***Gur*** Adviser of the Government of India and the Madras Provincial Palm ***Gur*** organiser visited Tanjore and Coimbatore Districts and studied the working of the palm jaggery societies there. The Hon'ble the Premier of Madras studied the ameliorative work in Ramnad District during his visit to Rajapalyam.

11. *General*:—A district improvement in the condition of the ex-addicts and others is noticeable.

Notes on Some Co-operatives

THE BASINIKONDA CO-OPERATIVE SOCIETY

1. Origin of the Society:

Basinikonda is a Revenue village situated 1½ miles from Madanapalle on the Madanapalle—Nimmanapalle road, in the Madanapalle taluk of Chittoor district As the villagers showed enthusiasm and capacity for organisation, a gramasangham was formed in the village in November 1946 under the ameliorative scheme of Prohibition The gramasangham showed great signs of activity even from its inspection and took up to work of all round reconstruction of the village, right from the start, according to a systamatic and organised plan for the social and economic betterment of the village.

A programme of village sanitation and cleanliness was gone through successfully and a fortnightly street cleaning campaign was initiated. The village well and its surroundings were always kept clean. Manure pits were dug and manure heaps near the houses were removed to distant places. All the cattle sheds were cleaned and sand strewn periodically. The civic responsibilities and consciousness of the villagers were roused by continuous and intensive propaganda by holding periodical meetings. Two magic lantern demostrations on public health and sanitation were given by the Health Department,

The elementary school in the village which was closed for want of proper attendance and inadequate accommodation was revived by the gramasangham. And an experimental branch post office was also opened in the village through its efforts.

At the request of the gramasangham an agricultural co-operative credit society on unlimited liability basis and with multi-purpose objects was organised in the village in December 1946 within a month of its starting.

2. Working of the Society:

The society was registered as N. U. 582 on 18-3-49 and started on work on 21-5-47 with 65 members and a paid share capital of Rs. 465. The main objects of the society are :—

1. To borrow funds from members or others, to be utilised for loans to members for useful purposes.

2. To produce good seedlings and make them available to members.

3. To act as an agent for the marketing of the members' produce.

4. To dis—seminate a knowledge of the latest improvements in agriculture.

5. To sell or to distribute seedlings, manure and implements to its members.

6. To maintain Stud bulls.

7. To act as an agent for the joint purchase of the agricultural, domestic and other requirements of its members.

8. To encourage subsidiary occupations.

9. To improve the sanitary and health conditions among its members.

10. To detract members from bad habits and customs and avoid unnecessarv expenditure.

11. To render necessary assistance for the education of members' children.

12. Generally to encourage thrift, self-help and co-operation among the members.

13. To undertake marketing of raw materials and finished products of other co-operative institutions.

14. And to promote recreational and social activities in its area of operations for the benefit of members and non-members and to raise necessary funds thereof by way of donations or subscriptions from the public or grants from Government.

The office bearers of the society took up implementing many of the multi-purpose objects even from its very inception to the great benefit of its members. On account of the active and keen interest taken by the office bearers most of whom were members of the gramasangham, the membership and share capital of the society rose by rapid strides and on 30-4-49, there were 191 members on its rolls with a paid share capital of Rs. 1,322.

The society has taken up the distribution of the controlled commodities and is the only recognised dealer in the village. It was for some-time a procurement agent for the village. It procured 861 bags of paddy, ragi and sajja valued at Rs 13,822-1-8 and sold food grains through the ration shop to the tune of Rs. 22,869-1-4.

It is also a recognised dealer in mill cloth and has sold cloth worth Rs. 6,963-5-5 to members and non-members. In addition to the above, with a view to supply the members with all their other domestic requirements, the society has undertaken the business of joint purchase in bulk and sale of provisions to its members and has done business to the extent Rs. 5,730-5-9.

The society purchased and sold oil cake and manure to its members to value of the Rs. 2,200.

