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The Madras

Journal of Co-operation ²⁴

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THE Madras Journal of Co-operation

EACH FOR ALL AND ALL FOR EACH

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

OCTOBER 1952

No. 4, VOL. XLIV

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Thought for the Month

Responsibilities of members of Co-operatives

Some of the main responsibilities of the members are to :

- Help organize the association.
- Recognize financial needs and furnish adequate capital.
- Keep informed on operations and affairs of the association at all times, in order to help establish policies and procedures that will improve efficiency.
- Patronize the association at all times and strive to get others to support it.
- Vote for good directors.
- Support directors, manager, and other employees when they are unjustly criticized.
- Read and understand articles of incorporation, by-laws, and other legal papers of the association.
- Express opinions and ideas freely at meetings, but curb emotion and follow the will of the majority.
- Attend all association meetings and encourage others to do so.
- Accept special assignments relating to business of the association.
- Seek new ideas and methods for improving the association.
- Realise at all times that the association is part of the members' business and not just another place to do business.
- Pay cash for all services, if possible, and in any event, pay accounts promptly.
- Be open-minded on attitudes and problems of other members, directors, and employees.
- Help make annual meetings successful by attending, expressing opinions, voting intelligently, and in requiring a full financial report from management.
- Realise at all times that special favours, such as employment of relatives, price discounts, long-term credit, and special services will not build a sound co-operative.

—News for Farmer Co-operatives—June 1952.

Editorial Notes

Pandit Nehru's Plea for Co-operative Service:

Speaking recently in Madras on the occasion of inauguration of the *Bharat Sevak Samaj*, Pandit Nehru, Prime Minister of India, described clearly and pointedly how to do what is good for the individual and the community and how to create an atmosphere of work in the country. Referring to the kind of work to be done by public and social workers, he said, "It should be, as far as possible, *co-operative work* in which others can join. Suppose you go to a village, you can do something and you can invite others to join. In that way *co-operative work can develop into mass work*. With all our five-year plans and the like, *the main accomplishment in India is likely to depend far more on non-official co-operative work done by the people of India than by mere official agency*." With regard to creating an atmosphere of work in the country, he said that an Organisation started for service might tend to become "artificial" though not in the bad sense of the word. For, the people in it might be honest or earnest enough, but still it might be confined to a small group functioning at the top doing good work in a limited way. Or it might be *an organisation which developed an ethos of its own, and every great organisation, or national movement, big or small, if it is a real thing, will develop some kind of an ethos*. Pandit Nehru proceeded to explain and impress upon the public mind the *real* import of service or *seva*. He said: "There are several approaches and one is the rather superior approach (which we may rule out) of doing good to others, and deriving a satisfaction from that. Somehow it seems to me that it is a rather selfish approach to the problem. It is almost like doing something to oneself, for one's own personal—or it may be spiritual—betterment. There is a slight barrier between the server and the served. I do not want that barrier. I would like to have rather *a comradely co operative approach where every person is served* Let us do the work together for each one of ourselves."

Work should be the test for every one. And every person must be a regular worker and that work should be more and more of co-operation with others so that it may develop into mass work. "Do all this," he exhorted, "*in a comradely, friendly spirit of equality with a touch of humility*."

Obviously the Prime Minister of India spoke to the enthusiasts in public work. All the same his Address was a

EDITORIAL NOTES

powerful plea for co-operative service in the country. He zealously upheld the ideal of co-operative service for every one to cherish and pursue. Coming as it does from no less a personage than the Prime Minister of India at a time when the Government are pledged to the establishment of a Co-operative Commonwealth, this inculcation of the co-operative ideal and this appeal for the creation of a characteristic ethos of co-operative work in the country have now placed on the co-operators in the land a duty and a responsibility, much greater than ever before. It now behoves us co-operators to strive to develop that characteristic ethos—that mental climate—which makes for real service in the country.

But how to develop such a mental climate which is saturated with the spirit of co-operation? The building up of the ethos of the Movement is a process of evolution. It is a result of the steady but progressive play of certain factors bearing on psychology, business and education.

On the *psychological side*, every co-operative enthusiast must develop or promote a correct appreciation of the *attitudes and values* characteristic of Co-operation. The Co-operative Movement stands for justice, equity and freedom; and through its fundamental principles of open membership, democratic control and non-profit seeking helps the individual to develop an attitude of fellowship with others, and to value personality and character as of greater consequence than wealth in a co-operative community.

On the *business side*, it must be noted that co-operators are practical people; for co-operation is at once *a business and a faith*. Every *conscious* co operator must recognise that he should "neither allow the faith to burn so hot that the business is ignored, nor allow the business to become so absorbing that the faith grows cold." Co-operation must be what the early pioneers hoped of it—equally a business and a faith. The co-operative store or factory must work with economy and efficiency notwithstanding the noble ultimate objectives of co-operation. At the same time it should not sacrifice the goal of the founders by doing no more than giving a good dividend but should enable the common man peacefully and constructively to replace competitive private enterprise.

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On the side of *education*, the co-operators must recognise that their educative process is distinct from the others in as much as it is based on *experience*. Co-operative education and training are concerned mainly with fostering and appreciating specifically co-operative attitudes and values. It is therefore essential that co-operative education should consist in *instruction with inspiration*. The instructor should not only feel convinced of the distinctness of the process but should also feel inspired to infuse the spirit of the movement in his charge.

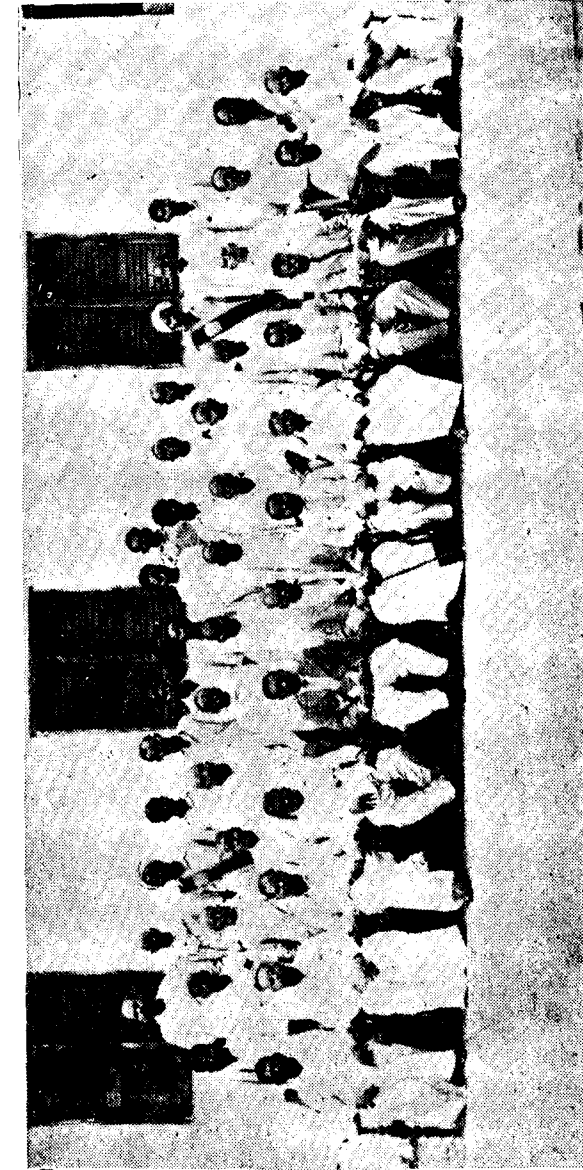
There is little doubt that the proper comprehension and adoption of the *three tips* mentioned above will go a long way towards developing the characteristic ethos of the Movement which is the real foundation to the Co-operative Commonwealth which we as a nation and community seek to build. We gratefully appreciate the Prime Minister's emphatic appeal to imbibe "the spirit of comradeship and equality with a touch of humility" which is essentially the spirit of the Co-operative Movement and appeal ourselves to the Co-operators in this State and elsewhere that we should rise to the occasion and act as one man so that the longed for Co-operative Commonwealth may materialise in no distant future.

If Community Projects should succeed:

We now hear more and more about the Community Projects and in fact the spot light of the western world is focussed on this new scheme of socio-economic reconstruction of India. We publish for the information of our readers a special article on the subject. It gives a fairly correct idea of the proposed development programme in the country and the reactions of the various sections of public opinion to it.

The Community Development Programme is *essentially* one of rural development. It is designed to be directed by the Central Committee which is the Planning Commission itself and to be co-ordinated with the Five-Year Plan in the fullest measure. It is clear from the draft outline of the Five-Year Plan that co-operative organisation and working would find a very important place in the execution of the Plan. One would, therefore, naturally expect the Community Development Programme also to have a co-operative bias.

But unfortunately it appears that the hope of the co-operators would not come to pass. For we understand that in reply to the resolution of the Bombay State Co-operative Council recommending the fitting of the co-operative agencies into the structure and objectives of the project more systematically than has been possible and suggesting the inclusion of the representatives of the non-officials chosen through the State Co-operative Councils in the District and State Development Committees, the Community Projects Administrator stated that "it has been felt that the Co-operative Movement has not progressed uniformly all over the



Group photo taken on the occasion of the Silver Jubilee of the Chingleput Co-operative Land Mortgage Bank, Ltd., on 21-9-1952.



Prof. H. L. KAJI, M.A., B.Sc., I.E.S. (Retd.)

Born : 10th April, 1886]

[Died : 24th September, 1952

EDITORIAL NOTES

country and a project which has to be implemented immediately could not be made to depend necessarily upon co-operative agency everywhere. With regard to representation on the Committees he stated that "the participation of non-officials is likely to be most effective if it takes place at the Project level rather than at District or State levels." We fail to see how, when the Five-year Plan and the Community Development Programme are to go hand in hand towards the same goal, the one could press into service fully the co-operative organisation and working while the other has not chosen to employ co-operation to the same extent.

It is now the hope of millions of Co-operators voiced through the International Co-operative Alliance that the Organs of the U.N.O. will do all in their power to *Promote the development of genuine Co-operative Organisations, especially through Programmes of Technical Assistance in the under developed areas.* The Co-operative Movement in India, we know, is eager to throw in its full weight with any comprehensive programme of rural development. We therefore appeal to the Community Projects Administration and the Government that the place of co-operation in the new programme may be reconsidered so that this socio-democratic movement may be employed to the best advantage of the country.

Celebrate the Co-operative Day:

Co-operators in Madras State are all aware that the All India Co-operative Day will come off on Saturday, the 1st November this year. The Day, as they know, is an occasion for reviewing the work in the past and re-affirming their faith in the Co-operative Movement as a new way of life and progress. We publish in this issue the Declaration of the International Co-operative Alliance and the Message of Sri R. G. Saraiya, President of the Indian Co-operative Union. The value of the Movement to the country at this time of nation-wide reconstruction cannot be over emphasised. We appeal to the Co-operators and Co-operative Institutions in the State to celebrate the Day in a fitting manner by organising processions, holding meetings and exhibitions and so on in every part of the State. A report may kindly be sent to this Journal for publication.

