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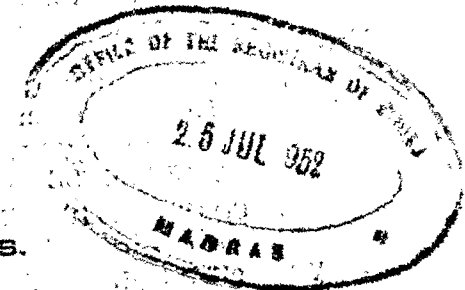


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THE

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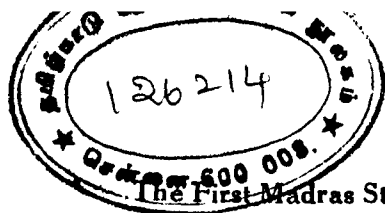
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Thought for the Month

Combination of Scientific and Folk Knowledge is Needed:

It cannot be assumed that the people always know better than those responsible for policy. But, since their needs arise from personal experience and their attitudes develop out of the whole complicated environment in which they live, their judgment is better on some matters than that of the planner who observes their problems only from an exterior position and who may concentrate upon one aspect to the neglect of other point. For example, agricultural planners might point out that if the farmer lived on his farm instead of in the village, time would be saved and efficiency increased; but the farmer may prefer to live in the village in order to participate more actively in community life. So the value of increased efficiency must be balanced against the value of social participation. Usually, proper definition of a welfare situation requires the combined judgement of the people with their folk knowledge and of experts with his scientific knowledge.

(From *Essentials of Rural Welfare*—F.A.O.)



Editorial Notes

The First Madras State Co-operative Housing Societies Conference

Our readers are aware of the proposal made by the Madras State Co-operative Union to hold a Co-operative Housing Conference in Madras. Co-operators and enthusiasts of community housing will be glad to know that the First Madras State Co-operative Housing Conference was held in Madras on the 1st of this month, under the auspices of the Madras State Co-operative Union. The Conference was attended by no less than 300 delegates representing over 150 housing co-operatives out of nearly 300 active housing societies in the State besides numerous other official and non-official co-operators.

The delegates and visitors were welcomed by Sri B. Venkata ratnam, President of the Madras State Co-operative Union. The Conference was inaugurated by the Hon'ble Sri D. Sanjivayya, Minister for Co-operation and Housing, Madras, and presided over by Sri C. S. Ratnasabapathi Mudaliar, one of the veterans of the Co-operative Movement in South India. Sri J. C. Ryan, Registrar of Co-operative Societies also addressed the delegates and visitors on problems of co-operative housing. A number of resolutions were discussed and passed at the Conference.

The most noteworthy feature of the Conference, was the earnestness and enthusiasm of those assembled in participating in the deliberations and contributing their best to the solutions of the various problems facing the Movement. It was clearly noticeable that there was a genuine desire among the enthusiasts in the housing movement, both official and non-official, to discuss problems threadbare and to arrive at conclusions which might help the building up of more houses so that the housing shortage may be relieved early.

Most of the speeches delivered at the Conference, centred round four important issues. First the extent and nature of State aid for housing; secondly the aid from municipalities and local bodies; thirdly popular effort; fourthly the provision of housing to the poor man.

Regarding the role of the State, it was reiterated that the State has the most important part to play in the provision of proper housing. It was pointed out that in foreign countries, where the need for housing was greater than in our own country,

EDITORIAL NOTES

on account of the destruction of millions of houses during the recent War, the Government has been playing the chief role in the matter of providing housing for the people. The examples of Britain, Germany, Austria, Holland, Palestine, France, and other countries, were cited to indicate the deep interest which their governments evinced in this vital matter.

Secondly the importance of the aid of municipal and local bodies in the shape of providing common amenities, reduction of taxes, and the like was stressed. It was pointed out that in many foreign countries the corporations and municipalities gave special concessions to housing co-operatives, with the result that houses came to be rapidly built in those countries. In our country where the people are poor and uneducated, the responsibility of the local bodies is all the greater. The attitude of some of the municipalities and corporations towards housing co-operatives, as a source of fresh taxation and levies was deprecated by all the speakers. The third point which received emphasis at the Conference was the need for more genuine endeavour and greater earnestness on the part of the people. After all the houses are for the people to live in; and therefore the larger part of the effort must come from the people themselves. In the State a considerable number of urban housing societies are functioning to some extent. There are very few rural housing societies, though the need for rural housing is no less than the need for urban housing. In other countries not only urban areas, but the rural areas have received considerable attention and the entire land is being covered with garden towns and garden villages. We have heard of the beautifully built up villages of Palestine and of Austria. It was expressed at the Conference that the entire State irrespective of urban and rural areas should receive the attention of our house-building enthusiasts. Fourthly the question of providing housing for the poor man received considerable attention at the Conference. Sri Ryan, the Registrar of Co-operative Societies, said that the scheme for house construction with Government subsidies should be considered mainly as a business proposition and that therefore it is not possible for the poor man, without any saving capacity, to own a house. He, however, suggested that some tenements might be put up with Government subsidies by Co-operative Societies and rented out to the poor men, so that they might live there as long as they liked. It was felt by many of the speakers that this would be the best policy in the matter of housing the poor labourer who cannot afford to have a house of his own from his own earnings.

The decisions arrived at in the course of the deliberations were formulated into resolutions, some of them referring to the important role of municipalities and local bodies in co-operative housing schemes, the need for developing housing schemes for the poor, the need for legislation on the lines of the English Housing Act for fixing responsibility on the Government and local bodies for relieving housing shortage and so on.

We appreciate the work of the First Madras State Co-operative Housing Conference, which is the first of its kind in all India. We cannot but feel that while the Auxiliary Conference on Co-operative Housing, held at Bombay in February this year was rather inconclusive, the Madras Conference has led the way to the entire country by holding deliberations and arriving at definite policies for the promotion of housing in this State and probably in the country as well; for what holds good for the State holds good for the entire country, where conditions are not essentially different from those obtaining in the State.

While the work of the Conference was almost comprehensive, we cannot but observe that three questions of considerable importance have not been dealt with by the Conference; the first relates to the desirability of floating debentures for finding finance for the housing schemes to supplement the funds forthcoming from the Government. In his Welcome Address, Sri B. Venkataratnam suggested that houses for the lower income groups might be financed by the Government and that houses for the higher income groups could be built by finding funds from debentures, funds obtained from insurance companies and the like. We feel that this suggestion did not receive the attention it deserved. This policy probably would enable the poor men to have houses with cheap Government money and the well-to-do houses at a slightly higher rate which they could easily afford by virtue of their better financial position. Secondly the need for self-work in rural areas and labourers' quarters in urban areas was not properly appreciated by the Conference. Manual labour of the workers themselves is a great asset which the house building society could safely count upon. We are told how in Britain (which also suffers from an acute housing shortage) in addition to the construction being done by public authorities and private undertakings, scores of self-building societies were encouraging and helping groups of people to build homes collectively for themselves in their spare time. These societies give sufficient

training to their members who come from all walks of life, to enable them to erect and fit their houses. All jobs are done by the members and nothing is considered beneath the dignity of any one. We hear that similar self-help in building is encouraged in Palestine as well. The promotion of this sort of self-effort in the country side and among labourers in urban areas is most desirable since that would be the best method of co-operation among the masses. We wish the Conference had stressed the need for developing this activity among co-operative house-builders. A third important matter which would have been useful is the consideration of organising a Housing Committee at State level so that it could compare notes with the progress and the problems of housing co-operation in other States and even of other countries.

Nevertheless the Conference did very appreciable work. It now behoves the Government and the people to do their part of the work. The Government on their part should carry out legislation on the lines of the Housing Act of United Kingdom as suggested by the Registrar in his speech and as endorsed by the Conference in the form of a resolution requesting for such legislation. The people on their part should put forth effort in a greater measure to pool their resources in money and labour. As the Hon'ble Minister suggested in his Inaugural Address, owners of sites should give up their selfish interest in their land in favour of the people who are struggling to have some sites. More and more people with enthusiasm and honest interest should be brought into the Movement so that the Movement might progress rapidly and on sound lines. A considerable amount of propaganda is essential particularly in the countryside. Now that the problem of housing is not confined to one class of society alone but to the entire State and to every class of people, it is hoped that every citizen of the State will evince interest and work honestly and enthusiastically so that Madras may lead the other States in the field of Co-operative Housing.

Community Projects:

The most important feature of the economic reconstruction programme of our country to-day seems to be the ushering in of Community Projects. These projects represent the first total strategy to realise the potentials of our villages and to bring them in line with others in the world. The aim is fully to utilise the land and labour in our villages by methods that money and organisation can find.

India has been for some years trying her best to develop the rural community and rural life in all its aspects. But unfortunately the inadequacy of finance and the shortage of trained personnel has circumscribed the scope of its work. A considerable amount of good work has been done in Madras State in particular through the Firka Development. But its scope also has been necessarily limited for want of finance and trained personnel.

Thanks to United States of America, we have a concrete and comprehensive plan of development through the Community Projects. India should be grateful to her and in particular to Mr. Chester Bowles, United States Ambassador to India, who was the prime mover in the matter. Mr. Chester Bowles, from a study of the condition of our country and our needs was deeply impressed with the possibilities of building up a strong India by making available considerable finance from his own country. He saw in a strong India a bulwark of defence against the dangerous socio-economic influences of the world. He endeavoured successfully to convince his country of the great and urgent need to help India with American money. In one of his inspired speeches delivered recently at New York, he said, "Go to India; you will love the people." He also urged that the American people must stand by the side of the Indian people out of a sense of 'partnership' in advancing towards a better life. Mr. Bowles felt convinced that the young people in India and in America had in common three basic hopes for their future: First they wanted a chance to move ahead economically and develop in line with their abilities; secondly, they wanted to see democracy work; and thirdly they wanted peace. There was thus a strong case for co-operation based on the natural affinity among the men. It was this firm conviction of Mr. Chester Bowles that was probably the nucleus to this American plan to aid India.

Readers would have found in our previous issue of this Journal, an article on Community Projects. We publish in this issue a radio talk broadcast by Sri J. M. Lobo Prabhu, Secretary to Government, Development Department, Madras. Sri. Lobo Prabhu is a man of imagination and forethought. He has been evincing considerable interest in the development of the countryside in our State. He has a fund of experience with community development, gained in Uttar Pradesh as well as the benefit of useful discussion with Mr. Chester Bowles on rural problems. His talk presents even to the layman, clear ideas about the Community Projects in which the people will have to play a very important role.

It has been proposed to develop with the 50 million dollar American aid, 50 Community Projects all over India, covering 17,500 villages and 12 million villagers. Of them 6 projects, covering 1,274 villages are located in Madras State. The scheme of work in the Projects is as follows: The area of operations of each project is to extend over about 300 villages with a population of about 2 lakhs. The area is unwieldy and hence for administrative purposes, each Project area is divided into three development blocks, each consisting of 100 villages. The projects which are on the Etawah model, aim at the increased volume of agricultural production and thus the economic betterment of the people by the people themselves on co-operative basis with the active assistance of the State Governments. Some of the special aspects of the programme are agriculture, irrigation, education, social welfare, health and industries. To ensure that the work achieves certain targets, a common pattern and time schedule of about 3 years will be imposed on the Projects.

The following main features of the plan draw our attention in the matter of its execution. First the adequacy of finance. Each project will have as much as about Rs. 65 lakhs to spend usefully in 3 years on the various aspects of development. For a country like ours, where finance is the crux of the problem, this sum for each project is really immense. A number of our plans and schemes have had to be given up or left half-done, due to financial stringency. Thanks to the American aid, enough funds are forthcoming for implementing a comprehensive scheme of development. Secondly, the general scheme of development supposes that what will evolve under the influence of a given set of forces should within the limits be the same in all Projects. It is obviously the intention of the planners that this common result will be apparent in 50 different areas throughout the country. In a sense the 50 Projects are to be "fashion plates" to the rest of the country for a new order. This idea to use a common mould to produce certain results may be American in conception and as such new to our country men, who are trained to feel that the local colour and local conditions prevent the production of common results even under normal conditions. The third important feature seems to be the imparting of an irresponsible impulse—the precise definition of objectives, methods and schedules—so that the Project will have the urgency of military operation. This is very significant in as much as it requires a considerable amount of disciplined movement and quick action in the matter of implementing the plan. Fourthly—this is probably the most important feature—the plan contemplates the employment of people's own effort in the various stages of the plan. Basic to all the planning for these Community Projects, is the determination of the Central and State Governments that the improvements will not be forced or imposed upon villagers. Rather, the whole programme is to be carried out in such a way that the villagers themselves will

actively participate in the planning and will be encouraged to take initiative, develop experience and confidence and a sense of personal achievement and advancement. Thus the man power in each village will be fully utilised and full co-operation of the village secured so that the time-schedule of the various stages, namely, conception, initiation, operation, consolidation and finalisation may be kept up as far as possible.

At the Conference of the Development Commissioners of States, held in May, it was decided that the field operations must start by September this year in at least one Project area, approved by the Central Committee. The Hon'ble Sri C. D. Deshmukh, Finance Minister of India, said at the meeting that every plan was in the nature of a pilot one and to the extent that it was practical, its success would ensure extension of the programme in other areas.

It will be remembered that Gandhiji always pleaded for planning from the bottom. It was this suggestion that has been in a way implemented in our State in the form of Firka Development. But here now is a magnificent opportunity for large scale planning from the bottom in no less than 300 villages at a time and *enbloc*.

This scheme places a heavy responsibility on the people, for our people are not used to handling large funds and expecting common results over wide areas. We have however helpful features like experience with Firka Development and a strong desire to struggle for freedom from want.

Foreigner as he is, Mr. Chester Bowles himself has given a good inspiring message to India's youth in this matter. He said, "As you go into the villages and dedicate yourselves to India's hard but challenging struggle for freedom from want, the young people around the globe will be cheering you on. If you succeed in this great experiment in democracy—as I am convinced you will—all the world will be in your debt." In the course of his Address to the Parliament, the Hon'ble Dr. Rajendra Prasad, President of our Indian Union said with reference to the Community Projects that this programme "can grow if it has the full co-operation of the people and I earnestly trust that in this matter as in implementing the other proposals of the Planning Commission, their co-operation will be forthcoming in full measure."

In this programme of rural development, the Co-operative Movement must play a vital role in the matter of credit, cottage industries, marketing, housing and the like and we earnestly appeal to the co-operators in this State and elsewhere to do their very best for the promotion of Projects so that the hope and trust of the American initiator of the programme and of the Hon'ble President of the Indian Union may not be belied.

Community Projects*

SRI J. M. LOBO PRABHU, I.C.S.,

Secretary, Development Dept., Madras

Most of you may have heard of Community Projects, but not many may know what precisely they are, and what they mean to the country. The history and the theory of community projects are important for properly understanding them. Historically, the idea of developing the potentials of our villages goes back to twenty years when the growing political movement revealed how pitifully equipped the rural masses were for democracy. Beginning with the experiment at Gurgaon, the movement for rural development spread throughout the country. In our State it took a pronounced shape in what was called 'Firka Development'. The Planning Commission from a study of the different experiments found that the pattern of rural development in Etawah district of Uttar Pradesh, and urban development at Nilokheri and Faridabad, evoked the best response and secured the best results. The Hon'ble Chester Bowles, U. S. Ambassador, in his search for a scheme to help India seems to have been convinced that a combination of the Etawah and Nilokheri projects represented the best integrated development for the country. I know Etawah having been Collector of a neighbouring district and I know Faridabad having been connected with rehabilitation of refugees. I was therefore greatly interested with the ideas of the American Ambassador, which he discussed with me here in Madras for nearly an hour. He sold those ideas to the American Congress and obtained a grant of 50 million dollars to establish 50 community projects on the pattern of Etawah throughout the country. Six of the 50 projects are located in Madras.

The ideas behind the projects are roughly four: first, that land and labour, which history and custom have impoverished, should be fully employed; second, that this cannot be done without outside help in money and guidance; third, a substantial measure of the help spread over the project area of 300 villages can effect transformation of the land, which will be an example to the rest of the country, and fourth, that the experiment will generate self-help to the point of giving the work its own momentum. To ensure that the work achieves certain targets, a common pattern and time schedule will be imposed.

*Talk broadcast over the A.I.R. Madras on 17-5-52.

The common pattern derives from the origins of the scheme. Its justification is first, that it has been found workable and reproducible and second, that for the large contribution that the U.S.A. is giving, a minimum achievement is assured. For this reason, in respect of staff, surveys, strategy of operations, finance, items of work, certain standards have been fixed. What will evolve under the influence of a given set of forces should within limits be the same in all the projects. It is obviously the intention that this common result which will be apparent in 50 different areas throughout the country will demonstrate what the application of a plan can do to improve the rural conditions. In a sense, the 50 projects will be "fashion plates" to the rest of the country for a new order. This idea to use a common mould to produce certain results may be American in conception. For that very reason it may possess the dynamism which is characteristic of American enterprise.