On the side of rural banking and thrift the society is encouraging and receiving the following kinds of deposits. The outstanding balances as on 30-4-49 under each of them are noted below.

1.	Fixed deposits	... Rs.	2,400.
2.	Recurring deposits	... „	20.
3.	Savings deposits	... „	777.
4.	Home safe deposits	... „	204.

The society has invested Rs. 500 and Rs. 10 respectively under share capital in the district bank and the Madanapalle Loan and Sale society. In addition to the issue of ordinary loans to the extent of Rs. 11,259 loans amounting to Rs. 750 have been issued under the controlled credit scheme for the cultivation of sugarcane and paddy and the entire produce was marketted through the marketing society.

The socieiy earnd a net profit of Rs. 691-4-0 even in the very first year of its working and its expects to earn a profit of at least Rs. 1,000 during the current year. It has already built up the following reserves and other funds.

Reserve fund	... Rs.	346	0	0
Common Good Fund	... „	51	13	6
Bad debts reserve fund	... „	34	9	0
Business reserve	... „	34	9	0
Dividend equalisation fund	... „	39	14	7

The panchayatdars have been conducting the affairs of the society with enthusiasm and zeal and have been frequently and regularly conduct. ing meetings. They held 37 panchayat meetings and 10 general body meetings of the society, since it was started.

The society proposes to implent the latest by-laws relating to social and recreational activities from July '49. With the introduction of the proposed activities it is expected that the society will be a deciding factor in moulding the socioeconomic life of the people of the village and set an example for other societies in the district to follow.

The Bukkapatnam Labour Contract Co-operative Society, Anantapur District.

In pursuance of the Ameliorative Scheme of the Prohibition Policy of Government, with a view to provide employment for ex-tappers, the Bukkapatnam, Labour Contract Co-operative Society was registered on 30-10-1947 and was started on its work on 22-12-1947. The area of operations of the society is extended to Bukkapatnam, Janakampalli, Puttaparti, Vengalammachervu, Buchayyagaripalli, Kandisettipalli, Kadapavallapalli, Kesapuram, Kothachervu, Talamarla, Kodapaganipalli and Beedupalli villages.

The objects of the society are to promote the economic interests of the labour members of the society and to find suitable and profitable employment for them by obtaining contracts from Government, Public Bodies, private bodies or individuals and by executing these contracts through or with the help of members and to encourage thrift, self help and co-operation among the members. The society may also act as agent for the joint purchase of domestic and other requirements of its members.

There are 67 members on the rolls of the society with a paid up share capital of Rs. 2,511. The society has been undertaking contract works in order to provide employment for ex-tappers. For this purpose the society is being financed by the Anantapur District Co-operative Central Bank. The Society earned a net profit of Rs. 1,250-14-0 during 1947-1948.

Handspinning as an Activity for select Co-operative Societies

H. NARAYAN RAO

Honorary Secretary, S.K.V.I.A. Mangalore

Spinning for self-sufficiency is a universal industry which could be introduced in select societies, as an item of multipurpose activity, where there are Khadi lovers as Panchayat members. The scheme is a simple one. The by-laws can be suitably amended if needed. The society can adopt a resolution to take up the scheme.

The Society can easily arrange to purchase jointly spinning and carding accessories which are technically sound, stock its own cotton requirements, and distribute the charkas among its members who are willing to spin.

It is desirable to open a Parishramalya (training class) for one month to give the necessary training both in carding and spinning. The cost of training can be met out of the common good funds of the society. The entire cost may not exceed sixty rupees. Such training will help in standardising the production of yarn without much wastage. Standard yarn is easy for weaving—later on the members of the society can become self-sufficient for their cotton requirement by growing cotton in their own gardens.