Requiescat in Peace :

It is with profound sorrow and deep regret that we announce the sad news of the demise at Bombay of Prof. H. L. Kaji on 24-9-1952. He had been ailing for over 3 years and resigned his Presidentship of the Indian Co-operative Union in February last. He however continued to evince interest in the progress of the movement so dear to him. He was a vigorous personality and during his long co-operative service he helped to consolidate the Movement and impart a dignity to it. His loss, indeed is a great blow to the Movement. On behalf of the Co-operators in Madras we offer our deepest condolences to the bereaved family.

May his soul rest in peace!

ALL INDIA CO-OPERATIVE DAY

1st November 1952

Message of Sri R. G. Saraiya, O.B.E., J. P.,
President, Indian Co-operative Union

Brother and Sister Co-operators,

I extend to you all, my cordial greetings, on this, the All-India Co-operative Day.

It is indeed no mean achievement since independence, that the Government of India under the leadership of Pandit Jawaharlal Nehru has been able to hold its own in the midst of conflicting political and economic ideologies. In my opinion, India is evolving an economic and social structure suited to her own genius. The blue prints of this structure are being prepared by the Planning Commission under the Chairmanship of the Prime Minister. From the rough outline of this blue print released in the draft outline plan, it is clear that in this structure Co-operative organisation and Co-operative method of working will find an honourable place. It is, therefore, necessary for co-operative workers in all the States and in all fields of activity to put their shoulders to the wheel and help in laying a solid foundation for the prosperity and happiness of the country. Let the co-operative institutions and Institutes in each State have their own plans of development and let them be dovetailed into the All-India plan so as to ensure that the Co-operative Movement plays its worthy part in the development of the country.

It is indeed desirable that the Co-operative Movement should speak with one voice and work as one team. May I take this opportunity to appeal to all co-operative workers to organise State Co-operative Unions where there are none, and to join through their societies the State Co-operative Unions where they already exist. Let all such Co-operative Unions, in their turn, affiliate themselves to the Indian Co-operative Union, in order that the Co-operative Movement can function as one whole. In this way, the Co-operative Movement in the country will be able to play its proper role not only in the uplift of the country but also in the international sphere for the promotion of peace and goodwill.

ALL INDIA CO-OPERATIVE DAY

One final word of advice: We are all impatient, since the achievement of independence, for the economic betterment of the citizens of India. But the path towards this goal is long and arduous; the difficulties in the way arising from national and international factors are many and varied. Let not a feeling of frustration and disappointment overcome us; let us rather think of the achievements of the people of India during the last five years; and let each one of us concentrate on the job of work we have in hand, for no honest job of work is too humble and no honest piece of work done too small for the Motherland. In this way, with the Co-operative endeavour of us all, the very vastness of our numbers, which is considered to be our great weakness, will be converted into a source of strength.

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

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and Exporters.*

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

SPECIAL ARTICLES

THE THIRTIETH INTERNATIONAL CO-OPERATIVE DAY

DECLARATION OF THE INTERNATIONAL CO-OPERATIVE ALLIANCE

On the occasion of the *Thirtieth International Co-operative Day*, the *International Co-operative Alliance* re-affirms its belief that the more general practice throughout the world of the principles of Open and Voluntary Association, Economic Justice and Democratic Government, which for more than a century have inspired every successful form of co-operative activity, would constitute a guarantee for peace, as well as for improving the standard of living of all peoples.

In view of the continuing and world wide fear of war, the International Co-operative Alliance calls upon its affiliated Organisations for renewed and greater efforts in support of its own Peace Policy, and stresses the need for them to promote, on the part of their individual adherents, a better understanding of the conditions prerequisite for peace which were confirmed by the 18th International Co-operative Congress at Copenhagen :

That in every country the people shall enjoy the fullest measure of self-expression, self-government, freedom of association, freedom of movement within their own frontiers and beyond them ;

That standards of living in under-developed countries shall be raised so that the gross inequalities between them and the more advanced countries disappear ;

That the endeavour of the United Nations Organisation to improve the health, security and welfare of mankind shall be loyally supported by its member countries ;

That the production of war-materials of every kind in every country shall be brought and kept under effective international control.

In the name of its 106 million adherents in 33 countries, the International Co-operative Alliance declares again full support for the United Nations Organisation—which it regards as the most powerful existing instrument for peace ; faith in the possibilities of the success of the United Nations Organisation ; and the hope that the Organs of the United Nations Organisation will do all in their power to promote the development of genuine Co-operative Organisations, especially through their programmes of technical assistance in the under-developed countries.

Milk Co-operatives and State Hospital Supplies

SRI K. KALIMUTHU, M. A., B. L.,

Hony. Secretary, The Velipalayam Co-operative

Milk Supply Society Ltd., Nagapattinam

(Continued from the last issue.)

PART II.

The Contract and its Implications.

11. Now, it is feasible for any contractor to meet the entire demand for milk during a given day by driving the required number of milch animals into the Hospitals? Most of the Government Hospitals are located, of course for reasons of sanitation, ventilation and isolation, in places far removed from the thickly populated areas of the towns. Many of the producers are obliged to drive their milch animals often over a mile in order to milk them at the hospitals. There is involved in this process a necessary loss of time and energy ; for they have ready and immediate consumers almost at their door steps. Secondly, where there are good co-operatives, they do in fact take their animals to any of their collection centres or production depots nearer home. The result is that the Hospital suppliers are unable to gather enough milch cows inside the Hospital premises to meet the *entire* demand for the day. This is the fundamental difficulty which confronts every hospital Milk Supply Contractor including Co-operatives.

The Dimensions of the Contract.

12. What is the magnitude of an undertaking of this kind in terms of milch animals? Let us take the case of a small average-sized Hospital with an actual bed strength of about 100 in-patients. It is assumed that the average daily requirements of milk in the Hospital will be of the order of 180 to 200 pints. Taking that the average per capita production of milk of the ordinary Madras (other than Ongole) cow is about 24 oz. or 3/8 M.M. per day (525 lbs. per annum), the contractor has to road-march a herd of some 220 cows and calves to the Hospital. What then of bigger Hospitals carrying tall orders?

In this connection, I may state that this Society runs about 14 collection centres, three of which are outside municipal limits. In none of them has the average daily production of milk exceeded

100 local measures. The situation should be even worse in dry Districts. I know for instance that the Cuddalore Union runs about 50 centres, spread over an area of some 25 square miles. In not one of its centres, does the collection exceed 20 M.M. per day. How can they arrange for direct supply?

I may be permitted to cite certain instances. I understand that the Cuddalore Union has been permitted as a rule to supply a portion of the daily demand of the local Hospital in sealed cans. Similarly, the Tanjore Union upto some 40 per cent of the day's indent. The Kumbakonam Co operative was given like permission in 1950-51. It appears that a private contractor of Tiruchirapalli also was permitted likewise last year. In our own case, we were given the same permission in 1951-52, but denied this year, for no apparent reason, and our tender thrown out on that sole ground. At the same time, a private contractor is given the accommodation. In actual working, therefore, the rule is observed in the breach. The practice of granting exemptions is apt to become an instrument of favour or caprice.

Difficulties of Performance.

13. These are not at all the supplier's difficulties: There are no milking yards or shelters in many of the Government Hospitals, against rain wind and sun. It is needless to say that it is but just and reasonable that the milkers should be given this essential accommodation for a few hours a day. The contractor cannot put up the sheds himself. The reasons are: firstly, it is not an economic proposition to him. A temporary shed costs him some Rs. 300, which is no small part of his year's profits. Secondly, even the P.W.D. do not ordinarily permit him to erect such structures particularly near hospital buildings. Thirdly, the supplier's responsibility is not even then lightened or lessened. The hospital authorities take out periodical samples for test. In actual working, this check becomes in many cases a mere formality. Firstly, I have to point out that the sound procedure prescribed in the Act II of 1919 is not followed, with the result, there is room for mischief. Again, if any adulteration were discovered as a result of a test the offence cannot be *exclusively* the supplier's without any corresponding liability on the part of the supervising authority. If that supervisor or his master is not at all to be held responsible, one fails to see the need for this ineffective supervision. Then again if the check is for ascertaining fat-content, no supervision is

necessary; for payments can be made on the basis of percentage of fat content per unit measurement, as distinct from fluid measure, since adulteration cannot alter the same. As a matter of fact, this method of payment is adopted, for instance, by the Kaira District Co-operative Milk producers' Union Ltd., Anand, Bombay State, in the purchase of milk from their member producers. If again, the sample test is for ascertainment of bacterial contamination, the supplier ought not to be held *solely* liable for such defective supplies, except to the extent of wilful suppression of the fact on his part. For, it is at least as difficult for the layman-contractor to spot out latent ailments in milch animals as it is for the supervising medical men or nursing orderlies. In any event, it is obvious that this supervision is useless for the purpose, since the detection is *post facto*, and not the result of supervision.

In the ultimate analysis, therefore, the supervision by the Hospital staff merely secures that the supplies are fresh and of un-mixed cow's milk.

In the first place, "fresh and stale milk can be distinguished from one another by enzyme studies, principally phosphatase tests". These are ready and easy tests and therefore, no contractor will dare to pass off stale milk as fresh to State Hospitals. Secondly, it is both costly and risky, (except by the method of pasteurisation) to hold large quantities of raw milk long. Milk is unstable and tends to break within about 6 hours after milking. In cases, however, where milk is pasteurised, it is an advantage. The Madras Co-operative Milk Supply Union owns the only pasteurising plant in this State, and its supplies of pasteurised milk are uniformly accepted in sealed cans by the State Hospitals in the City. In this view, the Hospital supervision secures against no real danger, nor against any actual mischief or probable mal-practice.

In the matter of mixed supplies, first, in so far as the purchase and selling prices of both cow's and buffalo's milk remain the same there is no necessity or temptation on the part of the contractor to supply to the Hospital any one for the other. It is in such context that established dealers of sound repute like the Co-operatives can be of real assistance to give the requisite guarantee to the Hospital authorities. The Government will do well to require the intending contractors to indicate their command of cows and their business antecedents.

Secondly, buffalo milk is not *per se* unsuited to Hospital use. The material difference in the respective chemical composition of cow's and buffalo milk is that fat content in the latter is double that of the former. The resultant curd is for this reason thicker.

In this connection I may mention the following by the way for public information. I am informed by the Director of Indian Nutrition Research Laboratories, Coonoor, that "buffalo's milk can be *toned* down to simulate cow's milk. In fact, Bombay Government prepare such *toned* milk from buffalo milk, which is used in the hospitals in that State." This may be considered by the Government of Madras. The Nutrition Director adds: "In most of the ailments, no distinction need be made between cow's milk and buffalo milk in the preparation of coffee." Likewise in the preparation of curds. In this view, it makes no difference, even if the Hospital supplies are to these extents, drawn directly or delivered in sealed cans from outside.

14. It may be asked if more producers cannot be attracted by offering some extra price to such of those who care to milk at the Hospital premises. The answer to the question is three-fold. Dairying is not conceived as an industry in itself, not exactly a means of living but rather as a mode of livelihood. Even in urban areas, milk trade is not an integral occupation, but only a side line calling. The over-worked housewife, or the poor widow, maintains the milch animals and looks to them as a supplementary source of living. In any event, they cannot afford to go far for milking.