The pattern for finance is an allocation of Rs. 65 lakhs for each project, to be spent in three years. The distribution of this amount is Rs. 5.74 lakhs on personnel, Rs. 1.95 lakhs on equipment, including 9 jeeps and demonstration equipment, Rs. 46.75 lakhs on construction, including Rs. 20.25 lakhs on irrigation, Rs. 4 lakhs on drinking water supply, Rs. one lakh on drainage Rs. 11.5 lakhs on roads, Rs. 7 lakhs on education, Rs. 3 lakhs on land reclamation, Rs. 4.5 lakhs on cottage industries, and various small sums on other items. In addition to the total provision of Rs. 65 lakhs, Madras Government have suggested a large provision for short term loans required for loans of seed and fertilisers.

The work pattern is also stereotyped, subject to only variations arising from local conditions. In agriculture, the emphasis is on irrigation, seeds manures and extension services. Atleast half the cultivated area in every village in the project is to be brought under irrigation. The importance of this should not be overlooked. It has recently been computed that irrigatiron increases the yield of rice by 70 per cent, of millets by 125 per cent and cotton by 200 per cent. The extension service designed to improve agricultural technique under the close supervision of a worker for every five villages has great potentialities. Due to various obsolete practices the yield of our fields is a small fraction of the optimum and about half of an easily attainable average. A general increase of 10 per cent would wipe out the food deficit, while every further increase will create purchasing power to rehabilitate not only the cultivator, but the impoverished

general economy of the country. Good seed and adequate manuring also multiply the yield, while soil conservation and plant protection will eliminate the large loss of food taking place now. Improvement of livestock through the Key Village Scheme for breeding pedigree stock should remove a grave deficiency in the agricultural economy. For cottage industries, which can utilise the unemployed and under-employed present in all villages, the plan is to provide finance, electricity, technique and marketing. In education, vocational training will receive special attention. Otherwise compulsory elementary education for the young, and social education for the adults will be organised. The plan for health and housing will see the realisation of projects which have been waiting long for finance. The plan for communication will remove the present isolation of many villages. All in all, the aim is to fully utilise the land and labour in the village by methods that money and organisation can find. A certain measure of urban development will be added so that the surrounding villages may have within call superior services in all branches of development.

The time schedule of three years contemplates five stages, the first of conception of 3 months when the project area will be intensively surveyed, the second of initiation of 6 months during which materials will be assembled and foundation laid, the third of operation of 18 months which will cover top speed activity, the fourth of consolidation, and last of finalisation when the village will be put in gear to be part of the normal administrative mechanism. This scheduling is intended to maintain tension on the work so that all the three hundred villages in each project move forward bound together.

Of the 50 Projects in India, 6 have been allocated to Madras, the first in the Kurnool—Cuddapah—Canal area, the second in Coimbatore, the third in Malabar, the fourth in East Godavari, the fifth in South Kanara and the sixth in Madurai. All areas have assured rainfall and a margin for improvement visible from their natural and human factors.

The question will be raised why these community projects should succeed when so many other attempts in the same direction have failed. Though the answer is for the future to give, the Community Projects contain certain trends which are new and urgent. The first is the impact of a large expenditure on certain admitted deficiencies. Sixty lakhs is a very considerable sum of money to be spent in small areas, the effect of which will be to employ

people on a scale unknown in the past. The resulting atmosphere of change may well lift the villages out of the slough in which they have been lying for centuries. It will discover to them the capacities of their land and labour, creating a new mental attitude to work and life.

Secondly, the trend of the Projects is to impart an irresistible impulse. On account of the precise definition of objectives, staff, methods, and schedules, the projects will have the urgency of a military operation. The stress will be such that all will be swept into the strategy designed for implementing the Indo-U.S. Technical Co-operation Plan.

Thirdly, the Projects are to be based on the precise survey and study of the assets and deficiencies of the villages in the project areas. The projects pride themselves for being in a schematic of otting, taking account of some 100 factors which are being surveyed. This Government have suggested that there should be a balance sheet drawn up for each village, the villagers' contribution also being indicated.

Otherwise this Government have suggested first that all expenditure should be related to tangible results, which will be self supporting; secondly that the basic aim may be to fully utilise the man power and land in each village, the plan being based on a survey of labour available and the schemes necessary to fully employ it, thirdly that to secure the full co-operation of the village, some elected authority may be created and charged to enforce the collective responsibility of the village to reach the prescribed targets.

It may be possible to detect small defects here and there in the plan but these will be corrected as the work proceeds. All in all, the Community Projects represent the first total strategy to realise the potentials of our villages, and to bring them in line with others in the World.

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Has the Handloom Industry a Future?

SRI PRAGADA KOTAIAH, M.L.A.,

General Secy., The Madras Handloom Weavers' Congress, Nidubrolu.

Every Indian may feel proud of the past glory of the Indian Handloom Industry which is as ancient as the Indian civilization. But what is its present position?

Many modern-minded citizens of this country seem to be of a strong opinion that India has no economic salvation unless she also develops large scale industries on the examples of western countries like America or England or Russia. Textiles are not exempted in the above said conception. There are also enlightened citizens who honestly believe that industrialisation on western lines is not the be all and end all for the economic salvation of this country. There are extremists too, among whom several claim to belong to the Gandhian or Sarvodaya School of thought, who hate the machine as a demon and who imagine that unless we return to the way of living of our forefathers of some centuries before, there can be no peace and prosperity in the world. In modern terms they advocate decentralization of industries and their development on cottage basis. They advocate decentralisation even in the administration of the country. But we cannot be and should not be carried away by the slogans of the extremists on either side. It is only when we discuss any subject dispassionately we can afford to arrive at some conclusion.

Coming to handloom industry, we must first have a clear and definite idea what we mean by handloom industry, before we can venture to predict anything about its future. For this purpose one should remember that during the course of its long history, the Indian handloom industry had undergone several changes. When we think of Handlooms nowadays we cannot think about the 'old pit loom' and the 'throw shuttle.' The old throw shuttle pit looms gradually gave place to frame looms with fly shuttle. Now automatic or pedal looms are gaining popularity. In many centres where cheap electric power is available, powerlooms are being worked on the *factory system*. Under the factory system, the weavers leave their homes and family and work as wage-earners for specified hours under one individual capitalist or a corporate body. We must therefore note carefully the distinction between the above said two types of weavers whatever may be the type of loom worked by them. Only looms worked by the individual weavers in their

own homes by members of their own family should really be constrained to connote handloom industry. It is in this sense that we have to judge the future of the handloom industry.

For any lay man it appears that not long before, handloom industry on the cottage basis as stated above shall give place to the machanised mill or factory textile industry and that the sooner this change takes place, the better for the country as a whole and for the middle class and poor consumers in particular. This impression is based on the belief that under the large scale machanised mill industry or centralised factory system, more and better cloth can be produced and cheaper cloth will be available for the people in the country. But very few people realise that supply of better and cheaper cloth in abundance by mills presupposes several other things.

Our country must be in a position to install the required number of mills. Even if we have got the required capital, we must be sure of securing the required machinery and trained technicians. Then we must be assured of an adequate supply of the required varieties of cotton for the mills. The labour must be satisfied with cheaper wages, the capitalist must be satisfied with smaller profits and the Government must be satisfied with less income from the industry in the shape of taxes. There must be adequate production and the entire production must find a local market. If there is over-production, there must be outlets for exports without sacrificing the interests of the consumers in the country and without sacrificing the interests of other industries, which can thrive only through exports. Otherwise, some of the mills have to be closed and production reduced and this will again create scarcity of cloth. Is it possible for any Government of any country to guarantee all the above prerequisites, when the Government of every other country are equally anxious to safeguard their national interests?

All arguments for or against the Government giving any kind of encouragement to any industry always emanate from concerned vested interests. The interests which have got a stronger pull in the Government will get the support of the Government and this support is always used or abused mainly to serve the ends of the particular vested interests in any country. Imagine for a moment that the handloom industry is completely banned. What will be the immediate and the later consequence? There must be scarcity of cloth for the consumers and plenty of profit for the existing mill

owners and traders. Later on plenty of cloth for the consumers may be made available by starting more mills, but later on it may also lead to closing down of some weaker mills which cannot withstand the competition of the bigger, more efficient and upto date units. In between, the Government must be intervening to check profiteering of mill owners, to prevent over working of labour, to subsidise the losing units and to prevent hoarding and maldistribution of the cloth produced.

Many people generally imagine that centralised large scale machanised production must always be cheaper than decentralised large scale production. Is this always correct? Take for example that one million yards of a particular type of cloth has to be produced. At the rate of 100 yards for each power loom in a mill working 3 shifts in a day of 24 hours 30,000 persons working on 10,000 power looms can produce one million yards of cloth in one day. The same cloth can be produced in a day of 8 to 10 hours by

2,00,000 throw shuttle looms at	5 yards per loom.
1,00,000 fly	10
50,000 pedal	20
25,000 power	40

Can it be said on that account that the production of cloth by power looms in mills is cheaper. Many are apt to ignore various items of expenditure incurred by a mill to work 10,000 power looms. First imagine how much it will have to pay in the form of:—

1. (a) Interest on borrowed capital.
- (b) Depreciation on machinery, fixtures and buildings.
- (c) Insurance of buildings, machinery, stocks, transport etc.
- (d) Over head charges including managing agents, commission officers, salaries and other clerical and outdoor staff.
- (e) Amenities to labour.
- (f) Taxes to Government.
- (g) Shortage, wastage, breakage and loss.
- (h) Dividend to share holders.
- (i) Power or fuel charges.
- (j) And wages to weavers who work the powerlooms.

Generally, the last item alone is taken into account by the lay man in calculating the cost of weaving and it is imagined that quick production with machanised appliances must be cheaper. One

must remember that what is actually paid to the weavers in the mills forms only a fraction of the total cost of producing cloth including the above said items. But it is quite different in the case of the looms (fly shuttle, pedal or power looms) working in cottages of weavers. The weaver need not incur any of the above shown items of expenditure. He can therefore afford to charge higher wages for producing less cloth within a given time provided he has no other handicaps created by the Government or other agencies. Supply of inadequate yarn in unsuitable counts at higher rates is the greatest handicap now facing the handloom industry.

Imagine again for a moment that all textile mills are ordered to be closed. The immediate consequences must be a shortage of cloth, sky-soaring of prices, maldistribution and consequential Government intervention to check the said evil effects. Here also if Government is interested in or influenced by the handloom industry, it can intervene, encourage more people to take to handloom industry, subsidise the industry in different ways and side by side solve unemployment in the country besides providing the required cloth. All this is possible only in a country where there is no shortage for men and where there is unemployment. But where there is shortage for men and a greater demand for commodities, mechanisation may be desirable. In a country like Australia where there are very few men but whose wants are multiplied, machine, may be necessary. But it cannot be the case in a country where unemployment of millions is the problem of the day.

Then, what should be the attitude of the Government in the existing state of affairs in India? Is it better to multiply machines and increase unemployment or to reduce machines and increase employment to the people. The future of the handloom industry therefore depends upon the attitude taken by the Government for or against centralised mechanisation of the textile industry and on the attitude of the vested interests who can influence the Government. But, both of them cannot also escape the pressure of outside influences i.e. influence arising out of international developments and supply and demand of commodities in the international markets. Apart from what is stated above, one thing is certain. Whether it is economic or not, the Indian handloom industry is bound to struggle and survive against the crushing competition of the mills, as long as the tastes and fashions of men go on changing rapidly from time to time. Secondly, attempts are being made to accelerate

the production in handspinning also as was done in the case of hand-weaving. The weaver working a pedal loom or power loom in his own house is now capable of producing in a day seven or eight times the quantity of cloth that could be produced by his forefathers on their throw-shuttle looms. Similarly, if the spinning industry is developed in cottage, the handloom weaver will become less dependent on the spinning mills for the supply of his own main raw materials viz. yarn. We are also told that new varieties of yarn produced from fibres other than cotton are being introduced; and who knows what revolutionary changes they may bring in their turn?

What about the effects of climate, religion and social customs, on modes of dress in different countries. Even if women give up wearing sarees and men give up wearing dhoties, pugries, and lungies the handloom weaver is capable of adapting himself to the changing demands and conditions.

Another thing also is certain and more significant. The handloom weaver and his partners in family are capable of struggling for existence even against the powerful mills, with their hungry stomachs and rag-covered limbs working in their sunlit and rain-leaking huts. Above all the strength of the mill industry is built on its speed in production whereas the strength of handloom industry is built on its capacity to produce intricate designs. Handlooms always have an advantage over the mill looms, introducing weft designs whereas in plain weaving even with warp designs they can easily approach the speed of the mill looms.

The Madras District Co-operative Central Bank, Ltd.			
13/14, Mukkur Nallamuthu Chetty Street, Madras 1.			
ESTD. 1930		TELEPHONE NO. 2384.	
Authorised Capital	...	Rs. 10 lakhs.	
Working Capital	...	" 35 "	
<i>All kinds of deposits accepted.</i>			
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Current Deposits	½ %	Savings Deposits	2 %
Fixed Deposits For—: 6 ms.	3¼ %	For 1 yr.	3½ %
		For 2 yrs.	3¾ %
<i>Further particulars can be had from the undersigned :</i>			
B. S. VJAYAGOPAL, B.A., B. COM.			
<i>Secretary.</i>			

Faridabad Co-operative Township

SRI N. LAKSHMANAN,

Hony. Secretary, Tagore Academy, Coimbatore

I went to Faridabad to see with my own eyes the remarkable social experiment in self-help. The place is about seventeen miles from Delhi, on the road to Agra, near the Jumna river.

Nearly one crore of refugees have crossed over to India from Western and Eastern Pakistan. The story of this caravan is described in a well-documented book *Half Way To Freedom*. The aim of this article is to narrate briefly the co-operative endeavour of the 25,000 *Pathans* who were among the families hailing from the North-West Frontier. After Partition, they camped on the ancient plains of *Kurukshetra* near the village of Faridabad. They were living in hastily improvised huts and tents as they had to face the rigour of extreme heat and cold, far from their ancestral homes. Their language is Pushtu. They were mostly urban traders and shopkeepers. They had to depend solely on the doles distributed by the Government of India. Inevitably this system led to demoralisation and kindred social maladies. Such a crisis was at once a challenge and an opportunity to the seasoned social workers of Sevagram and the experienced co-operators of India.

The Government of India formed an autonomous Development Board for building up the new Township with the active co-operation of the Refugees. The Government also placed at the disposal of the Board twenty-four million rupees in the shape of a long-term loan. Dr. Rajendra Prasad, now the President of the Indian Republic, was the first Chairman of the Board. He is succeeded by Pandit H. N. Kunzru. Prime Minister Nehru is watching with keen interest the progress of this Township.

Health Centre

The newly built hospital near the mound is the first to attract the attention of a visitor. On 5th June 1951, the Prime Minister laid the foundation stone for the Badshaw Khan Hospital. It is noteworthy that it was built by the people of Faridabad *with their own hands* in the name of the Frontier Gandhi. The construction of the hospital for 125 beds is complete, and the opening ceremony is to take place soon. An old garden house at the entrance of Faridabad is now used as a hospital for the Refugees. Dr. Sushila Nayyar kindly took me round, along with half-a-dozen girl pupils trained by her in Nursing and Nutrition. The sign Board showed 545 as out-patients. Beds occupied were 86; serious cases 13; infectious 41; maternity 10. The T. B. ward gave a clue to the malnutrition among the Refugees. Mass X-Ray was completed recently. There was no case of cancer. The health centres are crowded with women and children. Old people are carefully fed and sheltered in tents.

As Others See

Dr. Sushila Nayyar helped me to contact Mr. Sudhir Ghosh, the Administrator of the new Township. I found him overwhelmed with multifarious duties along with a team of experts. He and his wife Dr. Ghosh are content to live in one of the Nissen huts near the Railway station. He receives visitors here itself. Mr. Chester Bowles, the American Ambassador, is all admiration for this co-operative achievement at Faridabad. Dr. William F. Ogburn, Professor of Sociology at the University of Chicago, is on a lecture tour in India as a Fulbright Professor and stated that India "reminds me of my own country, after we won our independence". He was truly amazed at what was done at Faridabad where, in 18 months' time, a whole town was constructed for 25,000 people and jobs provided for them.

The entire township is divided into five neighbourhoods, each a complete and self-contained unit with shops and co-operative stores and health centres. In the first four months, the Refugees completed 1,750 houses, an achievement for the urbanised shopkeepers and traders who took kindly to manual labour. Only 20 percent skilled workers from outside helped and trained them at first. The Development Board had originally estimated Rs. 1,400 for each house consisting of a room and a veranda. The Co-operative Union was however able to get a model house which could get each family two rooms and a kitchen for the same amount. An additional Rs. 300 provided each family with a separate bath-room and water closet or privy. In the graphic phrasing of the late lamented Professor Patrick Geddes, there is a world of difference between such housing and ware-housing the people. These houses built by Co-operative effort or "brotherhood economics" are occupied by the Refugees on a hire-purchase system under which each family pays Rs. 11 a month for thirty years to become the rightful owner.

