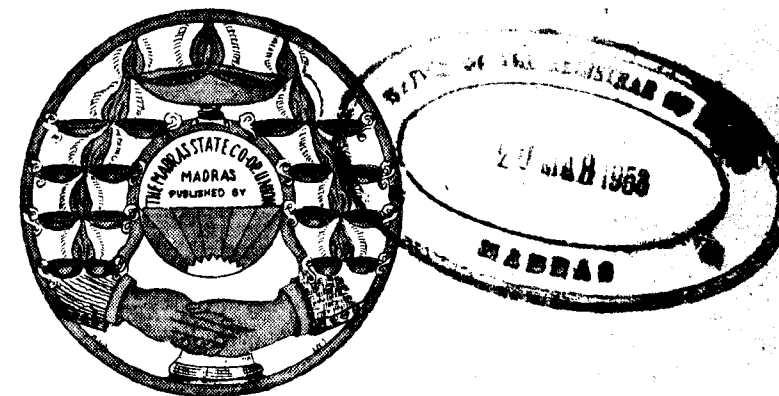


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The Madras Journal of Co-operation

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THE Madras Journal of Co-operation

EACH FOR ALL AND ALL FOR EACH

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

FEBRUARY 1953

No. 8, VOL. XLIV

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The Editorial Committee do not hold themselves responsible for views expressed by contributors. Contributors are requested to write legibly and on one side of the paper. Manuscripts will not be returned unless stamps are sent to cover postage. Matter intended for the issue of any particular month should reach the Committee before the 15th of the previous month. Reproduction of the articles or other matter of this journal in other journals, etc., either in English or translated into other languages is permitted, provided the source is acknowledged.

Thought for the Month

It is imperative that something should be done to facilitate the search for co-operative literature produced over the last 20 or 30 years. If co-operators really want their Movement to expand, if old and experienced Organisations affiliated to the I.C.A. want to give help and support to their comrades in countries where the Movement is of more recent date, and if they are really willing to start attempts at self-aid, they must take steps to place the treasures of their libraries at the disposal of others. It is an abuse of valuable assets to leave matters as they are, literally concealing co-operative literature both from ourselves and from the new world that is developing. Collections of books and other literature relating to the Movement must be thrown open to economic and social research students, and present and future generations of co-operators must really know what is at their command. Present day library technique enables librarians to solve many of the problems that were formerly incapable of solution, but the prerequisite for this is the establishment of free and voluntary collaboration on co-operative ground. This could be organised partly as collaboration between the different national co-operative libraries and partly as collaboration between those and the International Organisation.

—Walter Sjolín, Librarian, Co-operative Library, Stockholm.

Editorial Notes

A Plea for Better Results:

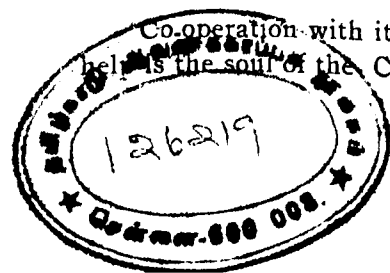
The Community Development Programme was started the Second Day of October last year in 81 blocks in 55 project areas all over the country. In line with the general conception of the programme, the fields of activity included agriculture, irrigation, animal husbandry, education, health, sanitation, roads, communications, social education, village arts and crafts and recreational facilities.

Reviewing the first quarterly progress of the work, a Press note said that scores of miles of village roads had been constructed, dozens of co-operative societies and Panchayats formed, agricultural extension service had taken root in the project areas, a number of schools and health centres had been opened, extensive veterinary services, concentrating mainly on the protection of cattle against disease had been undertaken, thousands of compost pits had been dug, and a number of agricultural demonstration centres had been started. It has also been stated that all this work had been done with the maximum amount of people's co-operation.

Out of the total estimated Budget expenditure of Rs. 11.8 crores for the three years, a sum of Rs. 44.5 lakhs was spent during the quarter under review.