After training, the yarn produced by members should be pooled in the office of the society and a record maintained as to number of hanks spun by them. Each member's yarn should be separately labelled and kept. A register should be maintained, to note the hanks, weight etc. of the yarn and the yardage of the Khadi get woven from it. The yarn can be got woven into cloth by the society by sending the yarn to the South Kanara Village Industries Association, Mangalore. The All-India Spinners Association will give the society three annas as rebate on every square yard of khadi produced. This will go a long way in reducing the weaving charges to be paid by the society and make the khadi cheaper also. Or such rebate amount can be kept as a thrift deposit in their own society. This will be a nucleus find to finance the working of the scheme when developed.

Every member in a village society can conveniently prepare one hank of yarn per day, and if we take 24 hanks in a month, the annual output will be 288 hanks of yarn. This will give them 72 square yards of khadi of good texture. And if there are twenty such members, 1440 square yards of khadi. The rebate at 0-3-0 a square yard will come to Rs. 270. This is not a bad sum to start with as a thrift deposit. It

represents also the spare time labour put in by members in useful production. Besides this, the development of the Co-operative Spirit and practice among its members in the working of the scheme must not be last sight of.

The South Kanara Village Industries Association may be approached for help in organization. The S.K.V.I.A. will send their own worker to start the Parishramalya, to give the training in carding and spinning and render all help required in the conversion of yarn into khadi. The market value of 1,440 square yards of Khadi will be Rs. 2,250. If ten societies take up this work in the district the annual production of khadi for the district will be Rs. 22,500. This represents Co-operative effort worthy of being copied in other rural societies also. The present Government policy is to encourage this cottage industry. Co-operaters will be well advised to consider the idea with sympathy and in the right Co-operative spirit.

G. O's. and Circulars

Memorandum of the Registrar of Co-operative Societies, Madras

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

Rc. 130697/48 C-II. *Dated*, 20-7-49.

Sub:—Agriculture—Grow More Food—Agricultural implements distribution through Co-operative Societies.

Ref:—1. G. O. 6650 Development dated 17-12-48.
2. G. O. 3485 Development dated 29-6-49.

A copy of the G. O. 2nd cited is communicated to all Deputy Registrars.

It will be noticed that Government have ordered that the entire stocks of fabricated agricultural implements should be taken over from the Agricultural Depots. Other varieties of agricultural implements need not be taken over if they are not saleable. The Deputy Registrars are requested to instruct the societies accordingly. They should consult the District Agricultural Officer in the matter and arrange for the transfer of stocks as early as possible.

As stated in the last sub-para of the G. O. if any co-operative society happens to incur any loss on account of any unforeseen circumstances, I shall take it to the notice of Government for reimbursing the loss. But the societies should state the full facts of the case through the Deputy Registrar who should check and make a specific recommendation.

As regards the entrustment of raw materials of iron and steel like cart tyers, axles, etc., for distribution thro' co-operative societies the Director of Controlled commodities is being addressed separately on this subject and instructions will be issued to the Deputy Registrars in due course.

J. C. RYAN,
Registrar.

Copy of G. O. Ms. No 3485 dated 29-6-49 of Government of Madras Development Department.

Sub:—Agriculture—Grow More Food—Agricultural implements—Supply to the ryots through the co-operative societies—Retention of some articles with the Agricultural department—Guarantee to Co-operative Societies for loss, if any, incurred—Proposals of the Registrar of Co-operative Societies—Orders Passed.

Read:—G. O. Ms. No. 6250 Development dated 17-12-48.
From the Registrar of Co-operative Societies Rc. 130697/48 dated 4-2-49.

From the Joint Director of Agriculture H. 1-1593/48 dated 9-3-49.
From the Registrar of Co-operative Societies Rc. 130697/48-C. II dated 24-3-49.

Order:—

While ordering the transfer of the work of the distribution of fabricated agricultural implements from the Agricultural Department to the Co-operative Societies, the Government directed that the Agricultural Depots should cease to function in regard to the distribution of agricultural implements manufactured by fabricators. They also ordered that the existing stocks of agricultural implements should be transferred to the Co-operative Societies.