Social Work.

The co-ordinated social work carried on at the new Township by a number of leading voluntary associations is another object lesson from Faridabad. Asha Devi Aryanayakam is a veteran educator with teaching experience gained from the Tagore Ashram and the Gandhi Ashram. She is the Secretary of the Hindusthani Talimi Sangh. The primary schools and the two high schools of the new Township consisting of four thousand pupils are managed by her and her assistants. The Widows' Home conducted by her is an inspiring institution, so full of pathos and human understanding. I reached the spot at prayer time and inwardly invoked God's blessing on all those silent social workers who have come forward to "wipe the tears" of the unfortunate sisters. The Kasturba Trust has opened a centre for unattached women.

Industrial Harmony.

Dr. Ghosh's Assistant drove with me to inspect the industrial area of the Township. It was the opportunity of a life time to see the method by which small industries with their labour-saving devices are flourishing side by side with large scale factory industries, run by machinery. Buttons were being made out of dumnuts imported from Sudan. It is worthwhile discovering another raw material nearer home. The hosiery factory was manufacturing socks and banians from textile machines, while a handful of women were winding yarn in the next shed. The gentlemen in charge of toy making has a real insight into child psychology and is producing toys which have an educative value. For instance, there is the map of India which children can easily remove into parts and than assemble them in an intelligent manner, perhaps in imitation of the Montessori Method of teaching. The Co-operative enterprise covers a wide variety of industries. The workers erect their own factories where they are taught to learn a gainful occupation suited to their tastes and aptitudes. A power-generating plant produces six thousand K. W. of electricity. The Technical Institute is run on training-cum-production basis. It has already started manufacturing diesel engines. Then there is private enterprise of the Bata Shop Factory removed from Pakistan and installed here with the object of giving top priority to the residents of Faridabad who seek employment. This is mixed economy by which the co-operatives and private enterprise have joined hands to solve the vexed problem of un-employment and under-employment.

Rural Urban Sociology.

It was time to take leave of Dr. Ghosh, I plied him with few more questions especially about the due payment of the Government loan. It was learnt that it carried 3½ per cent interest. This huge loan is to be cleared within a period of thirty years out of the income from electric power, the rents from the houses and out of the industrial wealth. There is also the ambitious plan of blending city life with village life by integrating 216 villages with Faridabad Township. The Assistant Director Mr. L. J. Jain drove with me to New Delhi and kindly gave me some interesting glimpses of this venture in rural-urban sociology. This subject of Planning deserves the study and support of the Co-operators in India.

HOUSING

Co-op. Housing in Madras—Some Suggestions

SRI BIKKANI VENKATARATNAM

President, Madras State Co-operative Union

Hon'ble Minister and Fellow Co-operators,

On behalf of the Executive Committee of the Madras State Co-operative Union and myself, I extend to you all a warm welcome on this memorable occasion of the First Madras State Co-operative Housing Societies Conference. We have amidst us veterans in the Co-operative field. Sri C. S. Rathnasabapathi Mudaliar is one of our oldest Co-operators. It is our fortune that he has kindly consented to preside over this Conference. The Hon'ble Sri D. Sanjeevayya, our Minister for Co-operation and Housing has already shown himself (even during the short period of his office) a keen observer and a shrewd administrator. He holds the twin portfolios of Co-operation and Housing which, I feel, augurs well for the State. Sri J. C. Ryan, our Registrar of Co-operative Societies, needs no introduction to you. He is virtually the sponsor of the Co-operative Housing Schemes in our State and is as keenly interested in housing or any non-official Co-operator. I welcome them and all the others on this occasion.

For sometime past we have received representations from some Housing Societies suggesting the holding of a Housing Conference at State level. The Registrar also favoured the idea. This Union saw the need for such a step. But unfortunately a conference could not be held until now for various reasons. I am however glad that it has now been possible to hold it even at such a short notice. Since arrangements had to be made rapidly, we could not arrange for the proper board and lodging facilities for the delegates and others. I request you, brother co-operators, to put up with the inconvenience caused in the circumstances.

You are all aware that the Government of India have pledged themselves to the establishment of a Co-operative Commonwealth. This means the building up of national life in its three important sectors, namely food, clothing and shelter. We are told that in U. S. A. there are what are known as 4-H clubs for the purpose of developing the 4-Hs, namely Head, Heart, Hand and Health. I feel that this can be developed by concentrating on 1-H, namely housing. I am sure that if we take care of this 1-H, the other 4-H's will take care of themselves. We must try to build our houses properly; and we will help build our national life and our Co-operative Commonwealth. Bad housing is the cause of all ills; and good housing the panacea or the healer of our national maladies—It will act like the "Sanjeevi," the healing herb of our

* Welcome Address delivered at the First Madras State Co-op. Housing Societies Conference in Madras on 1-6-1952.

legends. It is a strange coincidence that we have in quick succession Ministers whose very names are meaningful—I mean Sri Sanjeeva Reddy and his successor Sri Sanjeevayya, who now holds the portfolio of Housing. We now look to him, the custodian of this healer for its proper administration.

Co-operative housing in our State is comparatively very recent. We learn from the history of housing in foreign countries that communal house building was started in some countries even as early as 1892. It is regrettable to note that even when those countries were designing garden cities with garden houses we were just considering the question of constructing scattered dwellings through Co-operative agency and State aid. Moreover our housing problem was largely urban. Due to the Depression and other causes there was an exodus from village to the town, and therefore a demand for urban housing. But the supply in towns and cities was rather meagre. There was some urban house construction chiefly with State aid, but work was slow and desultory. Private bodies like insurance societies and improvement trusts played little part. It was hard after a time even for the Government to provide adequate funds. Consequently in 1935-36 there was for some time a proposal to organise a Central house building society for floating debentures so that enough money might be found in the event of the withdrawal of State help. This proposal however did not take shape and even the State loan system was stopped during the war.

At the same time for obvious reasons the need for housing increased. The cost of materials and labour rose very rapidly. Therefore few houses were built or repaired.

After the war the Government found it necessary to revive their pre-war housing policy. House building societies began to function again with State loans to some extent since 1946-47. The example of other countries in co-operative or communal housing inspired our Government and our popular Registrar, Sri J. C. Ryan, who is amidst us now and whose enthusiasm and hard work for executing new ideas and schemes is well known. Soon, other type of housing co-operatives like house construction societies and townships came into being. We have in Gandhinagar at Adyar and the Township at Katpadi monuments of co-operative housing enterprise in our State. There were as on 30-6-'50 281 housing societies with about 26,000 members. The Government have invested about Rs. 1.60 crores and some 1,250 houses have sprung up. There are at present no less than 325 housing societies. The work so far done has clearly shown the possibilities of co-operative housing in our State. I take this opportunity to thank the Government of Madras for their schemes of "large dimensions and magnificence" and Sri J. C. Ryan for "his imagination and courage in putting them into shape".

Housing is the most urgent socio-economic problem all the world over. Governments and private bodies are doing their best to solve it. We hear of the thousands of dwelling units built in U. S. A. Austria, Germany, Denmark, Britain, Palestine, etc. We cannot compare our quantitative progress with theirs. We can, however, compare notes with them in the matter of quality of work, nature of problems and the ways and means of tackling them.

A housing survey conducted in U.S.A. showed the following problems: First, the obtaining of finance and insurance; secondly the long period of delay while land was being procured and the lay outs prepared and builders sought for construction work; thirdly the increases in the costs of materials; and fourthly the withdrawal of members due to undue delay in the execution of plans.

Finance is therefore the chief problem even in the rich countries. We can well imagine how much more important and difficult it must be in a country like ours. Our dependence for co-operative housing finance is very largely on the State. I may mention here that its importance can be judged from the fact that at the Auxiliary Housing Conference held in Bombay in February this year by Indian Co-operative Union, the discussion mainly centred round the raising of adequate funds for co-operative housing. There are various suggestions like the roping in of insurance societies, the floating of debentures and the organisation of improvement trusts. No definite lead seems to have been so far given by any State in solving this problem. Even the Housing Conference at Bombay was not conclusive in this respect. I hope that this first Housing Conference of Madras, which is also the first State conference in India, will carefully consider this vital problem and give a definite lead to the country.

The next important problem before us is how to help the lower income groups—labourers, low-paid employees, etc.,—in securing proper housing. The Government have some schemes for them but no concrete shape has been given to them. Only a few weavers' societies and mills have started building houses for their employees and members. Only the other day the Hon'ble Minister for housing who is amidst us here said at a city meeting that the people living in slums in the City would be provided alternative accommodation in the slum clearance scheme. This assurance is encouraging to us. It will now be useful if this Conference considers and offers concrete suggestions as to how to house the poor in the slums in cities and other areas. The main point to be considered is whether State loans and other finances like the *Harijan* Fund should be ear-marked for housing those poor men and money should be found in other ways for executing housing schemes for the well-to-do. The terms for providing State

funds and the nature of tenancy for the poor should also be considered and decided.

The next important problem is rural housing. There is a growing self-consciousness in the country side but there is also grinding poverty. Rural housing has become a measure of public health and social security. There are now 35 rural housing societies in the State with little record of work. It is high time that greater attention was paid to this aspect of rural development where voluntary manual labour is a great asset which any Co-operative enterprise can safely depend upon.

The problem of procuring building materials is as important as that of finance. You, who are managing societies, know the difficulties in procuring them. There has been some suggestion from some quarters that the manufacture and supply of materials should be centralised as in some foreign countries. We have not reached that stage of progress at present; but I hope that in course of time we shall be able to manufacture materials like bricks and cement blocks and supply them to societies through a regional organisation. Any how, we shall have to work up slowly towards that end even from now.

There is however one line of co-operative activity in housing which really requires some centralisation even at this stage; and it is supervision, technical advice, design, and propaganda. I believe that a Housing Committee of technical and economic experts at State level is highly desirable. This Committee can be affiliated to the International Housing Committee for mutual benefit. This Committee may ultimately develop into a central organisation for administering finance, supply of building materials and technical supervision and direction.

Gentlemen, these are but a few of the problems. There are many more of varying importance. They will probably crop up during the course of the discussions.

Before I conclude I must mention two basic points. The first is the role of the State in solving the housing problem. Dr. Pattabhi Sitaramayya, one of our best men and co-operators said the other day while declaring open the Gandhinagar colony at Adyar, "The Government's interest has now extended to every department of life. Housing has become the primary concern of any civilised Government. It is the duty of any Government to provide shelter, food, clothing etc., to the people. They judge any civilised Government by this standard." I cannot do better than endorse every word of Dr. Pattabhi. In this connection I must add that even municipalities and corporations, as limbs of the Government, are not on a different footing from the Government. In western countries the communal building societies are exempt from corporation and other taxes and public housing.

legislation has given them legal status and protection. You know how in Madras our Madras House Construction Society and the Registrar have had a tough fight with the Corporation of Madras on the question of their levy of betterment tax. I feel that some legislation is necessary to protect our housing co-operatives from such disabilities. I hope the Conference will urge the Government in this matter.

The second point relates to the part which the public can play in Co-operative housing projects. In the survey in U.S.A., referred to above, truly co-operative housing associations are taken as those where the initiative, the direction of the policy and the technical advice and supervision and execution (of the architect and the contractor etc.) come from members of the society or from honorary workers. It is significant that even the engineers and architects are required to be either honorary workers or regular employees but not semi-independent bodies or individuals.

This is a period of Plans and also a period of Projects. The Grand National Plan is already on the anvil and housing has an important place in it. We now hear of community projects of which communal housing forms a necessary part. Co-operative house builders have therefore a heavy responsibility. It devolves on them to prepare the ground and give the lead so that community projects may have considerable ease in execution.

Co-operative housing like other development projects requires a good deal of education and propaganda. Dr. J.P. Warbasse, the President of the Co-operative League of U. S. A. has told us that it has always been found that the progressive societies appropriate some of their surplus savings to a central organisation for education and that the characteristic of backward societies is that they refrain from doing so. We consider ours a progressive Co-operative Movement; and if it is so we ought to do like the other Co-operatively advanced countries. The Madras State Co-operative Union under whose auspices this First State Housing Conference in all India is being held is a central Institution devoted first and supremely to education and propaganda. It will only be a recognition of our proper place among the co-operatively advanced nations, if this Institution is strengthened by you all, so that it may carry out its mission fully and usefully. I appeal to you all therefore to join it and enable it to serve you.

I greet you all once again and request the Hon'ble Minister to inaugurate the Conference.

Co-operative Housing : The State and the People*

THE HON'BLE SRI D. SANJIVAYYA,

Minister for Co-operation and Housing, Madras.

Friends,

I am thankful to the President and Members of the Executive Committee of the Madras State Co-operative Union for inviting me to inaugurate the First Conference of the Madras State Co-operative Housing Societies. I am extremely happy to note that the Union has taken a good opportunity to organise a Conference of this type to allow free exchange of views relating to the difficulties experienced so far. The problem is an important one which has a vital bearing on the health of the nation and the standard of living of the community in general. Such Conferences conducted periodically will go a long way to help the quick progress of the Housing Schemes.

2. There are several difficulties in solving this problem. Much depends upon the enthusiasm of the agencies in getting over such difficulties. Co-operative effort represents a happy mean between the restricted and often slow-moving methods of municipal and public enterprise and the system of commercial enterprise which is solely actuated by the profit motive. Therefore the Co-operative Housing Societies which are mainly formed to serve the needs of their members without any profit motive can do much better than any other agency. The principle of co-operative movement to improve the social and economic conditions of the people is good; but it can be achieved only by the selfless work of the members who constitute the movement. It would be better if the principle of taking intelligent, selfless and honest people into the fold even at the outset, is followed strictly. People who can understand the spirit of co-operation only will be very useful to the movement. Lack of enthusiastic co-operators will result in the dull progress of the movement. Even though there are 295 Co-operative Housing Societies at present in our State, the number of houses constructed so far by these societies bears a very little proportion to the number of houses required. This may also be due to some practical difficulties involved in the construction of houses: but such difficulties can be very easily got over with some enthusiasm and sincere effort by the societies. It can be seen that a good majority of the housing societies are in a dormant state. The Board of Management should take interest in pushing through schemes. It should enlighten the members on the method of sending applications along with all the particulars. The execution of the plans at a cheaper rate and in a shorter time will be useful for the quick progress. It is often felt that there is considerable delay in the sanction of the loan to the members. It should be noted that this is only due to the insufficient particulars furnished by the societies; and nobody can expect the public money to be spent without due consideration being given to the solvency and capacity of members for repayment of the loans advanced.

3. In spite of the Government's favourable attitude towards the speedy acquisition of sites in favour of building societies, there may be some delay due to the various complications existing in certain localities. This can very well be reduced by a careful selection of the sites which are free from any complications. In almost every case of acquisition we are likely to get some objection or other. I would appeal to the generosity of the public to consider the seriousness of the housing problem and to give up

*Inaugural Address delivered at the First Madras State Co-operative Housing Societies Conference held on the 1st June 1952.

CO-OPERATIVE HOUSING : THE STATE AND THE PEOPLE

their selfish interest in the site, in favour of the people who are struggling to have some sites for their colony.

4. There are only two Co-operative Townships in our State. Considering the various advantages of a Township, I would like to suggest that some of the Building Societies of important industrial centres, where congestion is keenly felt, may form into Co-operative Townships and try to create beautiful colonies with all the civic amenities in them.

5. It is felt that not much is done for the common man with limited means. Government are extending many concessions like securing the materials for building purposes, placing the required technical staff at the disposal of societies in addition to advancing loans to the societies. It is upto the society to devise, in consultation with their technical experts, cheap housing schemes to keep them within the reach of the common man. They should do necessary propaganda among the rural folk to evince interest in them to join the Co-operative Housing Societies which satisfy their needs because to-day everybody feels that the villages are uncared for and unattended to. The present slow progress of rural housing is due to the ignorance of the rural folk of the various possibilities of getting the aid from the Government through the co-operative movement. Conscientious work and intimate contact with rural folk by the able co-operators will go a long way towards educating the ignorant about the need for good sanitary housing which is next in importance only to food and clothing. Considering the importance of rural housing, Government have provided Rs. fifteen lakhs in the Budget for 1952-53 as loans to rural housing societies.

6. Today we see beautiful colonies such as the Gandhinagar Colony of Adyar and Venkatesapuram Colony of Ayanavaram, which are the results of the selfless services of Mr. Venkataswami Naidu who associated himself with the Madras Co-operative House Construction Society for a long time. These colonies have relieved to a certain extent the scarcity of houses which is acute in Madras. If the same enthusiasm is forthcoming from several other quarters, the housing shortage can be relieved in a very short time. The Corporation and the City Improvement Trust are contributing their mite towards the solution of this problem in Madras. The Madras State Co-operative Union should also be able to tackle this very well, taking advantage of the useful suggestions of its Secretary, who is a medical man evincing great interest in the co-operative movement.