It is, therefore, not a streamlined economic activity where the price mechanism is quick to elicit a reaction in the supply and demand states. The article is of such elementary necessity and of wide-spread consumption, that no consumer will buy less of milk, much less go totally without it on account of higher prices. If anything, the re-adjustment comes in almost simultaneously all over the locality. The nett effect is that while prices are pitched at higher levels, the supply position in the Hospital region is no different or better. Again, for a public Co-operative organised with the good will of these poor producers, it is not a sound policy. Discrimination is apt to displease many producers in the long run and lean to shifting of loyalties. Indeed, when we experimented on this measure on 1-5-1952, and offered 6 pies extra per measure (M.M.) produced near the local Hospital Depot

it gave rise to an all-round demand, which we could hardly resist beyond two months. The solidarity of the mass of member-producers came to be at stake. We have since yielded to a uniform increase in purchase price of milk. After all, this is what indeed happens during dry season in a lesser and unnoticed scale. When milk supply is short, some consumers contact the producers direct, and obtain milk from them at prices equivalent to Society's selling price. During such period, such producers quietly keep out of the Society, unless the latter offers to pay more. Secondly, time and distance is the stumbling block to supply and demand finding its own level. No producer will road-march his animals, far for a slightly higher price. Thirdly, what, after all, is the marginal rate of price that can be offered by a Milk Co-operative? In this connection, I may discuss certain G.Os. touching this matter. In their memorandum No. 26047/43-2-D 1, Education and Public Health dated 23-9-43, the Government rejected the "proposal of the Registrar of Co-operative Societies to reckon as the 'market rate', the rate reported by the Tahsildar, for the purpose of considering preferential treatment of Milk Supply Unions under G.O. No. 5697 P.H. dated 19-5-1943, since the same will not be the rate for wholesale supply of milk. The market rate should be taken to mean as 'otherwise unacceptable private contractors' rate." In the memo cited above, "the Government have clarified this formula and have given instructions as to how it should be worked out and how it should be taken as a guide in determining which contractors' rate can be considered as "otherwise unacceptable".

"For arriving at the wholesale market rate, according to the directions given in the memo, referred to above, the following instructions are issued :

"Retail rates for milk in the locality should be ascertained in about half a dozen cases of retail sale by organised professional milk dealers having depots and salesmen to distribute milk to individual customers and from the highest of such rates, the wholesale rate should be worked out, by giving allowances to the expenses, and profits of the retail seller and the costs of distribution. The latter items should be carefully assessed and calculated. In places where there are no organised milk dealers, the highest retail rate at which milk is sold by

milkmen, who have a sufficiently large number of animals and who have separate staff for distribution should be taken into account and the wholesale rate worked from it by deducting the cost of distribution transport of milk *etc.*,

15. It is thus clear that the Government are not prepared to pay the supplier at the market or the usual selling rate, but at scales far below. There is therefore no question of offering more to attract more producers to go there.

16. Adverting to the G.O., I am of opinion that the formulae is unworkable. I fear the basic assumption is not correct. Dairying is not yet an industry in itself in India. There is no separate line of middlemen or retailers as exclusively distinct from wholesalers. Milk is bought and sold in small units, and the question of "wholesale price of milk" does not therefore arise. It is significant to remember that many Societies collect service-charges extra for door-delivery in sealed or separate cans, not merely from the domestic consumers, but also from bulk consumers like hotel-keepers, industrial establishments, function-undertakers, *etc.* Wholesale (selling) price of milk is thus a notional concept, without any significance in the trade. There is, therefore, no point in selling at less than the retail price. Milk, we must remember, is in short supply in urban areas.

Further, the condition as to direct supply is assumed as if it were a saving and a blessing to the supplier. Far from it; it is a great botheration and a formidable task. The Hospital authorities cannot both seek to get direct deliveries at their cook-houses and at the same time offer to pay less. At this rate, every street-producer who drives his animal to the doorstep of the consumer, can, with a show of logic, be asked for a reduction in price on the ground of saving of delivery charges!

Thirdly, the G. O., seems to split-calcutate business ventures. A business proposition has to be viewed as a whole and integrated in the entire system, for any loss or damage incurred in any one sector affects the whole business.

17. Let me work out the implications of the G. O. and relate them to the actual working of this Society, during the years of its Hospital supplies. It is appended as the Table III

here. From a perusal of the same, the following propositions become evident :-

1. While the actual gross margin of profit charged is 12½ per cent, the net profit works out to a mere 1.1 to 1.5 per cent. That is to say, the marginal efficiency is so thin and precarious. It requires a pretty *huge* turn-over to earn a *small* profit in the trade. The reason is that in the very nature of the trade, it requires a vast army of staff to collect and sell all the produce within a couple of peak hours. (*e. g.*, Columns 9 to 13).

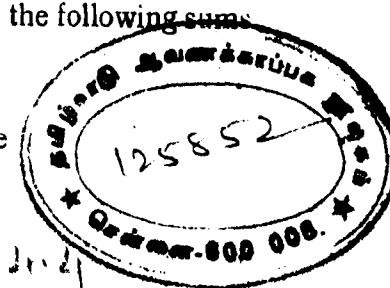
2. The overhead charges and distribution costs account for nearly 11 per cent, while the G. O. rate of supply asks for an approximate concession of 10 per cent in the maximum to 5 per cent in the minimum, (*e. g.*, Columns 1 to 4 and 11 and 12).

3. Excepting a handful of big and efficient Unions, others can ill afford that margin of concession. I have brought out the relative effects in trading account (Columns 14 to 18), and the resultant loss or material reduction in profit under Columns 19 and 20. Considering that in G. O. 5697 P. H. dated 19-5-1943, the Government have been pleased to consider that the quality of milk supplies by Co-operative Milk Supply Societies and Unions is generally better than that supplied by private contractors "this steam road-rolling is indeed hard to co-operatives.

18. There are other peculiar difficulties which a Milk Co-operative experiences, unlike a private dealer. The latter's account books are a few and personal, while a public institution has to provide for many checks and balances. For instance, the issue of coupon tickets calls for device against counterfeiting, re-circulation, false accounts, *etc.*, involving the attendance of half a dozen clerks which a private dealer attends to all by himself. He needs no check against himself.

I desire to point out that apart from other considerations, the Government *stands to benefit* by the development of milk co-operatives. They collect among themselves some 2 to 3 lakhs of rupees every year, by way of sales-tax which, until their advent, evaded the Government Treasuries. As against this, the Government have sanctioned and disbursed to them, the following sums during the year ending June, 1951 :-

1. Grant-in-aid and subsidiary for milk recovering Schemes, Purchase



of stud-bulls and development of poultry-keeping.

Rs. 8,388

2. Interest-free loans (since discontinued) for purchase of milch cattle. 12.44 Laks (repayable in one year).

Even if interest were payable on the advances, it will only about Rs. 72,000 at 6 per cent per annum.

I, therefore, submit that the Government may be pleased to encourage Milk Co-operatives in an even greater measure. As a first step, their memorandum No. 26047/43-2-D1 dated 23-9-1945 cited above should be rescinded and their G. O. No. 5697, P.H. dated 19-5-1943, construed to mean simply what it reads.

19. Finally, is this stipulation for direct supply at all desirable? As I have stated above, this involves the stationing of animals *within* city limits with attendant evils. Accommodation being scanty and rents heavy, owners are obliged to share their limited living space with their animals. For supplying good milk herds, must be kept in clean sheds, and nourished well with greens. More space is available outside the cities and with ordinary supervision, reasonable cleanliness can be ensured. (Vide Madras Co-operative Manual, 1951.) It is in this view, the Animal Husbandry Wing of the Board of Agriculture and Animal Husbandry in India recommended that "all public institutions should place their contracts for milk with *organisations* which produce milk *outside* city limits." This has been accepted by the Government in their G. O. 3528 P. H. dated 29-9-1939. There is thus a mutually inconsistent situation. This condition for direct supply requires re-consideration.

(To be continued)

TABLE III.

(Figures hereunder are worked out from the audit and annual reports of the Velipalayam Co-operative Milk Supply Society Ltd., Nagapattinam).

Co-operative year,

Prices.	PART I						Remarks.
	A.			B.			
	1950-51			1951-52. (*)			
	Rs.	A.	P.	Rs.	A.	P.	
1. Retail purchase price of Milk by the Society (in terms of a pint) ...	0	4	4½	0	4	4½	
2. Retail selling price of milk by the Society (in terms of a pint) ...	0	5	0	0	5	0	Sales Tax extra.
3. Supply rate as ascertained by the G. Os.—minimum.	0	4	6	0	4	6	
4. Supply rate as ascertained by the G.Os.—(Maximum i. e., 5% margin) ...	0	4	9	0	4	9	
5. Rate per pint at which supplies were given to Hospital by this Society .	0	4	11	0	5	8	Inclusive of sales tax.
6. Regular percentage of working (gross) margin (Selling price: Purchase price) ...	12	:	5	12	:	5	
7. Percentage of gross actual margin in supplies to Hospital. Minimum, Col. (8)	2.75						
8. Percentage of gross actual margin in supplies to Hospital (Maximum-Col.4.)	8.5						

PART II

Business abstract :	Corrected to the nearest rupee.	
	Rs.	Rs.
9. Total value of milk purchases.	1,24,825	1,85,487
10. Total value of sales ...	1,88,073	1,56,859
11. Gross profit ...	14,046	19,789
12. Nett profit ...	1,541	2,850
13. Percentage of efficiency, (Turn over : Nett profit) ...	1%	1.5%

PART III.

Financial Implications

	Rs.	Rs.
14. Total actual value of Hospital supplies at the rate in col. 5	22,022 (67,861 pts.)	12,774 (38,625 pts.)
15. Value of the year's supplies at the rate in col. 3	19,086	10,862
	Rs.	Rs.
16. Value of the year's supplies at the rate in col. 4	20,146	11,465
17. Difference between the value of actual supply—G. O. supplies—Col. 14—15	1,936	Loss.—1,912
18. Difference between the value of actual supply—G. O. supplies—Col. 14—16	1,876	Loss.—1,308
19. Hence the possible loss or gain if supplied under the G. O. rate—Maximum Col. 12—17	... Nett loss 395	Plus 438
20. Hence the possible loss or gain if supplied under the G. O. rate—(Min.) Col. 12—18	... Nett loss 335	Plus 1,042

*Subject to audit.

Community Projects—The "Show How" Programme

VISWANATHAN TEKUMALLA

It has been said that about 170 years ago, an American wrote in one of his letters, "Americans are the Western Pilgrims who are carrying along with them that great mass of arts, sciences, vigour and industry which began long since in the East—they will finish the great circle." The building up of such a peaceful civilisation based upon the confidence of man has been the endeavour of the U.S.A. She seeks to create an economic and social environment in which men can live peacefully and continue to develop their own society. This is the essential purpose of America's foreign policy. In pursuance of this policy, the U.S.A. had been developing a sort of foreign aid programme to foreign nations even during the years preceding the recent War by making some casual collection of funds at churches for helping the war-sufferers. But that aid was only a temporary relief of misery. After the War, the U.S.A. realised that foreign aid must be carried from a matter of limited, private, voluntary contributions to an official function of the Federal Government. Another important lesson learnt by the U.S.A. from her foreign policy and foreign aid programme was that "for permanent results and benefits, people must help themselves; you cannot do everything for them."