The Registrar of Co-operative Societies has now reported that some of the Co-operative Societies have represented that some of the agricultural implements proposed to be transferred from the Agricultural Depots concerned are unsaleable materials. They have, therefore, requested that these societies should be permitted to take over only such of the Agricultural implements as are locally saleable and that the work of the distribution of iron and steel, raw materials like flats, rounds, squares, sheets, etc. for agricultural purposes may also be entrusted to them. The Registrar has agreed with the Co-operative Societies and proposed:

(i) that these co-operative societies may be permitted to take over only such of the stocks from the Agricultural Depots, as they consider to be saleable;

(ii) that raw materials like cart tyres, axles, rounds, flats etc., may also be transferred to the Co-operative Societies for distribution to the ryots;

(iii) that the Co-operative Societies may be guaranteed against losses, if any, incurred in the transactions.

The Government have carefully examined these proposals in consultation with the Joint Director of Agriculture and passed the following Orders:—

Item (i) in para 2 above:—The Co-operative Societies should take over immediately all the stocks of fabricated agricultural implements from the Agricultural Depots and relieve the Agricultural Department of this work. The Joint Director of Agriculture and the Registrar of Co-operative Societies are requested to make immediate arrangements for the transfer of all stocks from the Agricultural Depots to the Co-operative Societies.

Item (ii) in para 2 above:—The Registrar of Co-operative Societies is informed that the Co-operative Societies should be appointed as 'Registered Stockholders' by the Iron and Steel Controller, if they have to deal with iron and steel raw materials like cart tyres, axles, rounds, flats, galvanised and corrugated sheets etc., The Iron and Steel Controller has been hitherto refusing to appoint Co-operative Societies as 'Registered Stock holders'. The Co-operative Societies may take steps to move the Government of India to register them as 'Registered Stockholders' to enable them to deal with the iron and steel raw materials like cart tyres, axles etc., and relieve the Agricultural Department of this work.

Item (iii) in para 2 above :—The Registrar of Co-operative Societies is informed that the sale price of the agricultural implements is fixed taking into account all incidental charges and that these transactions should not, on any account, result in any loss. The question of providing a guarantee to the Co operative Societies by the Government does not therefore arise. But if any Co-operative Society happens to incur any loss on account of any unforsseen circumstnces, the Registrar of Co-operative Societies may bring it to the notice of the Government for consideration, fully justifying the need for reimbursing the loss.

Copy of the G. O. Ms. No. 3847 Development Department dated 19th July 1949.

Sub :—Acts and Rules—Co-operative Societies Act—Rules—Rule VIII-A—Loans for marriage expenses—Repayment in five years—Amendment confirmed.

Read :—G. O. (Ms.) No. 2822, Development, dated 26-5-1949.
From the Registrar of Co-operative Societies Letter R. C. No. 93792/48. A dated 13-7-1949.

ORDER :—

In the notification published at page XX 163 of the Rules Supplement to part I of the Fort St George Gazette, dated the 31st May 1949, 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 rule VIII-A of the rules issued under the Act. No objections or suggestions have been received by the Government. The amendment published is herby confirmed. The appended notification 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 the 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.

In the first proviso to rule VIII-A (1) of the said rules, after clause (*e*) the following clause shall be added namely :—

" (*f*) Expenditure on account of marriages".

(True Copy)

J. C. RYAN,
Registrar.

Office of the Registrar of Co-operative Societies, Madras.

D. No. 89924/48-B. *Dated 2-8-49.*

CIRCULAR

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

Sub :—Co-operative Societies—Model By-law No. 38—Provision for sanction of loans exceeding Rs. 250—Instructions issued.

Ref :—Registrar Circular No. B. 1185/35 dated 18-2-35.

In the Registrar's Circulal cited it was suggested that primary credit societies should obtain the previous sanction of Central Banks for issue of loans by them to their members for sums execeding Rs. 250 as a check against such loans being given to members out of proportion to their repaying capacity. For this purpose, an amendment to model by-law No. 38, of Primary Credit Societies was also suggested.