7. Government realise their role in relation to Co-operative Societies, and will try to render all possible help to stimulate the co-operative enterprise. They will always promote conditions under which co-operatives can thrive and develop. In the present state of finance of this Government, it may not be possible to provide all persons with houses. They can go to the assistance of persons who are willing to help themselves on the basis of self-help and mutual help. It is upto the people to avail themselves of State aid under the existing rules, so that the number of dwelling houses in cities and towns may be multiplied and congestion reduced to the minimum possible. The Co-operative Housing Societies will, I hope and trust, find out the needs of the people, educate them in getting the State aid for building their own houses.

Once again let me thank the President and the Executive Members of this Union for giving me this opportunity of inaugurating this Conference and associating myself with the deliberations of this day.

Co-operative Housing—Its Main Problems*

SRI C. S. RATNASABAPATHI MUDALIAR,

President, Coimbatore Co-op. House Construction Society, Ltd.

Hon'ble Minister for Co-operation and Housing, Friends and Fellow Co-operators :

It is my pleasant duty to congratulate the sponsors on their success in convening this Conference which is the first of its kind in the Madras State. When I received the invitation to preside over this Conference, I accepted it with alacrity because of my humble devotion to the cause of the Co-operative Movement. I am always grateful to those who permitted me to work for some years as the President of the Madras Central Land Mortgage Bank and the President of the Madras State Handloom Weavers' Co-operative Society. Thus I am glad to avail myself of this opportunity of renewing contacts with fellow-co operators. I am equally glad to meet, on this platform, the Hon'ble Minister for Co-operation and Housing. The happy combination of these two portfolios gives the Hon'ble Sri D. Sanjeevayya a great opportunity and scope for helping not only the middle classes but also those who belong to the lower-income groups. I wish him all success.

The Co-operative Method

As the Reserve Bank of India's Survey says, the essence of the co-operative method has not always and everywhere been fully grasped. We read: "The method consists not in doing things for others but in teaching them to do things for themselves; it has to take account of the fact that the problem is psychological and human, not merely technical or mechanical. It has to be adopted to a vast enterprise calling for a high initiative. It requires, above all, faith and enormous patience, for the Co-operators' path is riddled with obstacles, the effort is heavy and the results are slow to appear." The need for training is obvious to me, as President of the Coimbatore Co-operative Training Institute. You and I can easily realise the value of the Reserve Bank's classic warning that there is no place in the co-operative field for the well-meaning amateur. "Above all, it involves a close and patient study of problems, and the problems are manifold—social, economic, educational and moral."

The same human approach is specially necessary to those who wish to promote Co-operative Housing Societies. This point is brought into bold relief by a valuable publication of the Reserve Bank of India. I received, with thanks, the complimentary copy of "Co-operative Housing." The literature on the subject is increasing. Till the year 1950, it was difficult to get a concise

*Presidential Address delivered at the First Madras State Co-operative Housing Societies Conference in Madras on 1-6-1952.

book of reference on Co-operative Housing in India and abroad. This want has been happily supplied by the Reserve Bank whose book deserves to be widely read, especially by the diligent students of the Co-operative Training Institutes in our country.

Housing and Town Planning

Food, clothing and housing are the basic needs of the human family, from time immemorial. Contrary to popular belief, the people of India have bestowed much thought on Housing and Town Planning, from the remote ages. The hereditary masons of Tamil Nad and the carpenters of Kerala have derived all their skill from their thoughtful ancestors. Our Tamil Classics contain references to Town and Village Planning. A Tamil scholar was inspired to publish a book in English on "Town Planning in Ancient Dekkhan" after the visit to South India of Professor Patrick Geddes in 1915. This serves as a companion volume to the masterpiece by Geddes on *Cities in Evolution*. When Geddes saw the specimens of Town Planning in some of our "Cathedral Cities" such as Concheepuram, Srirangam and Madurai, his admiration knew no bounds. At the same time, he regretted to observe that our people had lost sight of the time honoured principles of renovation and reconstruction. He repeated this warning when he came back to India about a generation ago, as Principal of the Bombay School of Sociology. The over-crowded *chawls* of the over-crowded Bombay City were then re-constructed by a special agency. Professor Geddes was painfully surprised when he saw the new tenements from the Indian point of view, and he said, "This is not housing, but ware-housing." That is to say, the human approach was lacking; it was merely a brick and mortar affair!

You will agree with me that the importance of housing could not be over estimated. Insanitary dwellings and slum tenements account as much for disease and ill-health as malnutrition. In view of this any scheme which aims at the raising of the standard of living of the masses or at the achievement of the targest of a Welfare State will not be complete if the problem of housing does not find an important and proper place.

Housing problem is not peculiar to our Country; nor only to backward Countries. It is common to all the countries throughout the world. Only it is a question of degree varying from State to State. In our country 9 out of every 10 houses are one-room tenements and every latrine serves an average of 23 persons excluding some millions who use some open grounds and the road side drains for easing. There seems to be a mis-apprehension that in advanced countries like the U.K. and the U.S.A. the housing problem is absent, or at least that it will not be of any considerable magnitude. If in Europe annually 1,600,000 housing units are

constructed (which is double the figure of pre-war years) it will be twenty years before the needs of that country are met, especially taking into account that 6 million housing units were destroyed during the war. So also, if the U.S.A. constructs 1,500,000 housing units per year, it will take another 10 years for the current needs of that Country to be met. I am citing these, just to show the magnitude of the housing problem throughout the world.

In India even the meagre building activities that existed before the war had to be brought to a stand still during the war years. Further there was no incentive for any kind of plans for housing establishments due to controls and due to inflated cost of materials and labour charges. This has aggravated the housing problem in our State.

Some have suggested the construction of temporary buildings as a remedy for the housing shortage; but having regard to the life of these temporary constructions, their cost works out to enormous proportions compared with that of durable permanent buildings. Taking a long range view this is very un economic.

Low-Cost Housing

The state of affairs with reference to housing is serious enough in the Cities of Upper India: Our great Prime Minister Nehru recently expressed his horror of housing conditions in the industrial areas of Delhi, Kanpur, Calcutta and other places. Before dealing with the financial aspect of Housing, I wish to stress the importance of properly trained town-planners. It is satisfactory to note that the United Nations Commission on Low Cost Housing in South East Asia has urged the need for well-trained architects. Those experts said that many of the mistakes in planning and building which they noticed in new schemes and buildings in India were traceable to failure to consult trained architects. Some of the new co-operative townships deserve this complaint. "Economy of space, the right use of materials and the adaptation of buildings to the purpose for which they are intended are considerations which are never absent from the mind of the architect." As *The Hindu* says, it is strange that the tradition of organic town-planning recommended by Sri Parick Geddes has been forgotten in Madras where he made a powerful impression. Through that noble *savant* has passed away, it is necessary to train people who combine our ancient wisdom with modern knowledge. It is indeed a matter for satisfaction that the All-India Council of Technical Education which met at Calcutta on 12-4-52 has recommended a School or Institute of Architecture for Madras.

According to the U.N. report the main reason for the housing shortage is "the backwardness of the building industry as regards

technology and organisation". It is gratifying to note that our Government have realised this and appointed a Committee to go into the question under the Chairmanship of Mr. F. C. Badhwar.

The Badhwar Committee have suggested two ways by which economy could be effected in building. They are (1) by expert architectural planning and structural designing and (2) by adopting utility scales of accommodation. The Committee has also stressed "the need for the establishment of a National Building Organisation to collect, collate and disseminate technical information available both at home and abroad."

But mere establishment of the National Building Organisation contemplated as above is not enough. The Government should take more interest in the development of housing schemes. But we have here to express our great disappointment at the attitude the Government seems to take in this matter. There appears to be no co-ordination policy in regard to Housing. The Planning Commission's target of one lakh of housing units a year has been reduced to the ludicrously low figure of 25,000 units a year in respect of housing for industrial workers.

In the field of rural housing it is very disappointing to note the Planning Commission's view that "it is impossible to find a practical solution" for the reconstruction of the villages on the basis of modern principles of planning.

It is a matter of satisfaction to note that in Madras we are having Mr. Sanjeevayya as the Minister in charge of Co-operation and Housing. It is admitted on all hands that any housing scheme worth the name should first include plans of slum clearance. The people living in this City in slums should be grateful to the Hon'ble Minister for his assurance that the Government would either provide them with alternative accommodation or accommodate them in the old places themselves by the Government acquiring the sites. This assurance of the Hon'ble Minister is not too early in the day as there is a general feeling that campaigns for slum clearance has not always been accompanied by solicitude for the interests of the people living in the slums.

For the advancement of the Country, development of Industries is quite essential, and for the development of industries, schemes for the housing of labour are paramount. Though industry is expected to provide a number of amenities for its labour, it should not be made exclusively responsible for providing housing facilities but Government also should share this responsibility. Lately the U. K. Government have come forward to build labour housing estates through Country Councils at reduced rates. In the U.S.A. it appears big housing estates are planned and built by Engineers and Contractors and rented out to the Industry and

Labour direct. Some such enterprises should be encouraged by the Central and State Governments.

Of course there are some industrial concerns which have come forward to launch housing schemes for their workers. In such cases the Government should not hesitate to give suitable help to these concerns. It is gratifying to note that the Government of India propose to build 1,50,000 houses for the Railway employees. So also every industrial concern should build as many houses as possible for their employees and the Government should help them to the necessary extent. So far I have dealt with housing problems in general. The Co-operative Movement has a big and noble part to play in the housing Schemes of the country. To enable the Co-operative Societies to play their part worthily, Government should encourage them by giving mortgage loans on easy terms by direct subsidy and by preferential allotment of land and material.

Housing and State Aid

Now, I wish to deal with the all-important subject of finance. It is well-known that many useful schemes of common good get broken on the rock of finance. With characteristic compassion for the common man Mr. Nehru declares with reference to housing: "I am quite clear that no country can for long say, 'We are very sorry. We mean well, but we have no money to do this.'" The problem of housing is as complex as it is vast. We are told that even in advanced countries like America and Russia this is a serious problem. Let us examine the attitude of the Central and State Governments in India. Out of the Rs. 254 Crores provided for social services in the National Plan, only Rs. 105 crores had been allotted to health and medical relief. The suggestion made by Sri B. Shiva Rao, M. P. (in his Mangalore speech) is to the point. That veteran labour leader said that instead of idealistic schemes like health and insurance schemes started by the Government of India better housing would do more to promote health among the working classes than any other factor. The Central Government's policy has been explained by Sri Gulzarilal Nanda who is the Minister for Planning in the Nehru Cabinet. He said that a Central Committee of Experts had been appointed to prepare designs for houses suitable to local conditions. He, however regretted that Government could not advance loans to co-operative societies for this purpose. Though it goes against the grain of the co-operative principle of self-help and mutual aid, some advanced States of Europe are lending money for Co-operative Housing. For example, this is the case in Sweden and Denmark. Such a country as Switzerland is said to have the advantage of State subsidies for co-operative housing societies.

House Sites

The third variety of state-help is the method of granting and acquisition of loans suitable for building schemes. It is a relief to note that some of the States in India are already helpful in the matter. Mysore and Hyderabad have the foresight to prevent the growth of large factories in crowded urban centres. In our own State of Madras, a liberal policy has been followed in the sphere of finance, tendering of advice and guidance, giving preferential treatment in procuring and supplying materials and even providing staff in deserving cases. As you know, an important order has been passed, on the recommendation of the Provincial Housing Committee that "whenever a department of Government, a municipality or an improvement trust or other public body have at their disposal lands for sale or on long-term lease for the construction of houses, they should be given to co-operative housing societies in preference to others at reasonable rates without public auction." This order bears eloquent testimony to the superiority of the co-operative method, already described in the early part of my Address. Thus as indicated by the Reserve Bank's publication, and as we know on the spot, Madras is in the forefront with regard to many types of co-operative activities, and housing is no exception.

Bombay is the State which has the place of honour with Madras. The housing movement in other States is said to be "still in its infancy." The Bombay scheme of rural housing is commendable. Available Government lands would be given free. The price of the private lands is borne by Government. The cost of the house is restricted to Rs. 800 including Rs. 100 for shed and barn for an agriculturist-family. Out of the estimated cost of the house, 40 per cent would be in the form of labour, etc. which would be supplied by the members and their families, while the remaining 60 per cent is to be given as interest-free loan repayable in 15 years in equal instalments." The necessary data for judging the practical results are not available. But it is safe to say that the scheme is inherently sound. It is worthwhile applying it to the Madras State as co-operative housing is intended to benefit the poorer classes, whether they live near factories or in the villages. Their re-paying capacity is the only difficulty.

It is for this Conference to give a lead as to whether Co-operative Housing Societies can undertake construction also of flats for its members instead of confining only to full houses, one for each member. The high cost of materials, labour and land now stand in the way of construction of more houses. Also in the case of separate houses common amenities cost equally high. In areas where flush-out facilities exist, if flats are constructed in 3 or more storey buildings, the cost of these items is brought down considerably. Bombay has gone ahead in this matter and has now

many such housing societies, each owning several buildings. In each of these buildings there are several flats, each flat owned by a member. In one 3 storey building alone, I know there are 30 members owning each a flat—a flat, each a whole dwelling unit by itself and with amenities such as water-tap, cup-board, bath-room, flushout latrine, etc. Co-operative Housing Societies in Denmark and Switzerland have resorted to this type of tenement building successfully and in such cases they construct even 9-storey-buildings, no doubt with lift facilities. These types enable the occupants to have common servants and sweepers and reduce to a small extent at least their commitments in this behalf. I will suggest that this may be tried for the present in the Madras City and if found suitable extended to the industrial cities of Madras, Trichinopoly, Coimbatore, Vizianwada and Vizagapatam and other such cities.

Housing Federation

The Co operators of Bombay marched ahead of Madras, in 1947-48, by organising the Co-operative Housing Federation for the benefit of the primary Housing Societies in the Bombay State. This does not mean that we were sleeping over the matter; for it should be remembered that Government dropped the proposal to form a Provincial Building Society for the Madras State, but undertook to make instead, adequate provision in the State budget for the granting of loans to building societies. I think that the time is ripe for us to request for a Government guarantee of the debentures that may be floated by the Housing Co-operative Federation to undertake the responsibility of increasing housing facilities in urban, semi-urban and rural areas in our Madras State. It is also necessary to request the Government to subscribe annually for these debentures at a scale equal to their budget commitments towards housing during the past years. The rest of the debentures must be sold to insurance companies and those who can invest for long-term period. This had been duly discussed and resolved at a meeting of the leading co-operators. The response is expected to be satisfactory from our Welfare State which is based on a Co-operative Commonwealth.

I cannot but make mention here of the very creditable activities that the Madras State Co-operative Union is undertaking. Special mention should be made of the fact that this Union convenes sectional conferences of Co-operative Institutions of various types which are affiliated to this Union. The needs and the difficulties of the various types of Societies would naturally vary. The convening of special and separate sectional conferences is very important in as much as it would facilitate not only voicing of the experiences and difficulties of particular types of Unions but would also be helpful in co-ordinating the policies of the different

sections and types of the Societies and evolving a sound and co-ordinated policy in general. Our congratulations are due to this Union for its efforts in this direction.

This Union also deserves the gratitude of the public for having convened this Conference of Housing Societies in this critical hour in our Country's history, as much benefit is likely to accrue as a result of the deliberations and decisions of this Conference.

Once more, I thank the sponsors of this Conference, and I request the Delegates to co-operate with me in conducting the proceedings of this Conference.

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The Role of Co-operative Housing Societies*

SRI J. C. RYAN, M.A., I.A.S.,

Registrar of Co-operative Societies, Madras.

Gentlemen,

One criticism which is often heard from Co-operators and non-co-operators alike is that Co-operative housing schemes have not helped the lower income groups. While I would admit at once that much has not been done in this direction I would request the critics not to forget what little they have already done. These housing schemes are not intended for constructing "A" and "B" class houses alone but also a large number of "C" class houses, costing about Rs. 5,000 each, and designed to meet the needs of the lower income groups. The societies connected with building houses in Gandhinagar in Adyar and Ayanavaram and Tanjore, and in fact every society made provision for building a large number of such houses. Besides there are certain special housing schemes undertaken by weavers' co-operative societies. Under these schemes weavers' whose monthly income did not exceed Rs. 17 or Rs. 18 are able to get houses at a cost of Rs. 4,000 or so. Such houses have been built at Yemmiganur at Bellary District, Ondipudur in Coimbatore District, Tiruchengode in Salem District and other places. More such houses are of course needed. But those who criticise the Gandhinagar scheme as a colony of the rich forget the fact that even well-to-do people are citizens of this country and they would also have houses. On a rough calculation, the population that has settled down at Gandhinagar is over 3,000; and to this extent, therefore, there is an abatement of congestion in the City and release of houses to the people of the lower income groups. I only wish to add that Gandhinagar has not attracted the attention of the critics alone but also of the admirers one of whom is an official of the F.A.O.