It was also realised that "the creation of sound economic defences against political aggression is as necessary as the creation of military defences against armed aggression." In January 1949 therefore, President Truman of U.S.A. announced a "bold new programme" as the fourth point of a programme for peace and freedom. This Point Four Programme emphasised technical co-operation and assistance for the economic development of the undeveloped areas. But as Mr. Eric Johnston, Chairman of the U.S.A. International Development Advisory Board emphasised, this technical co-operation programme would depend largely upon the investment of domestic and foreign private capital in the underdeveloped areas, since Government alone could not contribute all the finance necessary. Thanks to their interest in the development of the underdeveloped countries, a number of U.S. business organisations were ready to invest capital in them, particularly in India.

THE TINNEVELLY DISTRICT CO-OPERATIVE CENTRAL BANK, LTD.,
VANNARPET : TINNEVELLY
(Estd. 1918)

Authorised Capital Rs. 4,50,000
Working Capital Exceeds Rs. 73,86,900
Reserve Fund Rs. 3,01,144

ALL KINDS OF DEPOSITS ACCEPTED

Fixed Deposits : For 6 months 2½%; For one year 3%
For 2 years 3½%, For 3 years and above 3¾%

CURRENT, SAVINGS, RECURRING AND PROVIDENT DEPOSITS
ARE ALSO ACCEPTED.

Apply for further particulars to:
Medai Dalavoi Kumaraswami Mudaliar,
President.

The underlying concept of the whole programme, as Dr. Isador Lubin, U. S. Representative on the Economic Committee of the U.N. Assembly at Paris, said, is "show-how, which means help people to help themselves." India herself has for some time past been planning for the full development of her national life. The draft outline of the Five-Year Plan aims at the development of various sectors of economic life, including agriculture, industry, transport, communications, social services and the rehabilitation of displaced persons. Out of a total expenditure of Rs. 1793 crores* for the five-year period, the country proposes to raise internally as much as Rs. 1121 crores and the balance of Rs. 672 crores in the form of external assistance from friendly foreign countries. As a member of the United Nations Organisation, India has been receiving technical assistance ever since the Technical Assistance Programme was formulated. Under the first bilateral aid agreement, the country received during 1951-52 technical assistance to the value of about two million dollars.

Meanwhile some State Governments in the country set themselves to promote intensive development in some areas. Programmes of work were drawn up and started as experiments: In the Etawah District in Uttar Pradesh, a pilot project, the first of its kind in the country was undertaken in 1948. The project covered some 102 villages over an area of 100 square miles with 61,000 acres of land and a population of 79,000. Work progressed in various aspects of rural life. The villager paid for everything he received from Government, save advice which was given free. The idea was to help the villager, build his prosperity and well-being on a co-operative basis. Experience showed that the peasant under the project definitely improved his socio-economic position. In the matter of urban development, mention must be made of Faridabad and Nilokheri in the Punjab where admirable work was done since 1948 to settle and rehabilitate the refugees of the north-west. At Faridabad about 50,000 Pathans were resettled in a township where by means of self-help about 4,500 houses besides numerous public buildings had been built within less than three years. "In less than three years these two refugee cities have demonstrated that with good planning and the enthusiastic co operation of the people new modern towns can be built

* According to the Final Report on the Plan this has been enhanced to Rs. 2000 crores.

with up-to-date housing, good schools, improved public health facilities and a wide variety of industrial opportunities. The pattern of development of these rural and urban experimental projects impressed the public as a pattern of great promise.

It was India's good fortune to have at the time as U. S. Ambassador in India, the Hon'ble Chester Bowles whom Mr. J. B. Bingham, Acting Administrator of the Technical Co-operation Administration described as "a man who has India's interests very much at heart. "Even before Mr. Bowles came to India as Ambassador, he drew inspiration from the Chinese thinker, Mr. James Yen, who was the first to propose to U. S. A. a scheme of rural development for China. Mr. Bowles was attracted by the scheme and even studied it thoroughly. After coming to India as Ambassador, he was deeply impressed by the success achieved by Etawah, Faridabad, and Nilokheri as self-developing projects. He was also deeply impressed with the possibilities of building up a strong India by making available considerable finance from his own country. A combination of the Etawah and Nilokheri Projects suggested itself to him as the best pattern for the integrated development of the country. He therefore mentioned to our Prime Minister, Pandit Nehru, in November 1950 (shortly after his arrival in India) his proposal for India's development with American aid and our Prime Minister was immediately impressed. Mr. Bowles impressed upon his country too how India had demonstrated through her pilot Projects a wonderful ability to help herself and pleaded that she now needed help in defeating directly the problem of food and its allied problems. After some negotiations, the Indo-American Technical Co-operation Agreement was signed between India and U.S.A. on 5th January 1952.

By the Agreement, both the Governments have agreed to carry out the Technical Co operation Programme and its separate projects. There shall be an Indo-American Technical Co operation Fund in which U.S.A. would deposit 50 million dollars, and a Special Development Fund in which India would pool Rs. 25 crores. These Funds shall be utilized for projects of economic development agreed to between the two Governments. The Government of India shall constitute a Central Committee of not more than seven, to lay down the broad policies and provide the general supervision under which agreed projects of technical co-operation shall be executed. The Director of the Technical

Co-operation Administration in India shall be the Consultant to this Committee. The Government of India shall ensure that all projects undertaken are properly co-ordinated with the economic development programmes and activities of the Government of India, including those carried on with the co-operation of other countries, of international organisations, and of private agencies. The agreement shall be in force until 30th June 1957 or be terminated earlier at three months' notice.

It has been estimated that the total amounts available for the programme will be over 100 million dollars or about Rs. 50 crores. The projects will be co-ordinated with the Five-year Plan of the Government of India and will be administered in close co-operation with the Central and State Governments. Of the projects to be financed, one of major importance is a Community Development Programme. This Programme contemplates the setting up of some 55 projects of rural-urban development in different parts of the country.

The central object of a Community Development Project is to secure the fullest development of the material and human resources of the area so that the rural community may be lifted to higher levels of socio-economic organisation and made enthusiastic for new knowledge and improved ways of life. This Programme will be the first step in a programme of intensive development which is expected over a period of years to cover the entire country.

Under this Programme it was broadly agreed by Government that there would be development projects of three main types: First the "basic" community development projects consisting of 300 villages and some 2,00,000 villagers in which the primary emphasis would be on raising agricultural production, with some work on public health, sanitation and education. The smaller basic development "block" consists of 100 villages with about 65,000 population, but with the same programme and the same emphasis on agricultural improvement. Secondly the "composite" development project or block in which emphasis would be on development of small industries as well as on agricultural production. Thirdly a training centre for instructing village workers, located either in or near by rural development areas so as to facilitate on-the-job training.

The village unit would be the focus of attention of the entire programme. It would be the base of the Project pyramid. Each village, which on an average would consist of about 500 persons in about 100 families, should be improved so as to have a good drinking water supply, tube wells or other water sources for irrigation, sanitary services, good roads and facilities for primary and adult education. At a higher level would be the "mandi-unit". This is an area consisting of 15 to 25 villages linked up with a common market and a centre of other activities. This would have a dispensary and a health centre, a transport and tractor servicing centre, and a centre for marketing and shopping, a storage godown, and a veterinary centre. Higher still would be the development block, consisting of four or five *mandi* centres together with their satellite villages, numbering in all about one hundred. Three development blocks with about 300 villages would make the project area.

The entire pattern would therefore be one of planning and building from the bottom upwards. The entire scheme would cover about 18,464 villages and a population of about 15.19 million which means a thirtieth of the country's population. It therefore represents, in the words of Sri J. M. Lobo Prabhu, Development Secretary to the Madras Government, "the first total strategy to realise the potentials of our villages and to bring them in line with others in the world." Experience at various successful agricultural projects in India has led to estimates that in four years a community development programme can bring about a 50 per cent increase in food and 35 per cent increase in cash income in each area. A time schedule of 3 years has therefore been fixed for the programme. This time schedule contemplates five stages—the first of conception of 9 months for intensive survey; the second of initiation of 3 months for laying foundations; the third of operation of 18 months for top-speed activity; the fourth of consolidation; and the last of finalisation when the village will be put in gear to be part of the normal administrative mechanism. It has been estimated that for executing the work properly, a well-trained army of 7,500 workers would be required.

Two vital points were recognised by the Community Projects Administration even at the outset: First that it is the villager himself who can guarantee the success of community

development. Once he is aware of his opportunities, the final pattern of his life will be determined only by himself. The whole programme should therefore not be imposed or forced on the villagers but should be carried out in such a way that the villagers themselves would actively participate in the planning and would be encouraged to take initiative, develop experience and confidence and a sense of personal achievement and advancement. Secondly, the training of capable village workers and project supervisors is an essential part of the rural development of India; for the success of the entire programme and its acceptance by villagers depends largely upon the training, experience, and ability of the village workers to mobilise the enthusiasm and co operation of the people.

About the middle of May 1952 a Conference of Development Commissioners of the various States was held at New Delhi to discuss the further planning and implementation of all the types of projects at State level—basic and composite types, *mandi* centres, rural-cum-urban townships, etc. At the Conference, Shri C. D. Deshmukh, Finance Minister of India stressed the need for a practical outlook in considering the scheme of work. Shri Gulzarilal Nanda, India's Minister for Planning pointed out that "the people are the main architects of their future, the role of the officials being to help." The Conference adopted a schedule of work relating to surveys, estimates, etc.

The Community Development Programme would be undertaken by the Government of India and the State Governments in co-operation with one another. The broad features aimed at in the Project area as a final target are as follows:—

i. **A Village Unit**

ii. **A Mandi Unit**—Omitted from the Government-sponsored programme due to financial stringency, it being hoped that in due course these centres would be stimulated by private and local initiative.

iii. **The Development Block**—Rural-cum-urban township omitted, it being hoped that eventually private initiative would stimulate it. Mandi unit provided instead of township.

iv. **Urban-Cum-Rural Township**—Though not provided in the original scheme itself, one township at the centre of every project area for underdeveloped areas and for the displaced persons.

The organisation for implementation at the various levels would be as follows.—

1. **Central Organisation**—The Central Committee (*i.e.*, the Planning Commission itself) will lay down the broad policies and provide the general supervision. Under it is an Administrator of Community Projects who will be responsible for planning, directing and co-ordinating the projects throughout India in consultation with the States. He will be assisted by a highly qualified executive staff to advise him on all matters.

2. **State Organisation**—Each State Government has a State Development Committee consisting of the Chief Minister and Ministers in charge of departments concerned. Under it is a State Development Commissioner who will be responsible for directing the projects within the State. He is also the Secretary to the Committee. He will co-ordinate the activities at the centre and at the district and project levels in order to facilitate operations within the State. He may have a Deputy Commissioner to assist him since he has the additional responsibility of looking after the development under the Five-year Plan.

3. **District Organisation**.—A District Development Board with the Collector as Chairman will guide the work in the district. Under it will be a District Development Officer as its Secretary. He will be responsible for the work in the district.

4. **Project Organisation**.—Each Project unit will have a Project Executive Officer who will be responsible for the work in his unit area. There will also function a Project Advisory Committee, of which he will be the Secretary. The Officer will have a staff of about 125 supervisors and village workers.