2. It has now been brought to the notice of the Registrar that the need to obtain the previous sanction of the Central Banks gives rise to avoidable delays in the grant of loans. A suggestion has been made that the previous sanction of the Central Banks may be dispensed with in deserving cases.

3. The applications for loans from the Primary Credit Societies to Central Banks contain particulars of the property qualifications and the repaying capacity of individual applicants for loans. In fact these applications are either prepared or verified by the Supervisors before they are considered by the Banks. After the issue of loans, the Banks obtain loan disbursement statements from which they can satisfy themselves that the loans granted by them have been properly disbursed. There are thus ample opportunities for the Central Banks to assess the credit-worthiness of the borrowers and to ensure that there is no irregularity in the grant. It was, therefore, suggested that the previous sanction of the Central Banks for loans exceeding Rs. 250 would not be necessary. On the other hand it was pointed out that the insistance on this requirement leads to delay, which may as well be cut out.

4. The Registrar consulted the Madras Provincial Co-operative Bank and some Central Banks and the Deputy Registrars on the suggestion. At

its Executive Committee meeting dated 1-3-49, the Madras Provincial Co-operative Bank resolved as follows :

"The Bank finds no objection to the deletion of the clause as in all cases of loans being given from the money supplied by the Central Banks the Central Bank will be in a position to scrutinise the list and delete such of those as they are not satisfied with."

The opinion of the Central Banks and the Deputy Registrars who were consulted, is also in favour of the removal of the restriction imposed in the circular cited above. The Registrar also considers that having regard to the practice followed in the issue of loans in Primary Credit Societies and the supervision exercised over them, there is no need for the Rural Credit Societies to obtain the previous sanction of the Central Banks in the case of loans exceeding Rs. 250 and that the provision to that effect now existing in by-law No 38 may be deleted. Deputy Registrars are requested to inform Central Banks and societies accordingly. They may also register amendments to the By-law. No. 38 of Rural Credit Societies deleting this provision.

J. C. RYAN,
Registrar.

Extract

Reasons for early failure and Recent Success of Co-operation in North America:

Some of the major reasons for past failures to develop Co-operative Organisations in the New World are :

1 the size of America and the abundance of opportunity for individual success ;
2 the complete acceptance of the profit motive and of capitalist enterprise ;
3 legislation favouring profit enterprise ;
4 development of great chain store systems ;
5 people's live of "bigness"—Co-operatives start small ;
6 people, not concerned in these early days of expansion, with small savings ;
7 so many different races of people ;
8 constant violation of co-operative principles and methods ;
9 organised labour divorced itself from the Co-operative Movement—no strong class consciousness developed as in Europe ;
10 instability of the population—America was a nation on wheels—on the move ;
11 no experienced organisers and managers, and
12 constant mistakes in financial and business policies.

These were the main reasons for failures of the early Co-operatives in America The social and economic climate was adverse to co-operative success The conditions changed. Fear and frustration brought on by constant depressions and unemployment chook people away from their accustomed moorings. Farmers driven on by low prices for products produced the high prices for goods to be bought turned back to the programme advocated by the Grange—to buy together, to sell together and act together.

What happened to lay the ground work for the present growth of Co-operatives ?

1 People had to settle down—the frontiers were gone ;
2 depression and insecurity brought fear ;
3 Co-operatives proved to be an answer to a great need ;
4 people began to take note of gradual success of Co-operatives and the failures in profit business ;
5 the organisation of the Co-operative League of U. S. A. in 1915—and earlier, a Co-operative Union in Canada—created central points for national propaganda and the beginnings of a co-operative education ;
6 Co-operative Societies succeeded in establishing wholesale and productive units to lend strength to local organisations;
7 appreciation and understanding of co-operative principles developed a greater loyalty to them ;
8 a trained core of a loyal leadership came into being;
9 Co-operative Societies established a relationship with farm, labour, church and school groups ;
10 unfair opposition to the Movement helped unite its scattered elements and strengthen it.