A Business

Critics of the scheme miss the essential point that these housing schemes are really business schemes not only for the societies but also for the Government who are giving the societies various kinds of facilities like supply of iron and steel, cement and timber at controlled or concessional prices. So far as finances are concerned, Government are only doing business through these societies. They lent money at $3\frac{1}{2}$ per cent and in some cases recently at $3\frac{3}{4}$ per cent interest. If they invested their money elsewhere they would probably get only 3 per cent interest. Indeed when the housing scheme was originally discussed and when I asked for funds, the then Finance Minister said that there was no money and that even if Government should invest money in these schemes they were not likely to make any "gain". My reply was that if I was given Rs. 1 crore every year I would show a profit of Rs. 1 lakh every year. The Finance Minister was surprised to see that there was 1 per cent extra income on the loan given by the Government to the societies. Then the question of administrative and supervision charges was raised. But even making allowances for these, Government could get at least 3 per cent return which was all they could hope for by investment elsewhere. So the Co-operative housing scheme was visualised by Government as well as the Societies as a business scheme.

Housing in United Kingdom

A man who has a surplus of Rs. 10 or Rs. 20 over his expenditure can have the help of the Government under the housing scheme. In all other

* Summary of the speech delivered by Sri J. C. Ryan M.A., I.A.S. Registrar of Co-op. Societies, Madras at the First Madras Co-op. Housing Societies Conference on 1-6-1952.

THE ROLE OF CO-OPERATIVE HOUSING SOCIETIES

countries it is recognised that if the poor man is to be housed, a certain amount of subsidy must come from some where to meet the cost. For instance, under the Housing Act of England, labourers in collieries, dockyards and railways are being helped in securing houses. That Act laid down definitely that subsidies must come from two sources, namely, the State and the Local Bodies. The law enabled them to prescribe a standard specification as the absolute minimum requirement of an ordinary labourer's family. On this basis they worked out the cost of construction of the house and the yield thereof. For an ordinary capitalist or private concern it would not be a paying proposition to build such a house in the absence of a subsidy. At first, even in England, the subsidy was fixed in urban areas at £6 per house for 20 years recurring in the hope that at the end of the period the capitalist who constructed the house might not lose anything and might realise the cost by way of rent from the worker and subsidy from the State and the building might become the worker's own. All their calculations went wrong and the poor worker was not helped. The houses that were constructed were really occupied and purchased by people of more liberal incomes. They scrapped the scheme saying that it was no use trying to sell houses to poor people over a period of 20 years. After all the fact must be recognised that when they gave a house to a poor man at the end of 20 years, the poor man ceased to be a poor man and became rich in the process. So it was thought that instead of trying to make the poor man the owner of a house in 20 years, it was better to build houses and rent them out to poor people as long as they lived in them. A modified scheme worked on the basis of a subsidy at £9 in urban areas and £12½ in rural areas for 40 years was introduced. Under this scheme 5 lakhs of houses were built and government have been contributing £5 million every year for 40 years and the local bodies £1½ million. The working of the housing Act in England makes interesting reading and reveals a great intelligence that has been brought to bear upon the scheme which would be useful to a State like Madras.

Need For a Housing Act

Therefore, in this country also, both Government and local bodies should be made responsible for relieving housing shortage. As at present no responsibility has been placed upon our local authorities in this behalf. Unless the responsibility is placed on local bodies, I do not know how the funds are going to be found. It seems to me that unless a Housing Act on the lines of the English Act is placed on the Statute Book and implemented we cannot solve the problem. The need for such an Act is all the greater at the present moment when various suggestions have been made of Government, employer and employee sharing the cost of any such scheme. The present Co-operative Housing Scheme has its own limitations and it cannot relieve housing scarcity. In fact they have already exhausted all the credit available in the various towns and the time has come when they can legitimately say that they have done business on business principles in the business sphere upto the maximum limit. If they should do something for the lower income groups, they must look for subsidy and funds which they can have only under a Housing Act suggested by me.

Resolutions of the Co-op. Housing Conference

The following resolutions have been passed at the Conference :

1. This Conference places on record its appreciation of the services rendered by Mr. J. C. Ryan, M.A., I.A.S. Registrar of Co-operative Societies in pushing through the work of House Building Co-operative Societies in the State.
2. (a) Resolved that the Madras Government be requested to amend the Municipal and Local Boards Acts making these bodies responsible for the formation of roads and provision of other amenities at their own cost in areas where Co-operative Housing Societies undertake to establish colonies of houses.
- (b) Resolved that the Madras Government be requested to exempt the members of House Building Societies and House Construction Societies which provide or have already provided their colonies with roads, lighting, water and sanitary facilities at their own cost, from payment of betterment and improvement taxes and supervision charges to the Corporation, Municipalities or other local bodies on their sites and buildings in the colonies and to refund such taxes already collected, if any, in order to stimulate greater interest in house building amongst the public and help those who are willing to help themselves, thereby relieving the Government and other local bodies partially of their responsibility for housing the lower income groups.
3. Resolved that the Madras Government be requested to recover from Housing Societies the actual cost only on account of Departmental Officers deputed to work in the societies under F.R. 127 instead of recovering the average cost of the posts.
4. Resolved that all housing societies do adopt subsidiary by-laws referring to the service conditions of their employees.
5. Resolved that model by-law No. 54 of Housing Societies be amended providing for the commencement of repayment of loans on the expiry of 18 months from the date of disbursement of the first instalment of the loan or of three months from the date of disbursement of the final instalment of the loan whichever is earlier.
6. Resolved that the maximum borrowing power of individual members be raised to Rs. 20,000 in the case of Housing Societies functioning in big cities.
7. Resolved that the Madras Co-operative Societies Act be amended exempting the office-bearers of Housing Societies from appearance at the Sub-Registrar's Office for registration of documents.
8. Resolved that Madras Government be requested to grant subsidies and if necessary interest free loans also to Housing Societies for the purpose of providing protected water supply.

RESOLUTIONS OF THE CO-OP. HOUSING CONFERENCE

9. Resolved that the borrowing limit of individual members of all Housing Societies be raised to 8 times their paid up share capital.
10. Resolved that the Madras Government be requested to charge interest on loans to all Housing Societies at the rate at which the Government are borrowing.
11. Resolved that the encumbrance certificates covering the period from the date of acquisition of land to the date of assignment of mortgages in favour of Government need not be insisted upon in cases where the sale deeds conveying title to members and mortgages by the members in favour of the society are executed on the same day.
12. Resolved that the Madras Government be requested to instruct the District Collectors to give priority to all Housing Societies in the matter of granting licences on permits for quarrying etc.
13. Resolved that the Madras Government be requested to instruct Municipalities and local bodies to give priority to Housing Societies in providing electricity and water supply connections.
14. Resolved that the Madras Government be requested to extend the concession of half fees for registration and encumbrance certificates to cases of borrowers taking loans exceeding Rs. 5,000.
15. Resolved that it is necessary that the period of currency of licences for constructions issued by Municipalities should be extended to one year or till the completion of constructions, as the period of six months allowed is inadequate.
16. Resolved that it is necessary that a consolidated licence for the constructions of type designs of houses should be issued by Municipalities in favour of each Housing Society instead of insisting on a separate application for each house.
17. Resolved that the Madras Government be requested to offer adequate concession in selling prices of timber so that the societies may find it advantageous to secure timber from the Forest Department in preference to local markets.
18. Resolved that the Madras Government be requested :
(i) to get plans and estimates prepared by the P.W.D. free of cost in the case of Harijans and members of scheduled classes; and
(ii) to waive the recovery of one third portion of the fee creditable to Government account when plans and estimates are prepared by the P.W.D.
19. Resolved that the Madras Government be requested to set apart not less than Rs. 5 lakhs as subsidy and constitute a Fund to develop Housing Schemes for the poor in all important towns and to advise local bodies and Municipalities to take sufficient interest in solving housing problems.
20. Resolved that the Madras Government be requested to lend the services of a Senior Inspector free of cost to each Housing Society for a period of at least one year when it is in the initial stages.

21. Resolved that the Madras Government be requested to appoint a sufficient number of P.W.D. Officers under the control of the Registrar for supervising construction work in Housing Societies and offering necessary advice to the societies.
22. Resolved that the model by-law No. 53 of building societies be amended so as to allow members who make advance payments towards loans, the benefit of a reduction in the amount of subsequent instalments.
23. Resolved to request the Government of Madras to lend the services of Departmental Officers free of cost to work as Secretaries of Housing Societies in Rayalaseema in view of the poverty and backwardness of the area.
24. Resolved that the Madras Government be requested to give interest-free loans to all Housing Societies in Rayalaseema area.
25. Resolved that the Madras Government be requested to postpone for one year the collection of instalments on account of Government loans advanced to Housing Societies in Rayalaseema and other areas affected by famine.
26. Resolved to request the Government of Madras to undertake comprehensive legislation on the lines of the English Housing Act fixing responsibility on the Government and local bodies for relieving housing shortage and providing subsidies for non-profit making institutions for construction of houses for lower income groups.

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The First Madras State Co-op. Housing Societies Conference, Madras

1st June 1952

SUMMARY OF PROCEEDINGS

The First Madras State Co-operative Housing Societies Conference was held at St. Mary's Hall in George Town, Madras on Sunday the 1st June 1952. About 300 delegates from no less than 150 Co-operative Housing Societies and numerous co-operators including officials and non-officials attended the Conference. Among them may be mentioned Sri J.C. Ryan, Registrar of Co-op. Societies and the Joint Registrars, Sri L. Venkatakrishna Iyer, President of the Madras Co-op. House Construction Society Dr. T. S. Tirumurthy, Sri M. P. Nachimuthu Mudaliar, Sri N. Satyanarayana, Sri M. S. Palaniappa Mudaliar, Sri K. Sitarama Reddiar, Sri Bh. Venkataratnam, Sri V. Parthasarathy, Dr. P. Marthandam Pillai and Sri C.R.K. Chetty,

The Conference commenced at 12 noon with prayer. The delegates and visitors were welcomed by Sri B. Venkataratnam, President of the Madras State Co-op. Union. (His Address is published elsewhere in this issue). The Hon'ble Sri D. Sanjivayya, Minister for Co-operation and Housing, Madras delivered the Inaugural Address. (His Address is published elsewhere in this issue) Sri C. S. Ratnasabapathi Mudaliar of Coimbatore presided over the Conference and conducted the proceedings. (His Presidential Address is published elsewhere in this issue.) Then Sri J. C. Ryan, Registrar, addressed the Conference on some important problems of co-operative housing. (A summary of his Address is also published elsewhere in this issue.)

Dr. P. Natesan, General Secretary of the Union read the Messages received from H. E. the Governor of Madras, Hon'ble Sri S.B.P. Pattabhi Rama Rao, Minister for Rural Development, the Hon'ble Sri K. Venkataswami Naidu, Minister for Religious Endowments, the Hon'ble the Raja of Ramnad, Minister for House Rent Control, Dr. B.V. Narayanaswamy Naidu, Member, Tariff Commission and Sri T. Narayana Pillai, Joint Secretary, Madras State Co-op. Union.

At about 2 P.M. the Conference took up for consideration the draft resolutions placed before them. The discussion was keen and lively, indicated a genuine effort at a solution of every problem confronting housing co-ops. Among the delegates who took part in the discussion were mentioned Dr. T. S. Tirumurthy, Sri L. Venkatakrishna Iyer, Sri Subrahmanya Sastri (Ongole), Sri P. S. Subrahmanya Pillai, Sri Raju Venkataratnam, Sri K. Sitarama Reddiar, Sri N. Satyanarayana Mudaliar, Sri Muthu Pillai (Katpadi), Sri V. V. Ramaswamy and Sri Naraswamy (Sri Kakulam). The Registrar participated in all the discussions and expressed the Government's point of view on all the issues under the course of the discussions. The resolutions passed are published elsewhere in this issue. A note on rural housing was also considered at the Conference and approved.

Natesan proposed a vote of thanks to the Hon'ble Minister, the Registrar and others, all of whom helped to make the Conference a success.

Letter to the Editor.

Sir,

The Co-operative House Building Societies—Additional securities obtained from members—Release requested on completion of construction and receipt of Executive Engineer's Report.

Having had a humble experience of a few years in the working of co-operative housing building societies, I wish to point out the following serious handicap experienced by members for immediate redress by the Registrar of Co-operative Societies, who is well known for his keenness to remove anomalies and genuine grievances:

By-law 51 of the model by-laws deals with 'additional securities'. Normally the site and the construction are sufficient security for the loan advanced. But it has been the practice in certain cases to ask for additional security in the shape of insurance policy or mortgage of other immoveable properties.

It is strongly felt by members and quite justifiably so, that the additional security is a superfluity and a vexatious burden, especially once the building has been completed and the site and the building have thus become adequate security for the loan advanced.

Moreover this procedure of obtaining collateral security has not been uniform and has been found unnecessary and as an invidious distinction between member and member. Moreover the member finds it to his great embarrassment that he is not able to do anything with the securities for 15 or 20 years and is not able to raise monies for his other essential family requirements such as marriage, sickness, etc. This is a severe hardship imposed on the member and may even prove to be a potent cause for any default in future payment of monthly instalments as he has to incur inevitably other debts for the said purposes.

At the worst, such additional securities—so far obtained—can only be retained for a temporary period, i.e. until the house is completed and the Executive Engineer has certified its worth, because the only plausible argument on behalf of Government is that Government takes some risk in advancing half the amount of Government loan (1st instalment) when the member has invested in the construction only 1/5th of the entire loan amount (i.e. 1/4th of the Government loan) in addition to the site value.

This question of release of additional securities can be dealt with only at "the Registrar level" because in all cases such collateral securities are one of the conditions imposed by the Registrar, and as such he is the only person competent to release them.

I, as a humble co-operator, therefore appeal to the Registrar of Co-operative Societies, the father of the Co-operative movement in India, to be so good as to order the release of the collateral securities obtained from members in all cases where the construction has been completed and the Executive Engineer has certified as to its worth.

V. P. KRISHNASWAMY
Secretary.

Tambaram Co-operative Building }
Society Ltd. G. 999, }
• Tambaram, }
80th May 1952 }

CREDIT

Co-operative Movement in Madras District*

DR. P. NATESAN, M.B., B.S.,

President, the Madras District Co-operative Central Bank, Ltd.

Hon'ble Minister for Co-operation, Mr. J.C. Ryan, Members of the Bank.

On this memorable occasion in the history of this institution, I offer you a very warm welcome on behalf of the Board of Directors and my humble self. 21 years have passed since the Bank was organised by the renowned International Co-operator, the late Sri V. Ramadas Pantulu who in 1931, finding a necessity for the organisation of a financing co-operative agency for the City of Madras laid the foundation for the Madras District Co-operative Central Bank. From that year onwards the Institution has been living and progressing in varying degrees during different periods. A statistical analysis of the financial statements of the annual reports and audit certificates from the year 1931 to 1951 will show that the paid-up share capital was about one lakh of rupees from 1931 to 1940, about Rs. 1½ lakhs till 1947 and has risen to nearly Rs. 3½ lakhs during the past 5 years. The loan transactions were ranging from Rs. 3 lakhs to Rs. 7 lakhs between the years 1931 and 1947 and rose to Rs. 27 lakhs between the years 1948 and 1952. The profits were very meagre during the first 15 years ranging between Rs. 1,500 to Rs. 10,000 and during certain years the Bank sustained loss. From the year 1948 the profit rose from about Rs. 17,000 to about Rs. 50,000 every year. The Reserve Fund on date exceeds Rs. 83,000.

The City of Madras presents certain special features from the point of view of loan transactions of the financing bank. In the absence of agricultural operations there are no agricultural or manure loans. Primary co-operative institutions which require financial aid may be mainly classified into:

- (i) Employees Societies;
- (ii) Scheduled Caste Credit Societies;
- (iii) Urban Banks; and
- (iv) Non-credit Institutions.

There are 66 employees' societies working very successfully in the City. The collection of instalments is made by compulsory recovery from the salary of the employees. In this respect the societies organised in the firms of the City and institutions of the Madras Government do not experience any difficulty. But Institutions like Postal and Government Telegraph require a further legislation for the enforcement of collections from their salaries. Since the Hon'ble Minister for Co-operation has graced this occasion with his presence, I would take this opportunity to request him to place the long pending Co-operative Amending Bill before the Legislature and bring benefit for the institutions. This compulsion, though of course opposed to the principles of co-operation will be necessary till the average man reaches the level of the co-operative ideal when every individual member will feel it a sacred and divine responsibility to pay his instalment in time.

*Welcome Address delivered on the occasion of the Opening Ceremony of the new premises of the Bank on the 28th May 1952.