The above organisational pattern will be adapted to suit local conditions and needs as may be deemed necessary by the Administrator and the respective State Governments.

The cost of a project is for the present estimated at Rs. 45 lakhs. The total estimated joint cost of the entire Programme is about Rs. 38.39 crores—8,671,000 dollars and Rs. 34.88 crores. The dollar expenditure would be contributed by U.S.A. in the form of goods, equipment and technical assistance.

Of the 55 Projects, every part 'A' State has five or six Projects, Part 'B' State two or three and Part 'C' State one. Madras has six rural-cum-urban Projects as follows:

1. Kurnool-Cuddappah Canal area—Kurnool and Cuddappah Dts.
2. Lower Bhavani Project—Coimbatore and Tiruchirappalli Dts.
3. Malampuzha Project—Malabar Dt.
4. East Godavari Dt.—Kakinada, Ramachandrapuram, Peddapuram and Pithapuram Tqs.
5. Periyar Project—Madurai Dt.
6. South Kanara Dt.—Karkal, Mangalore and Coondapur Tqs.

The above Projects were selected with reference to the irrigation facilities and assured rainfall, so that the expenditure incurred will produce the maximum results in the shortest time possible.

As early as June this year the course of training for the Project Officers was inaugurated by the Prime Minister and successive batches of officers have since undergone training at various centres.

The Programme has been inaugurated by our Union President, Dr. Rajendra Prasad on Gandhi Jayanti Day, the 2nd October, 1952.

What are the prospects of this colossal endeavour? Functionally there is little that is novel about the scheme. It is what our Chief Minister of Madras—Rajaji—described as *Gram Kalyan* or rural development. In that sense it is but a magnified copy of the *firka* development plan with which Madras is so familiar. But its value, however, consists in the magnitude of the undertaking and the spirit with which our American neighbours have sponsored it. In consequence the scheme has attracted the attention of the public in America and India.

All the American papers commented favourably on the gesture of their Government. *The Christian Science Monitor*, for instance observed that "the magnitude of aid is far less important than the spirit and the purpose with which it was sent." Nothing can bring home to us clearly this spirit than the episode of five-year old Wendy Marks. This child, having heard her family talk

about the grave needs of India set to work and earned one dollar five cents by running errands. Of this sum she sent one dollar "to the dear people in India." It was in this spirit that the Americans looked at the aid.

In India too there was a chorus of grateful appreciation of the aid from the Press. All the leading papers expressed gratitude for the offer of the aid and hoped that this would pave the way to world peace.

There has, however, been some criticism from some political leaders and others: Dr. J. C. Kumarappa (Wardha) feared that the scheme might be "futile" since it ignored the fundamental rural question of land reform, opened the door for American financial imperialism, and under-rated our own ability to build our society and culture. Prof. S. N. Agarwal felt that it agreed with the Sarvodaya Scheme but warned against any attempt to build from the top downwards. Sri J.P. Narain observed that foreign aid would be of "dubious utility" and that the projects would be only of experimental value. He added that they would benefit only those who had land, but not the landless masses.

The criticism, with the exception of the fear regarding foreign aid, does not present any strong points. Even with regard to foreign aid, as Srimathi Durgabai, Member of the Planning Commission said at a meeting at Rajahmundry, "there is nothing to be ashamed of in taking monetary aid from America or any other country. For, had not China and Russia taken such aid?" The American Press also has made it clear that India need be under no obligation to U.S.A. for the aid given.

The Community Development Programme is undoubtedly of inestimable value to India. It is a vehicle for the three-sided progress of the country, one of which has been stressed by our great leaders—Dr. Rajendra Prasad, Pandit Nehru, and Rajaji: First as the President of the Indian Union described during his inauguration of the programme, it will eradicate poverty and disease and give new life and fresh blood to the villages. Secondly besides bringing material progress, it would, as our Prime Minister stated "seek to build up the community and the individual and to make the latter a builder not only of his own village centre but in the larger sense of India. Thirdly, as Rajaji said in one of his talks, the essential principle of the plan being the gospel of work, the

I may venture to say here that but for the active support of the co-operative movement, the Rationing Scheme could not have worked so very successfully. At the same time, we have also to admit that the Rationing Scheme was a boon to the Co-operative Societies to accelerate and improve their financial position for which we have to thank the Government for all the help rendered to us.

Now that the Rationing has been abolished, the Co-operative Societies, specially the stores societies, may be affected to some extent by the reduction in the turnover. They must be, of course, more cautious at this juncture and plan their work with forethought and sight. Some seem to be under the impression that after de-rationing the Co-operative Movement will be very much adversely affected and that the trade hitherto conducted by the Movement will get into the hands of the individual merchants. There is absolutely no scope for such a fear. The Co-operative Societies and Stores are mainly interested in their own members, and the members who are producers as well as consumers can pool their products and conduct sales to their mutual advantage. They can bring all their friends and neighbours to their orbit and improve the status of their Associations still further. We must only have belief and trust in our movement and should never be pessimistic. Our joint efforts will not only further our cause but also will keep away the individual profit makers from the innocent and poverty-stricken agriculturists.

At a Conference of the State Co-operative Central Banks held at Madras recently certain important resolutions were passed. One of the resolutions was that the Co-operative Central Bank should advance loans to Agricultural Co-operative Credit Societies and societies dealing in agricultural implements at $4\frac{1}{2}$ per cent and at other societies at $5\frac{1}{4}$ per cent. But the stores societies are also very much handicapped for want of easy finance due to the stagnation of wheat etc., with them, and consequent lock up of funds. Such societies should also be given advances at cheap rates and the Reserve Bank should find a way to help the movement in this direction.

Started in the year 1924 with 40 members and paid up share capital of Rs. 1,140 the transactions have steadily increased. And today your Bank occupies one of the foremost places in the District. I am glad to learn that it is one of the well managed Institutions which have played a notable part in improving the economic conditions of the middle class men in Tiruvettipuram Town. It should be a matter of pride and honour that the Bank has completed 28 years of useful service to its constituents. Today there are 840 members with a paid up share capital of Rs. 11,071. the working capital is nearly a lakh of rupees. It is pleasing to find that in spite of failure of monsoon for the past five years, the Bank has been able to make appreciable collection of the loans. The Jewel loans of the Bank

are regular and the bank has done collections in this direction. I am very happy to learn that Mr. M. S. Seshachalam Iyer veteran co-operator of this District is with us this evening. He has been intimately connected with the Co-operatives and the development achieved by the Triuvannamalai Co-operative Urban Bank is primarily due to his efforts and guidance. The problems of Urban Banks are many and the suggestions given by him in his Opening Address of the Eighth Tamil Nad Co-operative Conference held on 29-9-'51 are green in our memory.

The Urban Banks being a vital link in the credit system of the movement are not able to find adequate funds to meet fully the demands of their members and the Central Co-operative Banks have not been able to accommodate them to the extent they require as their apex financing bank viz., the Madras State Co-operative Banks does not give a helping hand. No doubt, it is true that the Urban Banks should find funds by attracting deposits and mobilising savings; the Banks have been finding it difficult to tap deposits to the required extent due to tight money market conditions. Tiruvettipuram is not a centre of accumulated wealth and the people are mostly traders and business men of the middle class type. It is very necessary that a Scheme should be evolved by which adequate funds for financing the Urban Bank may be forthcoming.

The Reserve Bank of India may with advantage fill up the gap, but for technical difficulties of non-provision in the Reserve Bank of India Act. A passing reference to the recent speech of the Executive Director of the Reserve Bank of India at the Central Banks' Conference held on 19-7-'52 is of interest. The Reserve Bank of India has considerably liberalised the financing of agricultural credit. But in the field of non-agricultural credit the gap is still left unfilled. By suitably amending the Reserve Bank of India Act it may be possible to rectify the lacuna. I entreat the economists and our brother co-operators to ponder over this question.

The business in Urban Banks where the safety of depositors and the share-holders is the concern, is to be done on strict business lines and principles, employing efficient management and a full time paid staff. I learn that your Bank suffered much for want of a qualified employee to manage its day to day working efficiently and, thanks to the benevolence of the Central Bank, Vellore, who were pleased to lend the services of a Supervisor, it is to be hoped that your Bank would prosper well in the years to come.

Above all, a Bank should have a building of its own and the possession of a building adds prestige and dignity to the activities of an Urban Bank of this type and will also inspire greater confidence among the investing public, and I am sure that the present Directorate will lose no time in having a Building Fund of their own. I would like now to make a passing reference to the part played by the Urban Banks in the Madras State. The

Administration Report of the Department is just issued and I find that there are 1,217 Urban Banks in our State out of the 24,205 societies working as on 30-6-'51. Thus it may be seen that the number of Urban Banks constitutes only 5 per cent of the total number of the societies which is a negligible percentage. As you are aware, Urban Banks constitute an integral part of the co-operative credit structure. The need for cheap credit is felt keenly in towns as in villages. When the number of Urban Banks is so small, this object cannot be achieved with any amount of success.

The urban population comprising of artisans, shop-keepers, industrial workers being bereft of other sources of aid are exploited by Sowcars. Hence the Urban Banks are no less important. It was with a view to ameliorate the community and to afford them necessary financial assistance that Government of India sponsored the establishment of the Industrial Finance Corporation. But in Madras State it was felt that the work has already been taken up by the Urban Co-operatives and establishment of Finance Corporation was felt un-necessary. It is quite necessary that Urban Banks should rise up to the occasion and prove worthy of the confidence placed in them by the Government. Today we have as I stated already 1,217 Urban Banks with a membership of 5,11,108 and paid up share capital of Rs. 191.98 lakhs. The deposits raised by them amounted to Rs. 706 lakhs of which 366 lakhs was from non-members. It is, therefore, evident that the Urban Banks have begun to command the confidence of the investing public and attract deposits locally which is so essential and vital to their work.

I may venture to make one or two suggestions: The Urban Bank like many other Institutions is a business organisation and its working should be economic. You have, therefore to keep sufficient margin between borrowing and lending rates. On that score do not enhance the interest rate on loans, but try to keep deposits at low rates of interest. But under the present tight money market condition payment of reasonable rate of interest is inevitable. You have to economise expenditure to ensure good working and declaring decent profits. Share-holders judge the working of the Institutions by the dividend declared,

Secondly, your Bank should encourage savings among people of all means. May I suggest that your Bank accept daily deposits? The system of daily deposits, hundi boxes, recurring deposits, savings deposits should be popularised. Thirdly, the Bank is situated in rural atmosphere and your bank may advance loans for purchase of pump sets to augment food production. The Urban Banks should not only come to the help of working class and artisans, but also well to do persons.

You all know that our district has been divided into two Co-operative Circles with two Deputy Registrars one at Vellore and the other at

Tiruvannamalai. It should be mentioned here that this is working very great hardship among the society members. I am of opinion that if the Deputy Registrar's office at Tiruvannamalai is also shifted to Vellore, it will be more convenient to the people in both the Circles. It will be, therefore, advisable to request immediately the authorities concerned to look into the matter.

I wish to mention a few words here about the existence of a Pump Society at Vellore. During the course of 15 months, the Society purchased and distributed about 260 engines and pump sets to the agriculturists, all that within its own borrowing limits. There are still a number of applications pending. Adequate help could not be provided to the society by the Central Bank due to financial stringency and lack of appreciation both by department as well as the Government.