These new conditions produced new progressive forces ready to assist Co-operatives in legislative fields and in economic development. Organised workers and farmers were on the march.

(*from Review of International Co-operation,* June 1949)

Monthly News Page

Foreign

International Co operative Day was held, on the first Saturday in July. On that day, July 2, as on Co-operative Day every year, Co-operators throughout Europe and America and other parts of the world held celebrations and renewed their pledged faith in Co operative principles and the Co-operative ideal.

This year interest was again focussed primarily on the International situation and on the work the International Co operative Alliance is doing to promote a higher social standing among the peoples of the world, and economic collaboration between the nations.

In many countries, large crowds attended functions organised by Co-operative Societies at which prominent Co-operative speakers addressed them on the Co-operative ideals and programme.

On the Day, a Declaration was issued by the International Co-operative Alliance appealing for a powerful demonstration.

Provincial

At the instance of the Special Development Officer, Tiruchirappalli, a Governing body meeting of the Jayankondam Co-operative Union was held on 18-8-49 at which a scheme was drawn up for financing cultivations of cashewnuts in the area. It is proposed that village Co-op. Societies should start issuing loans on the pledge of the ryots produce of cashewnuts and that in villages where there are no Co-op. Societies new societies should be started in some places and some others are to be included in existing societies. The Union has resolved to implement the scheme and has sought the aid of The Tiruchirappalli Dt. Co-op. Central Bank for finance for the purpose.

The Silver Jubilee Celebrations of the George Town Co-operative Credit Society, Ltd., Madras.

The Silver Jubilee celebration of the George Town Co-operative Credit Society, Ltd, Madras was celebrated on 7-8-49 at the T. T. V. High School, George Town, Madras. About one thousand members and a number of guests including all the Co-operative Officials in the City were present on the occasion. After tea, the meeting commenced with prayer conducted by the girls of the National Girl's School, Triplicane. The Chairman of the Reception Committee Dr. P. Natesan, M. B, B. S, welcomed the guests The Hon'ble Sri K Chandramouli, Minister for Co-operation inagurated the session. Rao Bahadur J. C. Ryan, Registrar of Co-operative Societies, Madras addressed the members. The Hon'ble Justice Mr. P. Rajagopalan, I. C. S presided over the function. Each member was presented with a beautiful souvenir giving the history of the Society and containing articles on Co-operation, both in English and Tamil, contributed by prominent Co operators The function was an extraordinary success.

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

LUZ, MYLAPORE, MADRAS.

President:

SRI BHOGARAJU VENKATARATNAM,

Authorised Capital	...	**Rs. 20 Lakhs.**
Paid up Capital	...	**Rs. 12,37,700.**
Reserves	...	**Rs. 24,20,009.**

The Bank is the Apex Co-operative Bank for long-term agricultural credit and issues debentures for 20 years on the security of first mortgages transferred to it by Primary Land Mortgage Banks and its assets.

The principal of and the interest on these debentures are guaranteed by the Government of Madras. They are TRUST SECURITIES and are also approved Securities under the Insurance Act, 1938. A REDEMPTION FUND (SINKING FUND) is constituted to pay off the debentures on maturity.

Summary of Balance Sheet as on 30—6—'49.

Liabilities.	Rs.	Assets.	Rs.
Paid up Share capital ...	12,37,700	Cash on hand & balance with Banks ...	48,685
Reserve and other Funds.	24,20,009	Loans to Primary Banks.	3,45,74,585
Debentures ..	4,20,92,300	Sinking Fund Investments. ...	87,75,519
Deposits, Loans and Overdrafts ...	13,61,325	Other Investments ...	38,48,498
Sundry Liabilities ...	5,17,986	Sundry Assets ...	6,07,808
Profit ...	2,26,075		
Total Rs. ...	4,78,55,095	Total Rs. ...	4,78,55,095

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

Secretary.