Though the City presents an external appearance of pomp and splendour there are more than 100 slum and backward areas in the limits of the City and the District Bank has organised about 52 societies among the scheduled classes in these areas. These small institutions are looked after by the Bank with great care and are rendered several kinds of assistance. Provision of Inspectors to inspect periodically the societies, to help collections and to render necessary technical assistance, scrutiny of title deeds of the member applicants of the societies free of cost, special reduced rates of interest to these societies and a further rebate to regular societies, non-insistence on any type of supervision fund are the very many methods by which the scheduled caste societies are looked after. Above all I have taken it as a pleasant feature of my co-operative activities to visit every scheduled caste society once a year and to scrutinise and conduct regular rectification along with two other directors and the Secretary of the Bank. I have always felt that regular re-payment of instalment by the societies to the Bank is not the real criterion of efficiency, but that it lies in the regularity of members to the society. To this end we have exhorted the institutions and I am glad to state that there are nearly half-a-dozen societies among the scheduled caste societies with which even the biggest urban banks cannot stand a comparison in the matter of regularity of members. Apart from the credit facilities offered to these members the bank has also advanced finances for the purchase of house-sites and the construction of small huts for the benefit of the members. But the difficulty experienced in the acquisition of plots, obtaining a *Patta* and completion of official formalities sometimes loom large as obstacles to the achievement of the results. I would request the Hon'ble Minister on this occasion to help these institutions in these respects and also render such assistance to get many types of civic amenities which these areas are miserably lacking.

There are only 5 urban banks in the City of Madras and all of them are intimately related to the financing Bank. Apart from the mechanical development of transactions every urban bank will have to inculcate a long-term thrift habit among the members, which would augment the resources of the institution to encourage long-term house mortgage loans. The philosophy of co-operation lays considerable stress on surety loans in urban banks, but personal long-standing experience teaches us that we should moderate our enthusiasm in the policy of surety loans in these institutions. Distribution of large surety loans without adequate security, on the plea that co-operative institutions are charitable institutions and should help the poor man—all with a view to obtain cheap popularity—non-insistence on regularity in the repayment of regular instalments, consideration of bad loans as easily realisable assets, are all the surest modes of laying the foundation for the liquidation of an urban bank and to seriously affect the financing bank and the investing depositor.

On this occasion I must express my deep debt of gratitude to the Directors of this Bank who have reposed an overwhelming confidence in me and have pleasantly co-operated with me in all my endeavours. I have always considered that one of the essential features required for the successful working of an institution is an efficient and honest directorate. Party politics, petty factions and low selfish interests have been responsible for the ruin of many co-operative institutions. At the premier consumers' organisation in the City the other day, the Hon'ble Minister for Co-operation declared in unequivocal terms, "Offences and mistakes committed with a definite and deliberate view to perpetrate fraud will not be left

unpunished." These words, Sir, are still ringing in my ears and will gladden the hearts of all true co-operators. In the building up of this Bank, I have faced major criminal climaxes. But for the Registrar, who stood adamant with an iron hand to put down corruption in spite of the heavy inordinate forces arrayed against, the bank would not have reached the position it is occupying to-day. I must acknowledge on this occasion the deep debt of gratitude which the movement itself in South India owes Mr. J.C. Ryan, for the extra-ordinary interest he evinces in the progress of Co-operation and for his great efficiency which have earned for him an international reputation.

I should on this occasion pleasantly acknowledge the efficiency and the sweet sincerity with which the members of the staff of the Bank with a sharp and young Secretary as their chief have been discharging their duties. We have also striven our best to place the prospects of the employees in as attractive a manner as possible. I am proud to state that the response to our efforts has been very delightful. The Hon'ble Minister for Labour will be pleased to hear that the provisions made by the institution for the employees are far in excess of those contemplated in the Shops and Establishments Act.

I must acknowledge with all sincerity the ever increasing enthusiasm evinced by our Sri T.V. Ratnam, the Deputy Registrar, Madras, in rendering the technical advice in the day-to-day transactions of the Bank. Considerable delay and red-tapism were avoided by his cheerful response and cent per cent attendance at the meetings of the Bank.

Lastly one word about the premises of the Bank. Ever since the inception of the institution, it has been forced to locate its office in various localities in the City of Madras. During the period of evacuation, the office was shifted to Gopalapuram first and subsequently to Royapettah and for about a period of nearly 3 years the Bank was conducting its affairs in that part of the City. In the George Town area the institution had to be run in more than half-a-dozen addresses on account of obvious difficulties. The whims and fancies of private land lords, the legal restrictions of rent control were all constantly staring us especially in the over crowded George Town area, where we have to run the Bank. In the year 1950 when the transactions began to rise the Board determined to set apart a building fund and during the subsequent year when this building was available for sale, we took the earliest opportunity to utilise all our resources to purchase the same. I must acknowledge my sincere indebtedness to the Registrar, who pleasantly permitted me, of course, after scrutinising the financial position of the Bank, to purchase the building by borrowing Rs. 40,000 out of the general funds. The Bank is also grateful to the Government of Madras, especially to the former Chief Minister who were kind enough to exempt the premises from the operation of the Rent Control Act which helped us to get possession of the building. With the growing profits of the Bank we hope not only to build up a strong reserve for the institution, but also to clear the loan borrowed from the General Funds of the Bank and to make the value of the building as a secret reserve of the Bank.

I am extremely thankful to the Hon'ble Minister for Co-operation for having accepted to be present in our midst and it is my very pleasant duty to request him to declare this building open.

Dr. P. Natesan—His Character and Work*

SRI N. S. NATARAJAN,

Vice-President The Madras District Co-operative Central Bank, Ltd.

Hon'ble Minister, Ladies and Gentlemen,

It is now my pleasant duty as the Vice-President of this Bank to request on behalf of the Bank Sri J. C. Ryan, our popular Registrar to unveil the portrait of Dr. P. Natesan, our beloved President. Dr. Natesan is not unfamiliar to any of you who are assembled here. It may even be that some of you know him more intimately than you know me. But my personal contact and intimacy with him is so close that I must on this occasion speak a few words about him myself.

Dr. Natesan has been in the co-operative field for the last 18 years. About 1932 he joined a co-operative society in his locality as a member. In about 2 years he became a Director of that society and in 1947 he was unanimously elected President of that society which probably is one of the biggest Urban Banks in the State to-day,—I mean, ladies and gentlemen, the George Town Co-operative Society.

As a representative from the George Town Co-operative Society he entered the Directorate of the Madras District Co-operative Central Bank in 1944. In this Bank his sincerity, integrity and sense of duty won for him the admiration of his colleagues on the Board; and as such he was elected Vice-President in 1945; and after the death of Mr. K. O. Anthony (President) in April 1947 Dr. P. Natesan was unanimously elected President. At the time when Dr. P. Natesan took charge of this Bank as the President, the financial condition of the Bank was not satisfactory. The total transactions of the Bank were somewhere near Rs. 5 lakhs and consequently its profit-earning capacity was low. After Dr. P. Natesan assumed the office of Presidentship he set himself to the task of developing the Bank's transactions with greater vigour and determination. Thanks to his untiring energy and his selfless endeavour, the Bank has grown from strength to strength and has established itself firmly, its business running to about Rs. 35 or 40 lakhs at present.

His main ambition was to see that the Bank had a building of its own and he was able to realise his ambition soon due to the keen interest evinced by him in the Bank. While all the other Central Banks were owning big buildings this Central Bank could not have one on account of its low profit-earning capacity. Only 8 years back a beginning was made to set apart a portion of the net profits towards the Building Fund. Within 2 years, even before the building fund could reach an appreciable figure, this building came up for sale. Finding that this was the most suitable place for this Bank, the President used his good offices with the Registrar and obtained permission for purchasing the building by borrowing from the general funds.

Dr. Natesan's services to the Bank are too many to be enumerated on this occasion. In all his endeavours he had the fullest co-operation of his colleagues on the Board. Not that he had no odds to fight; for as he has

*Speech delivered requesting the Registrar to unveil the portrait of Dr. P. Natesan, President of the Bank on 28-5-52.

already mentioned in his Welcome Address, there have been occasions when he had to labour under various handicaps and tide over several obstacles and tackle numerous men and situations,

As President of this financing bank, his particular interest was to see that there was real economic benefit for the poor for which alone co-operation is intended. For instance, he has always been interested in visiting the scheduled class societies with a view to examine how far they have been benefited by the Movement. From this you can understand how much of his time and energy he is sacrificing for the sake of serving the poor. It will not be out of place for me to mention at this stage that he draws no conveyance allowance from the Bank for these purposes. He does not even draw the President's conveyance allowance of Rs. 30 which was drawn by his predecessors.

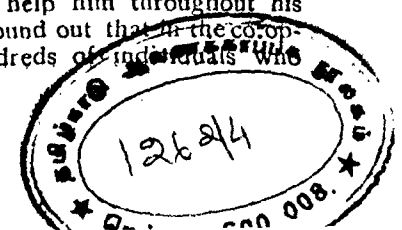
His co-operative activity is not confined to this district alone. By virtue of his service to the Movement he has stepped into the State Institutions as well. He is now the General Secretary of the Madras State Co-operative Union, Treasurer of the Madras Provincial Co-operative Marketing Society and a member of the Executive Committee of the Madras State Co-operative Bank. He is also on the Executive Committee of the Indian Co-operative Union which is an All India Institution. Besides the above, he is connected with various other Co-operative organisations like the Central Co-operative Printing Works and Co-operative Training Institutes at the various centres of the Province.

To be connected with so many institutions is rare but to be in a position to carry out the duties successfully is rarer still. The success of our President as a capable administrator of the co-operative organisations with which he is connected is exclusively due to certain special qualities in him.

First among them is his integrity. He never indulges in the violation of any essential principles and methods of co-operative administration and management. Another important trait of his character is his forthrightness. Like the real medicalman who ought not to advise his patients with mental reservation, Dr. P. Natesan always speaks plainly. He does not mince matters but boldly calls a spade as a spade. I do not know whether all his friends like his outspokenness; but I know this much that many of his friends and even those who have been severely criticised by him appreciate this trait of the Doctor.

While he is straightforward and outspoken, he does not lack sympathetic understanding. He knows with considerable accuracy the difficulties of his assistants, his sub-ordinate staff as well as the members of co-operative institutions who seek his advice. He is always ready to help all those who look to him for succour, at the same time not allowing administrative justice and business honesty to suffer. He is a firm believer that co-operative institutions are business organisations and not charity houses. While he never shirks giving help to anyone who seeks his aid, he always takes care to see that in giving the aid, the safety of public funds and the interests of his depositors are safeguarded and that their confidence in him is not belied.

Above all, the learned Doctor has tact to help him throughout his career. A shrewdman that he is, he has soon found out that in the co-operative movement where he has to deal with hundreds of individuals who



scramble for power and even for profit, one ought to move with a considerable amount of tact and diplomacy. He is able to persuade and win over even men in opposite camp to his side, if in the interest of the institution and the Movement, such a course is necessary. He has never made himself an engine of power-politics in the Movement. Let me add here that he has shunned politics and has often declared in unequivocal terms that the yokink of the Co-operative Movement with politics is the surest way to liquidate the Movement.

It is our fortune that such an enthusiastic and devoted public worker is the President of our Bank. It is our duty as co-operators to recognise this rare merit in him and to honour him by adorning this new premises with his portrait.

One word more; and it is about Sri J. C. Ryan, Registrar of Co-operative Societies, Madras. Sri Ryan, our popular Registrar needs no introduction to a co-operative audience. He is known all over the co-operative world for his expert knowledge and experience in co-operative movement. Sri Ryan is a close and intimate friend of our President from a pretty long time and both have known each other well. He is one of those who look for character in the Co-operative Movement and lay emphasis on the development of character and personality through the Movement. Therefore, I sincerely believe that the Registrar is the fittest person to unveil the portrait of Dr. P. Natesan to honour whom we have assembled here this evening. I now request Sri Ryan to unveil the portrait.

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The Madras Dt. Co-op. Central Bank Ltd.

OPENING OF NEW PREMISES

The Madras Dt. Co-op. Central Bank, Ltd., moved on 2-8-52 to its new premises at 18/14, Mukkur Nallamuthu St., G.T., Madras, purchased recently. The opening of the new premises was done by the Hon'ble Sri D. Sanjivayya, Minister for Co-operation.

After tea and prayer, Dr. P. Natesan, President of the Bank, welcomed the invitees to the function and requested the Minister to declare the premises open. (His Address is published elsewhere in this issue.) The Hon'ble Minister appreciated work of the Bank and the earnest interest of the Management. He then declared the premises open.

After the opening function of the premises, the unveiling of the portrait of Dr. P. Natesan, President of the Bank, was done by Sri J.C. Ryan, Registrar. Sri Nataraja Iyer Vice-President of the Bank presided. In his Address Sri Nataraja Iyer traced briefly the Co-operative career of Dr. Natesan and mentioned the main features of his character and work. He then requested the Registrar to unveil the portrait. (His speech is published elsewhere in this issue).

Sri Ryan mentioned some "discoveries" he made about the early life and promising career of Dr. Natesan and enumerated the offices he held in the Co-operative and other fields of public life. He mentioned the career of the Doctor as meteoric. He wished Dr. Natesan many more years of life of useful service and unveiled the portrait.

Sri B. S. Vijayagopal, Secretary of the Bank proposed a vote of thanks.

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

(Ingur R. S.)

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

MULTIPURPOSE CO-OP. ACTIVITY

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 Mohanur Multipurpose Co-operative Society, (Salem District.)

The society was registered on 24-9-1911 and started on work on 1-11-1911 with a paid up share capital of Rs. 90 and 14 members. The area of operation of the society on the date of registration was Mohanur village and its hamlets. Now the area of operation of the society extends to Pettapalayam and Rasipalayam villages. The society is affiliated to the Mohanur Co-operative Union and the Salem Co-operative Central Bank. Its postal address is, Mohanur P. O., Namakkal Taluq.

The society has made a steady progress and there are now 572 "A" class members with a paid up share capital of Rs. 5,822 and 1370 "B" class members with a paid up Share Capital of Rs. 342-8-0.

The following are the investments made by the society.

	Rs.	A.
(a) Reserve Fund invested in Salem Co-op. Central Bank	12,523	8
(b) National Savings Certificates	1,000	0
(c) Shares in Salem Co-operative Central Bank	500	0
(d) Shares in Salem Co-operative Wholesale Stores	50	0
(e) Shares in Rasipuram Co-operative Marketing Society	50	0
(f) Shares in Namakkal Co-operative Marketing Society	100	0
(g) Shares in Mohanur Co-operative Stores	200	0
TOTAL	14,423	8

The maximum borrowing power of the society was Rs. 10,000 on the date of registration. Now the maximum borrowing power of the society is Rs. 1,50,000. The society is purely working on deposits. There are various kinds of deposits in this society.

Borrowings of the Society.

	Rs.	A.
Members Fixed Deposit Short-term	1,990	0
" " " Long-term	27,525	0
" Recurring Deposit	100	0
" Current Account	4,493	10
Non-members Fixed Deposit Short-term	10,218	0
" " " Long-term	24,950	0
" Recurring Deposit	250	0
" Savings Deposit	243	0
" Home safe deposit	823	6
" Current Account	12,488	11
Salem Co-operative Central Bank O. D. A. I	1,195	4
" O. D. A. II	7,440	0
TOTAL	91,216	15

MULTIPURPOSE CO-OPERATIVE ACTIVITY IN MADRAS

The individual maximum limit of the society was Rs. 500 on the date of registration. Now the individual maximum limit of the society is Rs. 3,000.

Loans Outstanding Against Members.

	No. of loans	Amount. Rs.
1. Short-term	177	37,461
2. Long-term	2	1,080
3. Produce loans	11	1,976
4. Jewel Loans	483	45,999
	673	86,466

Members Loans Overdues:

	No. of loans	Amount. Rs.
1. Short-term	43	6,155
2. Jewel loans	99	7,770
	142	13,925

Jewel Loans: The Society has got provision in its By-law to issue jewel loans for the benefit of the villagers. The area of the society has extended to Komaripalayam, Oravandur, Ariyur, Parali, Manapalli, Peramandampalayam and Komarapalayam besides the area of operation mentioned in By-law No. 1 for issuing jewel loans. The above villagers are much benefited by the society in getting loans at a cheaper rate of interest by pledging their jewels.

Godown Facility: The society has got office room and Godown constructed out of Government grant and general funds. The local agriculturists find it very convenient to stock their agricultural produce and get loan. These are 11 produce loans amounting Rs. 1976 as on date.

Banking Business: It is appreciable to note that the society is doing Banking business besides the credit transaction. The society collects and honour cheques, drafts etc. The society is accepting remittances on behalf of the Central Bank from the other credit societies. The By-laws of the society have been suitably amended for this purpose.

With the introduction of the scheme of re-organisation the society has amended its name as "Mohanur Multipurpose Co-operative Credit Society." The non-credit transactions made so far by the society are given below.