There seems to be a sort of feeling on the part of the Government that the Co-operative Department is a drain on the exchequer of the State and the money spent on this Department is a waste. It is a mistaken impression. Let the Government take into account the part played by the Co-operative Department in the past. The cheap credit that was made available to the agriculturists, the checking of black-marketing by the consumer co-op. movement, the beautiful buildings that have sprung up almost in every town in the State, the enormous help rendered to weavers are all things achieved of which one should be proud. Any money spent on this movement by the Government is well spent and I wish that more money should be spent on this department and make the State a model State of the East.

The medium and long-terms loans now offered by the Madras State Co-operative Bank are very inadequate. The very system of agricultural credit will collapse if the medium and long-term loans are not issued in plenty by the Madras State Co-op. Bank and it may be requested to afford necessary facilities in the matter.

The Department has been pressing us to pay Supervision fees in respect of Co-operative Societies and Stores. There is no byelaw or rule in the Act. By such payment the financial position of small societies and stores will be very much affected. It is, therefore, suggested that a request be made to the Department not to collect such fees.

Government is not taking enough interest in giving credit to needy societies. Easy credit should be made available to all the Agricultural Credit Societies and Government may be requested to do the needful in this matter.

A Note on the Chingleput Co-operative Land Mortgage Bank, Ltd.

When it was found that the agricultural indebtedness in the country did not show a marked decline even 20 years after the co-operative movement was started, the need for long term finance was felt and the Land Mortgage Banks were started in various places to satisfy such a need. This Bank was started with the same object on 6th May 1927 by a band of 16 public spirited men of Chingleput and surrounding villages and 25 years have since rolled by.

At the time of starting of the Bank it had to face certain difficulties in the day-to-day administration which prevented the Bank by commencing its regular activities. Thanks to the late Sri C. Thiruvengadachariar who, setting an example to others came forward and with active co-operation of other Directors commenced the regular business of the Bank and conducted its administration. Here may be mentioned in particular Sri D. K. Varadachariar who actively co-operated with the illustrious person, who was responsible for the growth of the Bank since its start and in particular for the services rendered by him to the Bank during the period 1933 to 1943 when he was President of the Bank during which time he carried on the administration diligently. The first Board of Directors was elected on 6-5-1927 and it is the 8th board of directors that is now functioning.

At the commencement of the Bank only 41 villages were included in the area of operation of the Bank. Since then with the growth of the Bank and the growing need for tackling the demand of the agriculturists the area of operation was widened and at present the area of operations of the Bank extends over 235 ryotwari villages of Chingleput Taluk and 112 ryotwari villages of the Uttiramarur Sub-division of Kancheepuram Taluk. Of the 347 villages in the area of operations of the Bank, the Bank has issued loans in 148 villages and effective propaganda is being carried out in other villages also to relieve the agriculturists' indebtedness.

The Bank was started with 10 members and a paid up share capital of Rs. 180. During the past 25 years 1,064 members were admitted and on date there are 501 members with a paid up share capital of Rs. 22,295. Persons having interest in the lands mortgaged by the borrowers of the Bank were also admitted as 'B' class members on payment of a share capital of Re. 1. There are 572 'B' class members on date. Of the authorised share capital of rupees one lakh the paid up share capital is Rs. 22,867. Of this Rs. 11,600 is invested in the C. L. M. Bank share capital and the balance of Rs. 11,267 is merged in the business of the Bank.

The Bank was started with a debenture deposit of Rs. 5,500. In the very next year the C. L. M. Bank was started and the responsibility of floating debentures was vested with it. Since then the Bank is obtaining the funds from the C. L. M. Bank and issuing loans to the members. The total amount borrowed by the Bank from the C. L. M. Bank is Rs. 5,81,733. A sum of Rs. 2,91,366-0-8 is due to C. L. M. Bank on date. It would be significant to mention here that for the past 25 years the Bank was able to meet the obligation to the C. L. M. Bank and in no year was there any overdue to the C. L. M. Bank.

A NOTE ON THE CHINGLEPUT CO-OP. LAND MORTGAGE BANK, LTD.

The chief aim of the Bank is to relieve the agriculturists' indebtedness. So far 407 loans for Rs. 5,83,706 were issued to the members for redemption of prior debts and 5 loans for installation of pump sets for Rs. 3,500. On date a sum of Rs. 2,97,624-2-8 is due in 286 loans due by members. At the time of disbursement of loans to the creditors of the members the debts are scaled down as per Debt Relief Act and the amount of relief to the agriculturists afforded comes to Rs. 12,712-2-10. The Bank hopes to increase the issue of loans for improvement of lands. The total value of mortgaged properties forming cover to the loans outstanding is Rs. 9,47,191. It would be worth mentioning that no loan was found to be irrecoverable on account of the inadequate security. With the chief aim to make cheap credit available to the agriculturists the Bank's margin between the borrowing and the lending rate is fixed at 1 per cent and the loans so far issued carries rates of interest varying from 5 per cent to 6½ per cent. At the time of starting of the Bank the percentage interest in this area was between 12 to 15 per cent.

The main source of income of the Bank is the very slender margin between the borrowing and lending rates viz. 1 per cent. During the first year upto 1938-39 on account of the very small income from this source and on account of overdues the Bank's progress recorded losses. But since 1938-39 the Bank is working at a profit.

At the time of the starting of the Bank the establishment consisted of only one Supervisor. At present there are a Supervisor, a clerk and a peon.

**IF ANY ONE FEELS ANY DOUBT ABOUT
THE SUCCESS OF CO-OPERATIVE
ENTERPRISE IN RURAL AREA
LET HIM VISIT**

**The Chandrasekarapuram Co-operative Stores, Ltd.,
TANJORE DISTRICT**

**Acclaimed as the Best Rural Stores
in India Today**

Annual Turnover Exceeds 10 Lakhs

Financed Entirely by members without outside help.

Pinayur River Pumping Scheme in Chingleput Dist.

Government have recently decided that River Pumping Schemes should hereafter be worked only through Co-operative Societies, specially formed for this purpose and that new schemes will be started only, if the Registrar of Co-operative Societies is able to form Co-operative Societies to run them. Ten schemes have already been sanctioned by Government in the Districts of Chingleput, Chittoor, Ramnad, Malabar and South Kanara.

In the Chingleput District, pump sets were installed at Pinayur and Nelvoy. The Pinayur village was recently visited by the Registrar of Co-operative Societies. He was accompanied by the Joint Registrar (Re-settlement) and Local Co-operative and Agricultural Officers, Mr. Ramakrishna Iyer, M.L.A. and Mr. Srinivasa Iyer, a leading pattadar. Three 14 H.P. oil engine pump sets have been installed on the banks of the river Palar to lift water from a "spring tank" in the river and take it to wet lands in the village through a leading channel about a mile and a quarter in length. Two out of three pump sets work regularly and the third is a stand-by unit. All the pump sets are being maintained by the Agricultural Department with its technical and supervisory staff. The cost of maintenance is now partly subsidised by Government.

In addition to the three pump sets, two smaller pump sets have been installed on private lands on hire basis. The question of farming a lift irrigation co-operative society to take over all the five departmental pump sets is now under consideration. The proposal is to start a co-operative society which will work the scheme and relieve Government of its obligation to maintain and run the pump sets on a subsidised basis. The cost of the pump sets will be treated as Government loan, repayable in five to ten years. The Society will maintain its own technical and supervisory staff and recover the cost of distribution of water to members' lands after each harvest. A meeting was convened at Pinayur, when the Registrar explained to the ryots the details of the scheme. The possibilities of organising co-operative societies in Pinayur and other places where river pumping schemes have already been sanctioned by Government, are being investigated by the Co-operative Department.

The Madras District Co-operative Central Bank, Ltd.

13/14, Mukkur Nallamuthu Chetty Street, Madras-1.

ESTD. 1980

TELEPHONE NO. 2384.

Authorised Capital

Rs. 10 lakhs.

Working Capital

Rs. 35 "

All kinds of deposits accepted.

Rates of Interest :—

Current Deposits ½ % Savings Deposits 2 %
Fixed Deposits For—: 6 ms. 3½% For 1 yr. 3½%, For 2 yrs. 3½%.

Further particulars can be had from the undersigned:

B. S. VIJAYAGOPAL, B.A., B. COM.

Secretary.

Multipurpose Co-operative Activity in Madras

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

1. The Perar Multipurpose Co-operative Society, (South Kanara).

Among the many rural credit societies that have undertaken multipurpose activity in recent years and have contributed to the Grow More Food Scheme, mention may be made of the Perar Multipurpose Co-operative Society No. 6,849 which is situated in Mangalore Taluk of South Kanara District on the South Eastern outskirts of Bajpe Aerodrome, under construction.

Registered on 8-12-1921 and started on work on 8-2-1922 the society has a membership of 148 members registered on its rolls, with a paid up share capital of Rs. 2,236 as on 30-6-'52. The society has its area of operations extended to the 3 village of Padu-Perar, Mudu-Perar and Kompadevu, the total population of which is estimated to be at about 6,500. The present maximum borrowing power of the society is only for Rs. 6,000 but the society proposes to raise this limit to Rs. 10,000 and develop transactions to its fullest extent.

Borrowings :—The total amount of deposits and loans held by the society as on 30-6-52 are :—

	Rs.	A.
Fixed deposits from members	1,000	0
Recurring deposits from members	19	0
Ordinary loan from the Co-operative Central Bank	3,525	0
Cash credit loan from the Co-operative Central Bank	455	5
	4,999	5

Loan Transactions :—As on 30-6-52, 85 loans amounting to Rs. 5,859 were outstanding against the members of the society, under surety loans. The society proposes to develop its loan transactions in the society by introducing produce loans, as this is possible now, as Government control over rice and paddy has since been abolished, and cultivation of paddy is the main industry carried on in the area. This is all the more possible as the society has a building of its own and thus enjoys storage facilities. During 1951-52 the society issued 65 loans of Rs. 4,280 to its members of which 61 loans of Rs. 4,005 were for cultivation purposes.

Reserve Fund :—The Reserve Fund of the society amounts Rs. 1,055 of which Rs. 984 has been invested in the Co-operative Central Bank. As the Society was almost in a dormant stage, prior to its revival in 1949, it has not been possible for the society to build up its reserve fund.

Investments in Buildings:—As the necessity of a building for the society was keenly felt on its revival, attention was bestowed in this direction and in 1949-50, the society was able to construct a godown at a total cost of Rs. 6,756-4-0 of which Rs. 3,250 constituted Government free grant received by the society for the purpose. The building is situated on the main road from Bajpe to Mangalore and commands an imposing and attractive view from all round. The building is now utilized for storing chemical fertilisers and improved paddy seeds.

Distribution of chemical fertilisers:—During 1951-52 the society purchased 40 bags (of 221 lbs. each) of ammonium sulphate valued at Rs. 1,714-13-0 and realised Rs. 1,443-18-0 by sale of 33 bags upto 30-6-52 leaving a stock of 7 bags as on the date valued at Rs. 311 and thereby earned an income of Rs. 40 in this transaction. It has since purchased 10 bags of the stock and has disposed of the entire quantity including the opening stock of 7 bags as on 1-7-52.