Name of the commodity.	Quantity.	Amount. Rs. A.
1. Ammonium Sulphate	95 Bags	2,896 11
2. Super Phosphate	10 Bags	223 12
3. Cart tyres	12 Pairs	316 5
4. Cart axles (Irish)	5	65 4
TOTAL		3,562 0

Thrift Scheme: The society has introduced thrift scheme among the villagers and distributed 29 Hundi Boxes. The amount saved under this

system comes to Rs. 323-6-0. The society is monthly celebrating thrift day. Besides this 9 members are regularly depositing Recurring Deposits.

There are two clerks and a peon in the society. The society has earned a net profit of Rs. 1,177-9-0 during the year 49-50.

(True copy)

2. The Arattavadi Co-operative Society (North Arcot Dt.)

This society was started on work on 24-10-1945. This is one of the good working societies in Chengam taluk. The society includes the following villages in its area of operation (1) Andttavadi, Porasapattu Thalliothu and 4. Ariakunjur. There are 107 members with a paid up share capital of Rs. 2,598.

The borrowing power of the society has been raised from Rs. 10,000 to 30,000 recently. The individual maximum borrowing power for the purchase of oil engine and pump set also was increased from Rs. 500 to Rs. 3,500. Under this scheme 2 members of the society have borrowed long-term loans and they have considerably increased the production of crops in their lands. The society has recommended to the Central Bank 2 more similar applications for purchase of pumpsets.

The society is running a relief shop and it has started the business of distributing food grains through this fair price shop from 30-4-51. It has been running the above business to the satisfaction of the Civil Supplies Department officials and the public. The society also runs a grocery section for the benefit of the villagers including non-members. The Society also has taken steps for the construction of a godown. During the year the society has earned a profit of Rs. 586 through its business.

There is no defaulter having overdues to the society. The Central Bank has sanctioned a sum of Rs. 1,500 as loans for agricultural operations during the current co-operative year and the same was disbursed to the agriculturist members as short-term loans.

General: The society maintains a library and purchase the daily leading papers for the use of the villagers from its Common Good Fund. There are seven panchayat members to look after the affairs of the society and they are interested in the good working of the society. Its President is also the President of the Chengam co-operative union. The net profit of the society was Rs. 611 during 1950-51.

3. The Melakottai Multipurpose Co-operative Society (Madurai Dt.)

This Society was registered as Nadukottai Co-operative Credit Society on 26-11-1927 and started on its work on 8-3-1927. The Society did not make any progress till 1946 when the Society was revived as Melakottai Co-operative Credit Society with an extended area of operation comprising the six revenue villages i.e. Melakottai, Nadukottai, Giriyakavandanpatty, M. Thayanery, N. Thayanery and Karisapatty. At the time of revival and expansion the society had a loss of Rs. 1243. The maximum borrowing power and individual maximum borrowing power were only Rs. 2,500 and Rs. 250 respectively. Subsequently they were increased to Rs. 50,000 and Rs. 1,500 respectively. The Society made such a rapid progress in two or three years that it was thought fit for conversion into a Multipurpose Co-operative Society. Sri A. Palaniappa Mudaliar, M.A., Deputy Commissioner for Prohibition (Amelioration) and Joint Registrar of Co-operative Societies visited the Society during 1948 and advised its conversion into

a Multipurpose Co-operative Society offering suggestions and ways and means for the development of its activities in all spheres.

The conversion into Multipurpose Co-operative Society was given effect to in May 1949. The number of members and share capital have now increased to 288 and Rs. 5,490 respectively. The financial position has also improved to such an extent that the Society has not only been able to wipe off its previous losses of Rs. 1,243 but also it has earned a net profit of Rs. 597-12-0. During the year 1951-52, the Society has borrowed Rs. 5,715 from the Mathurai District Central Co-operative Bank, Ltd., and has disbursed it to the members. A sum of Rs. 38,686 is outstanding against members as loan and the Society owes to Central Bank Rs. 34,400 towards its borrowing. The Society has been able to clear off the entire Bank demand without any overdues. As regards 1951-52 the Society has cleared its entire dues to the Central Bank on the date of this report. The Society has invested Rs. 1,610 as shares in the Co-operative Central Bank besides Rs. 105, 100 and Rs. 50 as shares in the Thirumangalam Co-operative Sales Society, Mathurai Co-operative Printing Press and Mathurai District Co-operative Sales Society respectively. It has earned a Reserve Fund of Rs. 522-1-0.

The following are the details of the multipurpose activities undertaken by the Society since date of conversion:—

1. **Grow More Food Scheme:** 1. During 1950-51 the Society purchased oil-cakes and ammonium sulphate for Rs. 3,500 by obtaining necessary cash credit loan from the Central Bank.

2. It has applied for the lease of 4-93 acres of nanja waste land with a view to bring them into cultivation. The proposal is pending with the Collector, Mathurai.

3. Useful, improved and labour saving agricultural implements such as Guntaka, wet-land-pudler, bund-former are owned by the Society for being let out to the members.

4. The Society is making a vigorous propaganda and insisting on each and every one of its land owning members to construct and maintain a manure pit according to the instructions of the Agricultural Department. The Agricultural Demonstrator has recommended and disbursed Bonus to the Members on this account. At present 104 members have got such pits.

5. When the Agricultural Department began to introduce seed multiplication scheme for K. 2 Cotton seeds last year, the Society acted as an agent of the Department and arranged for the sale of 25 bags of K-2 Cotton seeds, covering 250 acres.

II. **Cattle Improvement:** According to the instruction of the Registrar a Breeding Bull has been purchased at a cost of Rs. 800. The funds required were obtained by obtaining a subsidy of Rs. 300 from the Co-operative Central Bank, Rs. 200 from Rural Welfare Department and the balance of Rs. 300 by raising local donations. The Bull is to be admitted into the premium scheme.

III. **Joint Purchase and Sale:** During the year 1950-51 mill and handloom goods to the tune of Rs. 525 were purchased and distributed to members at a time when such goods were heavily in demand, thus relieving the cloth distress to some extent. During the current year the Society is making periodical purchases of domestic requirements of members.

IV. *Marketing of produce*: The Bank has sanctioned a cash credit loan of Rs. 10,000 for issue of loans on the pledge of produce. Loans to the extent of Rs. 3,325 were disbursed to members under this head. About 19 members derived the benefit of being enabled to wait for better market, for disposing of their produce. The Society has taken shares of Rs. 105 in Thirumangalam Sale Society and a proposal to work the Controlled Credit Scheme for cotton linking its credit activities with Marketing facilities offered by the Sale Society is on the programme of work for this year. Another proposal is for the construction of Godown.

V. *Encouragement of thrift*: Fifty one members of the Society saved Rs. 750 through Hundi Boxes. Now with advent of the Rural Saving Drive, the Society has induced its members to make short term Fixed Deposits of Rs. 5 to 20 each and hitherto a sum of Rs. 640 has been collected. It is hoped to collect not less than Rs. 1,000 for being invested in the Central Bank.

VI. *Recreational Activities*: The Society is taking interest in revival of rural games and sports. Items such as chadu-gudu tug-of-war, folk dances, fencing and lifting the stone etc., are being specially attended to.

The International Co-operator's Day was availed of for the conduct of Sub-Firka Tournament in the Society when several of the neighbouring villagers participated in the activities. A sum of Rs. 50 was given as grant to the Society out of the District Amelioration Fund. This amount was utilised for prize distribution to the participants.

The improvement of the Society on the above lines is largely due to the hearty and sincere work and co-operation of the Panchayatdars and also to the timely financial assistance by the Bank coupled with the advice and suggestions of the Department.

4. The Surathkal Rural Multipurpose Co-operative Credit Society (South Kanara District.)

The Surathkal Rural Multipurpose Co-operative Credit Society in the Mangalore Circle of the South Kanara District was registered on 9-5-1912 and started on 13-6-1912. This is the 40th year of its working. The area of operations of the society is confined to the villages of Iddya and Surathkal in the Mangalore Taluk. The society has a membership of 212 'A' class members with a paid up share capital of Rs. 6,001. Besides this, there are 'C' class members numbering 1781 with a paid up share capital of Rs. 341. The 'C' class members are eligible only for jewel loans.

The borrowings of the society amounted to Rs. 91,084, out of which a sum of Rs. 60,000 was borrowed from the Central Bank. The Balance was raised by the Society by tapping local resources. Loans outstanding against members amounted to Rs. 98,593.

A striking feature in this society is that it works mainly on local deposits. Another noteworthy feature is that it issues loans on the security of jewels. It has got a building of its own. It worked at a profit of Rs. 1,315 during 1950-51. It has built up a Reserve Fund of Rs. 10,674. The system of Hundi Box collection also has been introduced both among members and non-members. There has been a steady increase in the membership and share capital.

During 1951-1952, the society distributed 12 bags paddy seeds to its members. It has got a sprayer for spraying D.D.T. on paddy fields.

G.Os. & CIRCULARS

G.Os. and Circulars

Copy of G. O. (Ms) No. 1673, Development Department dated 17-4-1952.

Co-operative Societies—Building Societies—Grant of State loan for construction of houses on land held under "Kuzhikanam right" in the Malabar District—Registrar's proposal—Approved.

Read the following:—

G. O. Ms. No. 512 Development dated 11-4-1923.

G. O. Ms. No. 3894 Development dated 27-9-50.

From the Registrar of Co-operative Societies
letter No. Rc. 160334/51-Z-4. dated 4-3-52.

ORDER:

His Excellency the Governor of Madras approves the proposal of the Registrar of Co-operative Societies for the grant of State loans through Co-operative Housing Societies for construction of houses on lease hold properties held under Kuzhikanam right in the Malabar District.

The following amendment will be issued to rule 14 of the rules for the grant of State loans to Co-operative Building Societies approved in G. O. No. 512 Development dated 11-4-1923 as subsequently amended in G. O. No. 3834 Development dated 27-9-1950.

AMENDMENT.

In the foot note to rule 14(e) after the words "Kanam right" the words "and Kuzhikanam right" shall be added.

(True Copy)

Endt. R.C. 160234/51.Z-IV.

OFFICE OF THE REGISTRAR OF
CO-OPERATIVE SOCIETIES, MADRAS.

Dated 27-4-1952

J. C. RYAN,

Registrar.

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

SRI J. C. RYAN, M.A., I.A.S., Registrar.

R.C. No. 180626/51-A.

Dated: 28-5-1952.

Sub:—Ways and Means—Banking facilities—accommodation for the safes and chests of Private Banks in treasuries—Recommendation of the Rural Banking Enquiry Committee Government orders—communicated.

Ref:—G. O. Ms. No. 1316 Finance Department Dated 6-12-1951.

A copy of the G.O. cited is communicated to the Central Land Mortgage Bank and all Central Banks. An extract of instruction 19 to Treasury Rule 11 of the Madras Treasury Code is also enclosed. The attention of the Central Land Mortgage Bank and Central Banks is drawn to clause (d) and (e) of the instructions respectively and they are requested to bring the facility afforded by the treasuries to the notice of the primary co-operatives and ask them to avail themselves of the opportunity wherever necessary and thus safeguard their treasuries and valuables.

J. C. RYAN,

Registrar.

Copy of G.O. (MS) No. 1316 dated 6-12-51 from Finance Department
Government of Madras.

ABSTRACT.

Ways and Means—Banking facilities—Accommodation for the safe custody of safes and chests of private Banks in treasuries—Recommendations of the Rural Banking Enquiry Committee—Accepted—Instructions issued.

Read the following :—

From the Board of Revenue, B.P. Rt. 5274 dated 6-8-51.

From the Government of India, Ministry of Finance, Department of Economic Affairs, No. 4 (102) FI/50-PT. III, dated 6-11-1951.

ORDER :

In smaller towns, there is dearth of banking facilities. This is mainly because private banks desiring to extend their activities, have to make arrangements for buildings and strongrooms etc. for safeguarding their treasure and the investment necessary for this would be very high, and raise the operating costs to uneconomic levels. To enable private banks to get over this difficulty and so induce them to extend their activities to the rural areas by opening branches in smaller towns, the Rural Banking Enquiry Committee has recommended that private banks should be permitted to keep their iron safes and chests for safe custody in the strong rooms of the State treasuries and Sub-treasuries.

2. Collectors of Districts are even now empowered by Instruction 19 (e) under Treasury Rules 11 to permit the receipt into treasuries and sub-treasuries of sealed cash chests and sealed packets purporting to contain valuables, but this facility has not so far been availed of to any great extent by private banks. There is also some difficulty in finding adequate space for the purpose of enabling private banks to deposit their chests etc. in the treasuries and sub-treasuries which were constructed in the last century according to the type design then in vogue. However, in view of the importance of the development of rural banking, the Government generally accept the recommendation of the Rural Banking Enquiry Committee and are accordingly pleased to issue the following instructions :—

(1) If the chests or safes of any private bank are small in size and not too many, they may be accommodated in treasuries and sub-treasuries, where space is available. Application for such accommodation should be made to the Collector of the District. The Collector will deal with such applications in consultation with the treasury and sub-treasury officer concerned and decide each case on its merits. In the event of a refusal to give such accommodation, the Collector should make a report to the Board of Revenue explaining in detail the reasons for the refusal to afford the facility to the applicant-banking company. The Board of Revenue will forward to the Government the report of the Collector with its remarks and the Government will then review the case.

(2) In cases where the facility is granted, the depositing banks will have to keep and remove their safes or chests with reference to their daily or periodical requirements in the presence of both the double lock officers of the treasury. With a view to avoid dislocation of work in treasuries and sub-treasuries on this account, it is necessary to fix definite hours for the agents of the private banks for operating on their chests in the strong room. The hours between 11 A.M. and 4 P.M. on all treasury working days may be generally suitable. The Treasury Officer concerned will fix a definite time for this purpose in consultation with the bank concerned.

3. The Treasury or Sub-Treasury Officer accepting the cash chests of private banks for safe custody in the strong room will not take any cognisance of the contents of the chests, and the relative receipt, if any, to the banks will be issued with a remark that "the contents of the chests/safes are unknown".

4. Rent at a flat rate of Rs. 5 per mensem or part thereof will be collected in advance for each safe or chest for which accommodation is

ent. The receipts on account of this should be credited to the Government under "XLVI. Miscellaneous—Miscellaneous".

5. Collectors are requested to bring these instructions to the notice of local banks. The Board of Revenue is requested to issue any further instructions that may be necessary in this matter and send a copy of such instructions to the Government for information.

(True Copy)

An extract of instruction 19 to Treasury Rule 11 of the Madras Treasury Code.

Cash Chests, Valuables, Etc., Received at the Treasury for Safe Custody.

19. The following articles should be kept in safe custody in the treasury when sent there for that purpose :—

(a) Sealed boxes purporting to contain jewellery or other valuables brought into courts of law under the Civil Rules of Practice, provided that a written request is received from the presiding officer of the Court,

(b) Sealed packets purporting to contain duplicate keys and padlocks of strong rooms and currency chests of the branches of the Imperial Bank of India,

(c) Sealed packets purporting to contain duplicate keys of iron safes and cash chests provided for the use of Government institutions and Government servants,

(d) Cash chests of Co-operative Land Mortgage Banks, and

(e) Sealed cash chests and sealed packets purporting to contain valuables not falling under clause (a) (b), (c) or (d) above provided that no such chest or packet may be received unless the Collector has issued an order authorising the treasury to receive it for safe custody.

Whenever a Collector issues an order authorizing a treasury to receive a cash chest for safe custody with reference to clause (e) above, he should communicate a copy of the order (together with a copy of the application, when necessary) to the Accountant General, so that he may examine the propriety of the grant of permission.

(True Copy)

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

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

(REGISTERED IN 1923.)

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.

All-India Rural Credit Survey: General Questionnaire on Agricultural Credit

Last date for receipt of replies at the R.B.I. (Agri. Credit Dept. is 15-7-52)

Introductory Notes

1. The All-India Rural Credit Survey is being conducted by a Committee of Direction appointed by the Reserve Bank of India. This questionnaire is issued by the Committee. It seeks to elicit informed views on some of the more important aspects of Agricultural credit in this country. It is, therefore, addressed in particular to those who have acquired special knowledge of any of those aspects, either through specialised study or in the course of professional or other experience, whether in the non-official sphere or in the service of Government. Views based on such study or experience will be a valuable supplement to the factual data now in the process of collection through field enquiries organised by the Committee in 75 districts spread over different States in the country. The Committee will be grateful for all such views.

2. The questionnaire is divided into different sections: Government Finance, Co-operative Finance, Private Finance, etc. It is realised that the same individual may not be familiar with all the aspects on which the queries have been framed. The answers may, therefore, if desired, be confined to selected sections or to selected questions in one or more sections.

3. Where the answers are based on study of particular regions or institutions, the regions or institutions may please be specified. Similarly, where the views are derived from personal experience, the type and extent of that experience may kindly be indicated.

4. Wherever feasible and convenient, it is requested that concrete facts may be cited or specific information given in support of the views expressed.

5. It is explicitly understood that any opinions communicated will be treated as the purely personal views of the individual expressing them; and that if, for instance, the individual is a Government servant or the office-bearer of an institution, his views in no manner commit the particular Government or institution.

6. The Committee undertakes, on specific request, to treat all or any of the views expressed or information given as confidential, and as therefore not for publication or for communication outside the Committee.

7. Replies to the questionnaire may kindly be posted to the Member-Secretary, All-India Rural Credit Survey, Reserve Bank of India, Post Bag No. 1036, Bombay, so as to reach him on or before the 15th July 1952.

QUESTIONNAIRE

I—Government Finance

Most State Governments give loans, short-term; medium-term and long-term, for agricultural purposes. Thus, short-term crop finance may be provided through takavi loans, and long-term loans may be given under the Land Improvement Act. There may also be

ALL-INDIA RURAL CREDIT SURVEY: GENERAL QUESTIONNAIRE

provision for special types of loans under the Grow More Food Scheme or under other individual schemes. Please answer the following questions with reference to all or any such schemes, specifying the scheme or schemes referred to:—

1. What are the broad features of the scheme, with special reference to (a) the objects underlying it, including the type of loans envisaged and the manner of their repayment (b) the budgetary provisions made and (c) the administrative arrangements set up?
2. Is there anything in the scheme itself, i. e. in its formulation as distinguished from its financial and administrative implementation, which tends to defeat the objects underlying it? (For instance, limits for individual loans may be too low or terms of repayment too onerous. Or again, lacunae in the scheme may result in relatively urgent needs being passed over in favour of others of less importance.)
3. What, in your opinion, is the degree of adequacy of the actual financial provision made from year to year (with reference e.g. to the number of individuals who obtain loans under the scheme and the average amount of the loans they obtain)?
4. How far do the administrative arrangements carry out in practice the objects envisaged, and how do they work from the point of view of the cultivator? In your reply, please refer if possible to the various stages involved, e.g. application for the loan, its scrutiny, its sanction, its disbursement, supervision over its utilisation, enforcement of repayment etc. What is the quality and efficiency of the supervisory and other staff employed at the various stages? Please state whether, in your opinion, incompetence, slackness, corruption, etc. exist to such an extent as materially to affect the successful working of the scheme. If so, to what extent do they defeat the objects of the scheme?
5. In regard to underlying objects, financial provision and administrative arrangements, are the different schemes of Government properly co-ordinated with one another and with similar operations of co-operative institutions and other agencies of credit? If not, how does the overlapping occur and to what extent does it lead to administrative duplication, financial wastefulness, etc.?
6. Have you any other comments or suggestions to make in this connection?

II—Co-operative Finance

The following observations are made, not because they are not obvious, but in order to invite attention at one place to certain broad lines of analysis which are relevant to more than one of the questions set down below and which, it is requested, may be borne in mind in answering individual questions.

Co-operative credit for agricultural purposes may be (a) *short-term* (e.g. for seasonal agricultural operations or for the marketing of crops, the latter including processing, transport and warehousing) or

(b) *medium-term* (e.g. for digging of wells, purchase of livestock or purchase of certain types of equipment) or (c) *long-term* (e.g. for repayment of debt or improvement of land). The individual societies concerned may be classified with reference to (a) type of credit specialised in (e.g. credit society and land mortgage bank) or (b) scope of activity according as it is confined to credit or also includes non-credit functions (e.g. primary credit society and multipurpose society or (c) the area of operations (e.g. primary society for village or group of villages, and district or "central" bank) or (d) functional level occupied in the organisation (e.g. district or "central" bank as link between primary society and State or apex bank). In connection with the co-operative credit organisation of any particular area, therefore, it will usually be necessary to consider the structure and the functioning of units of different types, both individually, and in relation to the other units operating in the area either at the same level or at a different level. Where the area is part of a State, it is further necessary to remember that the regional organisation is part of the larger State organisation. Moreover, co-operative credit is only one aspect of co-operation; in other words, the co-operative credit system is only part of the wider co-operative system of the State. Several inter-relations have thus to be kept in mind in assessing the inadequacies of the credit organisation in any particular area and in formulating remedies therefor. Some of the inadequacies may be traceable not to the organisation itself—i.e. the given structure with its prescribed functions—but to the policies or objects pursued (whether these are explicitly laid down or are implicit in the broader practices) or the finances available and efforts made for their mobilisation or the actual working of the personnel concerned with the taking and implementation of decisions (e.g. directors, paid supervising staff etc.) Replies which deal in detail with all or any of the aspects mentioned above will be particularly welcome.

1. What is the relative place occupied by the co-operative credit system in agricultural finance? In other words, in the particular area to which your answer relates and in comparison with the other sources of agricultural credit co-existent in that area what place would you assign to the co-operative credit system with reference to factors such as volume of finance made available, number and classes of borrowers whose needs are met, types of loans given (period, purpose etc.), nature of security taken, rate of interest charged and mode of repayment enforced? Any special advantages or disadvantages in comparison with the other credit agencies—Government or private—may please be indicated with reference not only to the formulated or implicit objects of the different agencies, but also to their working in actual practice.
2. Are there any features connected with the law, regulations and policy governing the system or its individual units—as distinguished from organisation, finance and actual working—which tend to defeat the objects underlying it? (For instance, the fact that the liability of members is unlimited may make for successful working or it may not; there may be undue restrictions on membership; the limits for individual loans may be

too low; proper priorities may not have been laid down as between purposes for which loans are given and so on). What remedies would you suggest?

3. What, if any, are the defects of organisation with reference to the structure and functions of (a) different types of individual units (b) the individual units in relation to one another and (c) the organisation in the area in relation to the larger organisation in the State as a whole, including units outside the area such as the Apex Bank? What remedies would you suggest?
4. Are the finances adequate? If they are avoidably inadequate what remedies would you suggest?
5. What, if any, are the defects in the actual working of the system, both the regional organisation and its individual units? To what extent are these defects traceable to the quality of the personnel in charge of (i) direction (e.g. members of a Board) and (ii) management, supervision and execution (paid officers and staff)? How does the constitution of an individual society work in practice, e.g. how are the powers actually exercised by the different authorities involved? To what extent does the local background (social, political etc.) affect the actual working? Please contrast the working of successful and unsuccessful societies and if possible, give reasons for the differences. What remedial measures would you propose in regard to the defects noticed?
6. In general, have you any scheme to suggest for the effective reorganisation of the co-operative credit system in the area, with reference to factors such as :
 - (a) promotion of thrift and mobilisation of savings ;
 - (b) financial adequacy ;
 - (c) administrative efficiency ;
 - (d) demarcation of productive and unproductive credit, credit-worthy and non-credit-worthy members etc ;
 - (e) proper integration of short-term, medium-term and long-term credit ; and
 - (f) effective linking of marketing credit with production ?
7. Have you any other comments and suggestions to make in this connection ?

III—Private Finance

The phrase "private finance" is used here as covering agricultural finance derived from any source other than Government and the Co-operative system. Among the private credit agencies which make available such finance, two obvious categories are moneylenders (whether or not professional) and indigenous bankers (who, besides lending, perform certain other banking functions such as acceptance of deposits). Commercial banks, both scheduled and non-scheduled, are a third category, and certain other credit institutions—such as Chit Funds—constitute a fourth. Other agencies to be kept in mind,

HAS THE HANDLOOM INDUSTRY A FUTURE?

in that they sometimes lend to the agriculturist in the course of the discharge of their main functions, are brokers, traders, wholesalers or agents of wholesalers, Export and Import Houses, processors of agricultural commodities etc. In answering the following questions, please bear in mind the distinction between these categories and sub-categories and indicate the particular private credit agency or agencies to which your replies have reference.

1. What is the relative place occupied by the private credit agency in agricultural finance? In other words, in the particular area to which your answer relates and in comparison with the other sources of agricultural credit co-existent in that area, what place would you assign to the private credit agency with reference to factors such as volume of finance made available, number and classes of borrowers whose needs are met, types of loans given (period, purpose etc.), nature of security taken, rate of interest charged, and mode of repayment enforced? Any special advantages or disadvantages in comparison with the other credit agencies—in particular, Government and co-operative societies—may please be indicated with reference not only to the formulated or implicit objects of the different agencies, but also to their working in actual practice.
2. What are the main provisions of the law and regulations, if any, which govern the operations of the private credit agency? What has been the general effect of such provisions on the working of the agency? To what extent does the agency operate, in practice, within the law and to what extent outside it? As regards the latter point, viz. evasion of law, can you throw any light on the prevalent modes of evasion, distinguishing between (a) those which, while conforming to the letter of the law, are aimed at defeating its objects and (b) those which are in contravention of both the letter and the spirit of the law? If possible, please describe the types of evasion in some detail. If the extent of evasion is considerable, would you attribute this to (a) the purpose of the law being unrealistic or (b) the provisions of the law being defective or (c) the administrative implementation of the law being faulty or (d) any other reason? If the administrative implementation is faulty, to what extent is this attributable to (a) ill-designed or inadequate machinery and (b) inefficient or corrupt personnel?
3. What, in your opinion, should be the future role of the private credit agency? What legislative, administrative or other steps would you recommend in pursuance of the development you envisage?
4. Have you any other comments or suggestions to make in this connection?

IV—Savings

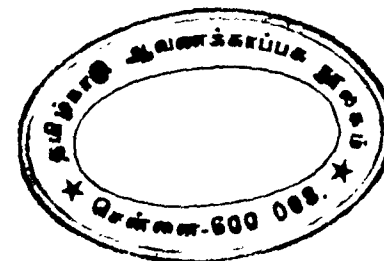
1. In your opinion, have agriculturists generally, or certain classes among them, been able to save appreciably during recent years, in view, especially, of the improvement in the prices fetched by agricultural commodities? Please indicate in some detail the observed facts on which your opinion is based.

ALL-INDIA RURAL CREDIT SURVEY: GENERAL QUESTIONNAIRE

2. In particular, are there overt indications of larger savings by way of larger investments in (a) gold or silver, (b) land or buildings, (c) Government securities, National Savings Certificates etc, and (d) local business or industrial undertakings such as motor transport etc.? Has there been any tendency to invest more in the improvement of land or in other forms of agricultural development?
3. What methods would you advocate for promoting savings among the different classes of agriculturists and for mobilising the savings for productive purposes?

IV—General Situation of Agricultural Credit

1. To what extent, if any, has the agricultural credit situation in the area to which your answer relates been affected—in the sense for example, of credit becoming easier or scarcer, cheaper or costlier etc.—by reason of any legislation passed during the last five or six years in respect of one or more of the following subjects: tenancy, ownership and right of alienation of land; fragmentation and consolidation; debt relief and adjustment; moneylending and interest rates; and markets and warehousing?
2. If the legislation is evaded, can you throw any light on the prevalent modes of evasion, distinguishing between (a) those which, while conforming to the letter of the law, are aimed at defeating its objects and (b) those which are in contravention of both the letter and the spirit of the law? If possible, please describe the types of evasion in some detail. If the extent of evasion is considerable, would you attribute this to (a) the purpose of the law being unrealistic or (b) the provisions of the law being defective or (c) the administrative implementation of the law being faulty or (d) any other reason? If the administrative implementation is faulty, to what extent is this attributable to (a) ill-designed or inadequate machinery and (b) inefficient or corrupt personnel?
3. What is your view regarding the level of rural indebtedness (i) before the last World War, (ii) soon after the war and (iii) in the last year or two? To what extent have (a) debt-relief or debt-adjustment legislation and (b) other factors been responsible for the changes, if any, in the level of indebtedness? Please state in some detail the data on which your opinions are based.
4. Have you any other general comments or suggestions to make?



JUST OUT!

JUST OUT!

Agricultural Finance in India

(With Special reference to Co-operative Movement)

By D. K. RANGNEKAR, M. COM.,

Foreword by

Prof. D. R. GADGIL, M.A., M.LITT.

The book is the first comprehensive Indian publication on the subject of rural finance. The Five-Year Plan formulated by the Planning Commission has given top priority for the development of agrarian economy, and this only emphasises the urgency for a scientific and objective study of the problem of agricultural finance. The long-felt need for such a study has been ably met by Mr. Rangnekar's work. The author, who was for some time a Professor of Commerce at the M. J. College of Commerce, Bhavnagar, is a financial journalist of repute and at present on the Editorial staff of the *Times of India*. He has brought to bear on his work all his intelligence and expert knowledge of the subject, of which he has made a special study.

The book deals thoroughly with the problem of rural finance, agricultural credit needs and agencies, marketing finance, rural indebtedness and savings, the operation of debt relief and tenancy laws, the working of co-operative banks and societies, the system of long-term credit. Special sections have been devoted to the discussion of Financial Reconstruction, the Role of the Reserve Bank of India, and Crop Insurance.

Pages 245, Cloth Bound, Price Rs. 15.

Published by: **The Co-operators' Book Depot,**
9, Bakehouse Lane, FORT, BOMBAY

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No. 151

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Fixed and Provident Deposits accepted at favourable rates. Loans are issued mainly to Agricultural Co-operative Societies. Investments in this Bank help our National Industry-Agriculture.

Supporting the Bank is the patriotic duty of every one who has savings to invest.

Maintains a large field staff to ensure the soundness of its assets.

All Banking business transacted.

Interest allowed on Fixed Deposits	.. 6 months	2%	P.A.
"	.. 1 year	2 $\frac{1}{2}$ %	"
"	.. 2 years & above.	2 $\frac{1}{2}$ %	"
"	.. 3 years & above.	3 $\frac{1}{2}$ %	"
"	.. 4 years & above.	3 $\frac{1}{2}$ %	"

For further particulars apply to: The Secretary.

P. MANICKAM, B.A.,

D. KRISHNAMURTHY GOUNDER.

C.A.I.B., D. COM., (I.M.C.).

M.L.A.,

Secretary.

President

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Karaikudi. & Aruppukottai.

Authorised Capital Rs. 10,00,000
Share Capital Rs. 8,65,000
Reserve Funds Rs. 3,14,000
Working Capital Exceeds one Crore

Deposits are accepted at the following rates.
Fixed deposits: 6 months 2 $\frac{1}{2}$ % 3 years 3 $\frac{1}{2}$ %
1 years 3% 4 years 3 $\frac{1}{2}$ %
2 years 3 $\frac{1}{2}$ % 5 years 4%

For amounts of Rs. 5,000 and above
from 4 months onwards 3%
Savings deposits 1 $\frac{1}{2}$ %
Current deposits upto 5,000 1%
Provident fund deposits 3 $\frac{1}{2}$ %

Season deposits are accepted in the Karaikudi Branch at decent rates.

All kinds of banking business transacted.

D. N. Duraisamy,
Deputy Registrar and Secretary.

A. Ramachandran, B.A., B.L.
President.

THE
Tiruchirapalli District Co-operative Central Bank, Ltd.,
No. 178.

Fort Station Road, Teppakulam P.O., Tiruchirapalli.

ESTABLISHED IN 1909
Tel :—"CO-OP. BANK." Post Box No. 324. Phone No. 189

Branches:—KARUR &ARIYALUR.

Authorised share capital	...	Rs. 10 lakhs
Paid up share capital	...	" 3.40 "
Reserves	...	" 9.38 "
Working capital	...	" 1.3 crores

Loans are issued mainly to rural population through village co-operative credit societies within the District. Numerous executive staff are maintained to ensure the soundness of the assets. Investments in this Bank help our national industry, agriculture.

Interest allowed on Current Accounts (upto Rs. 25,000 only)	1/2	% P.A.
do Savings Deposits (upto 5,000 only)	2	% P.A.
do Recurring Deposits	3	% P.A.
do Provident Deposits	3	% P.A.
do Fixed Deposits 6 months	3	% P.A.
do do 1 Year	3 1/2	% P.A.
do do 2 Years and above	3 1/2	% P.A.

All banking business transacted. For further particulars apply to :

The Secretary,

The Tiruchirapalli District Co-op. Central Bank, Ltd.,
Fort Station Road, Teppakulam Post, Tiruchirapalli.

T. S. MUTHUKUMARASWAMI PILLAI,

President.

Telegrams :—"JILLABANK"

Telephone No. 203

The Malabar District
Co-operative Bank, Limited.
KOZHIKODE-2.

Share Capital:		Rs.
Authorised	...	15,00,000
Paid up	...	9,00,125
Reserve Funds :		
Statutory	...	3,75,000
Others	...	2,06,750

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EVERY KIND OF DEPOSITS ACCEPTED
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Working Capital Exceeds Rs. 2,00,00,000

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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-'51. •

Liabilities.		Assets.	
	Rs.		Rs.
Paid up Share capital.	17,84,700	Cash on hand & balance with Banks.	80,908
Reserve and other Funds	... 28,61,242	Loans to Primary Banks	... 4,85,77,979
Debentures	... 5,08,77,100	Sinking Fund Investments	... 81,37,780
Deposits, Loans and Overdrafts	... 10,08,275	Other Investments	... 46,65,859
Sundry Liabilities	... 3,57,122	Sundry Assets	... 7,36,118
Profit	... 8,60,205		
Total Rs.	... 5,71,98,644	Total Rs.	... 5,71,98,644

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

Secretary.