Distribution of improved seeds:—During 1951-52 the society purchased 30 bags (126 lbs. each) of improved seeds of paddy, realised Rs. 503-2-0 by its sale, and earned a commission of Rs. 30-2-0 from the Agricultural Department in this transaction upto 30-6-52. It has since purchased 30 bags of the stock, required for the second crop, and has realised Rs. 284-4-0 by sale of the stock so far effected. The remaining stock is also expected to be disposed of at an early date.

Intensive Cultivation Scheme:—In response to the society's application for the lease of Government lands, the Collector of the district has leased out 14 acres 34 cents of lands, to the society for a period of one year. The society has now applied for lease of the lands for a period of 10 years in view of the latest orders of the Government. The actual reclamation and cultivation of the lands will be attended to by the society through its members as soon as the Collector's order is received in the matter.

The society has, thus under the active management of its energetic and enthusiastic President, shown a good progress in the development of its activities and is expected to develop further. The society was running a ration shop when informal rationing was in force. The society has also decided to revive its activity of the supply of milk to the Mangalore Co-operative Milk Supply Union Limited, which was given up during 1951-52. It can thus be seen that the society has shown commendable progress in all directions and has a good record of service to the ryots residing in the area of operations.

2. The Sandur Co-operative Society, Ltd., Sandur (Bellary District.)

The Vijaya Agricultural Bank of Sandur State was converted into full fledged multipurpose co-operative society during the year. It is a special type of Society only one of its kind in the district. It was formerly registered on 3-4-1907 under the Sandur State Co-operative Regulation as a Bank. Consequent on the merger of the State, the society was registered as a full fledged multipurpose society with a limited liability under the Madras Co-operative Societies Act VI of 1932 on 18-2-51. This is the 45th of the year of its working. It has now 684 members on rolls of whom 13 are institutions and the rest are individuals with a paid up share capital of Rs. 13,700. The society is placed under 'A' class. It has not borrowed any funds from the financing Bank till now. It has utilised the uninvested

Reserve Fund of Rs. 27,334-13-0 in its business besides a sum of Rs. 11,266 Fixed Deposits tapped locally. It has a working capital of Rs. 52,313. It has not issued surety loans to members but has issued loans on the pledge of jewels and on mortgage of immovable properties. A sum of Rs. 38,612-9-0 is outstanding against its members out of which Rs. 500 represent jewel loans while the rest are mortgage loans. On the non-credit side it deals in food grains, chemical fertilisers and agricultural implements. Its purchases and sales in this regard were Rs. 1,31,509-1-0 and Rs. 1,41,588-8-0 respectively during the year. The working of the society resulted in a gross profit of Rs. 5,127-3-0 and a Net profit of Rs. 1,591 during this year. The society is catering to the needs of a large portion of the entire population of this small State and has in its by-laws provision to meet all the members' needs. It proposes to construct a godown out of its funds and Government subsidy if permitted to do so. The working of the society is good and it has a bright future.

3. The C. Orathur Co-operative Society, (South Arcot)

The C. Orathur Co-operative Society was registered on 9-11-1926 and was started on its work on 27-12-1926. Its postal address is Paradur P.O. Chidambaram Taluk, South Arcot District. Its area of operations is confined to C. Orathur Village only. It is affiliated to Chidambaram Co-operative Supervising Union and the South Arcot Co-operative Central Bank Ltd., Cuddalore.

There are 81 members on the rolls of the society with a paid-up share capital of Rs. 443. The maximum credit limit of the society is Rs. 10,000.

A sum of Rs. 3,746 is outstanding against members' dues while a sum of Rs. 1,802 is outstanding under Central Bank loans. The following are the investments made by the society.

1. Shares in the South Arcot Co-operative Central Bank Ltd., Cuddalore	...	190
2. Shares in South Arcot Co-operative Central Stores Ltd., Cuddalore	...	25
3. Shares in paddy sale society Ltd., Chidambaram.		10
4. Reserve fund invested in South Arcot Co-operative Central Bank Cuddalore.	...	850

The society has taken up multipurpose activities for the benefit of its members. During the year 1951-1952 the society purchased textiles to the value of Rs. 1,053 and sugar to the value of Rs. 1,346. The sales amounted to Rs. 1,126 and Rs. 1,404 respectively resulting in a profit of Rs. 131. The society is taking steps to purchase a pump set for irrigation purposes for the use of its members.

EXTRACTS

The Rainbow Flag

The Rainbow Flag will always be associated with the memory of Henry J. May, the late General Secretary of the International Co-operative Alliance, who, during the past fifteen years, has kept it flying proudly above the World Co-operative Movement. Now, when his hand and his faith no longer hold aloft that Arc of Promise it seems a fitting moment to recall how the colours of the rainbow came to be the emblem of the Alliance.

It was at Ghent in February, 1923, that the Executive decided that the Alliance should have a flag and, if possible, in the seven colours of the spectrum—a proposal which emanated from Professor Charles Gide. In a letter to Mr. May in the same month Professor Gide wrote: "I learn with much pleasure that the International Co-operative Alliance has taken for its flag the colours of the spectrum, and I am sending you the brochure in which I suggested this thirty years ago." The brochure was "Les Douze Vertus de la Co-operation" (The Twelve Virtues of Co-operation) written by Professor Gide in 1894, and which closed with the following words:—

"The International Co-operative Alliance, their (the humble weavers of Rochdale) new-born daughter, will have its flag, the colours of which will be the seven colours of the spectrum, like that of the Phalansteri—leopards, and all that menagerie of wild beasts which serve as the emblems of so-called 'civilised' states, the flag of the Alliance will bear its arms—two clasped hands."

The actual design of the Rainbow Flag was not immediately decided, but experiments were made in several countries to produce a flag in the seven colours.

At a meeting of the Central Committee at Praha in March, 1924, Professor Gide—after pointing out that although he had proposed so long ago the colours of the spectrum as the flag of the Alliance, the idea was not, in fact, his, but was originally suggested by Fourier—proposed, since art and industry could not reproduce the spectrum exactly, that the seven colours should figure as stripes on a white flag, and that a star be added as an emblem.

Flags were actually made to this design by the Belgian Co-operators for the International Co-operative Exhibition and the International Co-operative Alliance Congress at Ghent in 1924, when, for the first time, the colours of the Alliance were displayed in its assemblies. The following year, however, at Frankfurt, in January, the Executive decided that the official design should be the seven colours of the rainbow in horizontal stripes—and this is the Flag of which, as Mr. Goedhart reiterates in his "Tribute" in the December issue of the *Review*, Mr. May was "the dauntless standard-bearer."

—*Review of International Co-operation, January 1940.*

THE I. C. A. IN EPITOME

The International Co-operative Alliance now includes 61 directly affiliated Organisations in 33 countries, over 106 million Co-operators and their Families grouped in 370,500 Affiliated Societies, as follows:—

Consumers' Societies	.. 59,564,000
Productive and Artisanal Societies	.. 834,000
Building and Miscellaneous	.. 1,802,000
Agricultural Societies	.. 18,738,000
Credit Societies	.. 25,237,000

Total Annual Trade amounts to £3,735.2 million Sterling

Own Production amounts to £942.5 million Sterling

Analysis of I. C. A. Membership

	Consumers' Societies	Wholesale Societies	Productive Societies	Agricultural Societies
No. of Societies	36,830	42	11,190	77,330
Membership	59,564,000	—	834,000	18,738,000
	£	£	£	£
Annual Trade	1,705,781,000	839,183,000	74,140,000	1,036,024,000
Own Production	106,540,000	205,309,000	59,974,000	428,942,000

	Co-operative Banks	Credit Societies
No. of Societies	.. 24	238,000
Membership	.. —	25,237,000
	£	£
Share Capital and Reserves	.. 58,343,000	74,960,000
Savings' Deposits	.. 332,413,000	321,960,000
Turnover	.. 10,282,801,000	403,640,000

Insurance Societies

No. of Societies	51
Insured Persons	38,311,000
	£
Premium Income in 1950	.. 109,468,000
Claims Paid in 1950	.. 92,653,000
Amount insured	.. 18,938,148,000

Note: No trade figures are available for U. S. S. R., Bulgaria, Czechoslovakia and Rumania.

(From the *Indian Co-operative Review*, July-Sept. 1952.)

G.Os. & CIRCULARS

G.Os. and Circulars

Copy of G. O. Ms. No. 3229, Development Department

Dated, 28th July 1952.

Acts and Rules—Co-operative Societies Act—Rules—Rule VII (6) and new rule X-A—Admission of members on eve of elections—Amendments—confirmed.

Read the following :

G. O. (Ms.) No. 1921, Development, dated 2-5-1952.

From the Registrar of Co-operative Societies, R.C. No. 54,658/51-B-1, dated 11-7-52.

ORDER :

In the notification published at page 243 of the Rules Supplement to Part I of the Fort St. George Gazette dated the 14th May 1952, 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), certain draft amendments to the rules issued under the Act. The Government have considered the objections and suggestions received and are of the view that the amendments published should be confirmed without any modification. 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), the Governor of Madras hereby makes the following amendments to the rules published with Development Department Notification No. 264, dated the 1st August 1933, at pages 1178-1185 of Part I of the Fort St. George Gazette, dated the 1st August 1933, and subsequently amended the same having been previously published, as required by sub-section (3) of the said section.

AMENDMENTS

In the said rules—

(i) in rule VII (6) the following sentence shall be added at the end namely:—

“ The list of members shall be revised 30 days prior to the date of the meeting fixed for the election of the committee of the society including the members admitted and excluding the members removed during the period commencing from the date when the list was last revised and ending with the date of the present revision of the list ”;

G.Os. AND CIRCULARS

(2) after rule X, the following rule shall be inserted namely :

Prohibition of X-A admission of members and transfer of shares on the eve of general meetings.

No registered society shall admit members or transfer shares within 30 days prior to the date of its annual general meetings’.

(True Copy)

Endorsement R.C. 54658/51-B1. OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES, MADRAS, Dated 26-8-1952

Copy communicated,

J. C. RYAN,
Registrar.

Copy of G.O. Ms. No. 3334, dated the 4th August, 1952, from the Development Department, Madras.

Sub: Acts and Rules—Co-operative Societies Act VI of 1932—Rules—Rule XII (a)—contribution to Audit Fund from net profits—Harijan societies exemption continued for another year.

Read the following :

G.O. Ms. No. 162, Development, dated 11-1-50.

G.O. Ms. No. 391, Development, dated 31-1-50.

From the Registrar of Co-operative Societies, No. R.C. 78945/52-L, dated 12-7-52.

ORDER:

In exercise of the powers conferred by section 60 of the Madras Co-operative Societies Act, 1932 (Madras Act VI of 1932) the Governor of Madras hereby exempts all registered co-operative societies of which all the members or a majority of the members are Harijans in the State of Madras from the provisions of rule XII (a) of the rules made under the said Act, so as not to require the said societies from making any contribution from their net profits to the Audit Fund.

2. The exemption hereby made shall apply in respect of the net profits earned by the said societies for the calendar year commencing on the 1st January 1951 and ending with the 31st December 1951 or the financial year commencing on the 1st April 1951 and ending with the 31st March, 1952 or the co-operative year commencing on the 1st July, 1951 and ending with the 30th June 1952 as the case may be.

(True Copy)

Endt. No. D. 78945/52L. OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES, MADRAS, Dated, 24-8-1952

Copy communicated.

J. C. RYAN,
Registrar.

be not providing depreciation reserves to set off the fall in the value of the Government Securities in the market. The present tendency of the banking world is not to show in the Balance Sheet, the market value of the Government securities but only their "Redemption Value". The justification for the now policy is that, if the market value is higher than the book value, the difference will not be taken to profits as it is only accrued profits and not realised profits. If it is lower than book Value, the difference will not be taken to the losses account as losses will not arise on the date of redemption.

The following instructions are therefore issued for adoption by Central Banks and other Co-operative institutions in respect of their investments in G. P. Notes and Central Land Mortgage Bank debentures. The banks should exhibit the purchase value of the securities on the assets side of the Balance Sheet indicating the face value as well as the market value in the inner column of the Balance Sheet as shown below* In the outer column, the purchase value alone should be shown. The Central Banks and other institutions holding securities may provide for depreciation year after year as stipulated in their bylaws or as may be decided by the General Body as the case may be. How much depreciation is to be allowed is a matter of business prudence to be decided upon by the Co-operative Societies themselves, with the advice of the Registrar or the Deputy Registrar.

*Investments:

	Rs.	A.	P.
(a) Government Promisery Notes (Purchase Price)			
Face Value Rs.....			
Market Value Rs.....			
(b) Central Land Mortgage Bank Debenture (Purchase Value)			
Face Value.....			
Market Value.....			

5. The above instructions will apply to the audit of the accounts of Co-operative Societies in the Madras State for the Co-operative year 1951-52 onwards or callender year 1952 onwards as the case may be. The Deputy Registrars are requested to see that these instructions are followed strictly and the value of the securities is exhibited in the balance sheets of the societies as indicated above.

J. C. RYAN,
Registrar.

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

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

(REGISTERED IN 1928.)

All Banking facilities are afforded to Members and Constituents of the Society. Fixed Deposits are accepted for one year at 5 per cent interest.

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

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

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

Prof. H. L. Kaji—A Life Sketch.

Born at Surat in April 1886. Educated at Gujarat College, Ahmedabad. Passed B. A., in Mathematics, with high distinction, at the age of 17. Passed M. A. with History & Economics at the age of 18, securing Telang Gold Medal. Passed B. Sc. in Theology and Chemistry, at the age of 19.

Was Professor at Gujarat College, Ahmedabad in Mathematics and English at the age of 18. Transferred to Rajkumar College, Rajkot and taught Sciences. Transferred to Sydenham College of Commerce & Economics in 1916 as Professor of Geography, Trade and Statistics. Taught a variety of subjects during his tenure of 23 years, from 1916 to 1939, at the Sydenham College of Commerce & Economics, Bombay, ranging from Geography, Trade, Statistics, Economics, and Cotton Industry. Appointed Principal of Gujarat College, Ahmedabad in 1939, and was Professor of Economics. Retired in 1941.

Vice-Chancellor, Indian Women's University, Bombay 1944-46, and Dean of the Faculty of Arts. Chairman, Faculty of Commerce, Andhra University, Waltair. Presided over several Provincial and State Economics Conferences. President, Surat Mahila Vidyalay.

Chairman, Bombay Provincial Co-operative Institute (1926-30). President, Bombay Provincial Co-operative Marketing Society (1913-51) and Vasant Purnima Co-operative Housing Society. Founder-Chairman, Bombay Co-operative Insurance Society (1930-35) and the All-India Co-operative Fire and General Insurance Society. Director, Bombay Provincial Co-operative Bank and Bombay Provincial Co-operative Land Mortgage Bank. Honorary Fellow, Bombay Provincial Co-operative Institute and Indian Co-operative Union. President, The All-India Co-operative Institutes' Association and The Indian Provincial Co-operative Banks' Association (1944-1949).

President, Indian Co-operative Union (1949-1952). Specially invited by the International Co-operative Alliance to deliver a lecture to the International Summer School held at Prague, on 17th September 1948. Led the Indian Delegation to the 17th International Co-operative Congress held at Prague in 1948. Leader of the Indian Delegation to the F. A. O. S. E. Asian Co-operative Conference held at Lucknow on 24th October, 1949. Presided over the Sixth, Seventh and Eighth All-India Co-operative Conferences and the First Indian Co-operative Congress.

Member, Co-operative Planning Committee appointed by the Government of India in 1946. Presided over several Provincial and State Co-operative Conferences.

Started the Vasant Insurance Co., Ltd, in 1941 and was its Chairman. Vice-President, All-India Manufacturers' Organisation. (1944-46.) Member on several Committees of the Indian Merchants Chamber.

President, Bombay Geographical Association for several years. Member, Bombay Board of Film Censors. Chairman of the Editorial Committee of the *Indian Co-operative Review*. Member, Editorial Board of the *Bombay Co-operative Quarterly*. Author of a *Primer on Co-operation* translated in all Indian Languages. Author of *Co-operation in India*, *Co-operation in Bombay*, *Principles of General Geography*, *Land Beyond the Border*, *Great Mystery of Life Beyond Death*, *Life & Speeches of Sir Vithaldas Thackersey*, *Gujarati-Ni-Ranj Bhoomi*. Planning to publish *My Own Humourous Anecdotes and Gujarat Samaj*.

Co-operative News

The Hon'ble Sri C. Subramaniam, Minister for Finance and Food Madras, unveiled the portrait of Mahatma Gandhi on 14-9-52 at the Chennimalai Weavers' Co-op. Sale Society, Coimbatore District. Sri M. P. Nachimuthu Mudaliar, President of the Society presided.

Sri T. Parthasarathy Iyengar (53), a Director of the George Town Co-op. Credit Society, passed away after a very brief illness on 18-10-52. A teacher of the T.T.V. High School, G.T., Madras, he took a very keen interest in the Co-operative Movement, and was on the Board of Directors of the G.T.C.C. Society from 1934. During the past nearly two decades, he identified himself with the interests of his institution and did selfless work, never seeking any benefit for himself. Unostentatious and simple in his life and habits, he set an example to many a Co-operator in upholding the dignity of honorary service. May his soul rest in peace!



THE LATE SRI T. PARTHASARATHY IYENGAR.

CO-OPERATIVE NEWS

The Madras Co-operative Milk Supply Union Ltd., demonstrated for the representatives of the Press on 11-10-52, the working of the new pasteurisation plant installed by it recently at its factory. The new plant is of the latest type and can pasteurise 440 gallons or 8,000 lb. of milk an hour. This Union is the only Milk Co-operative to have a large pasteurisation plant in our country.

The Silver Jubilee of the Chingleput Co-operative Land Mortgage Bank, Ltd., was celebrated at Chingleput on 21-9-52 under the Presidentship of Rao Bahadur M. Vedachala Mudaliar. A large number of Co-operators, official and non-official, including Sri Damodara Nayudu, Vice-President, and Sri M. Dattatrayulu, Secretary of the Central Land Mortgage Bank were present. Messages wishing success were received from the Hon'ble Ministers for Co-operation, Agriculture and Religious Endowments, Madras and the Joint Registrars of Co-operative Societies.

A Welcome Address was presented by the Bank's Board of Management to Sri J. C. Ryan, Registrar, and Sri Bhogaraju Venkataratnam, President, Central Land Mortgage Bank Ltd., mentioning their services to the Co-operative Movement. Thereafter Sri Bhogaraju Venkataratnam hoisted the Co-operative Flag. Sri Srinivasulu Naidu, Secretary of the Chingleput L.M. Bank welcomed the Co-operators. In his Address, he mentioned the history and achievements of his primary Bank.

Sri J. C. Ryan, Registrar of Co-op. Societies, inaugurated the Jubilee Celebrations. In his Address he congratulated the Bank on its achievements and described in general the steady progress of land mortgage banking in the State. He then cautioned the land mortgage institutions against the tight money conditions in the country and advised them to strive vigorously to secure investment in the debentures in their respective jurisdictions at least to the extent of the yearly requirements.

In his Presidential Address Sri M. Vedachala Mudaliar expressed his admiration of the work of the Registrar for the Movement and also appreciated the work and progress of the Chingleput L. M. Bank during the past quarter century. He advised the Bank to strengthen its financial resources and the members to give their best attention always to the all important question of selecting their Directors. He associated himself with the pleasant event and wished the institution years of useful service.

Sri Srinivasulu Naidu, Secretary of the Bank proposed a vote of thanks to the chief guests and others assembled.

Dr. Rajendra Prasad, President of the Indian Union, inaugurated on Gandhi Jayanti Day, the 2nd October 1952 the Community Projects Scheme. In his nation-wide broadcast he appealed to all, whether directly connected with this Programme or not, to make their contribution to this effort and make it a success. In the course of his broadcast, he stressed need for the growth of the co-operative movement in the rural areas and added that the workers in the project areas must aim at the early establishment of a multipurpose co-operative society in every village or group of villages.

THE MADRAS JOURNAL OF CO-OPERATION

A Deputation of the leaders of the Weavers' Co-operative Movement in Madras waited on Pandit Nehru, Prime Minister of India on 11-10-52 in Madras. The Deputation consisted of Sri M. Somappa, Sri M.P. Nachi Muthu Mudaliar, Sri N. Satyanarayana, and Sri A.J. Arunachala Mudaliar. It represented to the Prime Minister the disabilities and handicaps of the handloom weavers in the matter of yarn supply, and sale of cloth, and also requested for the prevention of the mills from producing saris and dhoties so that the handloom industry may prosper. Pandit Nehru promised to consider the request.

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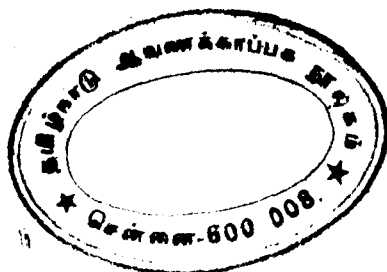
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Telegrams "COOPFIRE"

Telephone : 4361

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MADRAS-1.

President :

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P. SHANMUGAM, B.A.,
Secretary.

Post Box No. 1249.

Madras-1.

TELEGRAMS: "CENMORBANK"

TELEPHONE: 8230

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

LUZ, MYLAPORE, MADRAS.

President:

SRI BHOGARAJU VENKATARATNAM,

Authorised Capital	...	Rs. 50 Lakhs.
Paid up Capital	...	Rs. 20,25,600.
Reserves	...	Rs. 30,94,300.

The Bank is the Apex Co-operative Bank for long-term agricultural credit and issues debentures 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-'52

Liabilities.		Assets.	
	Rs.		Rs.
Paid up Share capital.	20,47,600	Cash on hand & balance with Banks.	48,564
Reserve and other Funds	... 31,38,519	Loans to Primary Banks	... 4,84,96,97
Debentures	... 5,59,49,000	Sinking Fund Investments	... 1,02,13,97
Deposits, Loans and Overdrafts	... 23,34,882	Other Investments	... 42,91,891
Sundry Liabilities	... 3,66,639	Sundry Assets	... 11,21,515
Profit	... 3,36,273		
Total Rs.	... 6,41,72,369	Total Rs.	... 6,41,72,369

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

Secretary.