Reports received from the State Governments on the project work done during the first quarter indicate "*general progress all round, although the tempo of work is not the same everywhere. In some States, the work done is considered extremely satisfactory, while in a few others it is not so.*" The reports also indicate that there have not been any outstanding developments in most of the States. There is mention of some special features in only a few of the States like Madhya Pradesh where *Village Parkash Mandals* embodying the conception of village production councils have been evolved, Uttar Pradesh where a movement called *Shramadan* (gift of manual labour) has been evolved and Rajasthan where a programme of organising fifty schools was started as a birth day honour to India's Prime Minister, Pandit Nehru. Many of the larger States, however, do not seem to have to their credit any special features of work or achievements which can inspire the other States.

Co-operation with its essential principles of self-help and mutual help is the soul of the Community Development Programme; and



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EDITORIAL NOTES

to us Co-operators the success achieved in this respect is the measuring rod of the progress of the Programme as a whole. In this respect, however, we learn from a Press Report that "Co-operative Movement has received *some* encouragement, although, it appears, the movement has yet to grow into full maturity." Few will deny that this is far from satisfactory in a country like ours which claims to have progressed in co-operation farther than any other country in South East Asia.

In this connection, we wish to acquaint our readers with that has been achieved by an island in the far off South Seas in community project work and the ways and means adopted by the islanders for the purpose:

Moturiki is a small South Sea island of less than five square miles with about 590 person living in some nine villages. "Most of the country was covered by low fern and reeds, through there is high timber in some of the southern villages." The people were not progressive, having a long tradition of subjection to a larger neighbouring island. They were mostly occupied with subsistence farming on the shifting principle. Their housing and health were poor.

A team of seven Fijian specialists have brought new life to this island. They made a five month's survey of the island's possibilities, submitted their findings and then returned to lead the people to carry out for themselves the developments suggested. The task was accomplished in 16 months—a pilot project for further South Pacific development plans. *More than 75 per cent of the money and nearly all the labour were provided voluntarily by the islanders themselves* and nearly £ 1,000 is left in their fund for future projects.

The work consisted in the promotion of an agricultural and social programme. On the agricultural side there were a development of the technique of production, provision of proper drying and storage facilities for *copra* and other produce; there was also a forestry programme which included provision of a plant nursery and afforestation of eroded slopes and water catchment areas. Piggery and various handicrafts were developed. This agricultural development showed quick results and the sales of *copra*, fire-wood and handicraft products brought much income.

The social programme consisted in the provision of a clinic, maternity home, child welfare and women's crafts. The housing

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problem was met by training a home repair team to tour the island. The transport problem also was tackled successfully.

Referring to the progress of the work on the island it has been said that *the islanders are convinced of the value of a proper development plan within their own economic ken.* A study of this scheme is said to have led to the definite conclusions that *"a people will follow leaders of their own race, if the right men who know their job are picked and that if we show some results quickly, the rest will be fairly easy."*

These findings from the study of the project work at Moturiki, we consider, are of inestimable value to our country. We have launched on a very costly programme of development and its success depends undoubtedly on the enthusiasm we could rouse among those whom the programme seeks to benefit. The project areas selected are areas where some work had already been done. It will indeed create a good impression on the people's mind if some substantial benefit could be conferred on the people there in a short period. The first stroke is half the battle. But this first stroke itself very largely depends on those who lead the army of workers. Such a task needs men of knowledge, experience, imagination, sincerity of purpose and conviction. A thorough knowledge of co-operative effort and activity is also a *sine qua non* of such leadership. How far our colossal Development Programme is being promoted by right men could only be seen from the results we achieve. Here again there is need for caution. The results must be evaluated both from the quantitative and qualitative view points. An efficient Programme Evaluation Organisation is therefore an essential part of the Programme. Such an organisation must needs have those who have wide knowledge and experience and a critical insight into socio-economic development work.

Let us hope that the next quarter will give us an inkling into the structural and functional defects of the entire programme so that the necessary steps may be taken to reorganise the machinery before it is too late in the day to do any thing.

Co-operative Societies for Beggars

It has been, of course, accepted on all hands that the co-operative activity and organisation can be applied to every walk of life and every activity of man. Thus we have in the Philippines in the Far East even wedding co-operative societies and in the Far West in

America co-operatives for funeral. These types of co-operative organisations, however novel in conception, are none the less designed to meet some social and economic necessities; and one does not see in such types of organisation anything which is anti-social. Novelty in conception and achievement is a healthy sign of progress but within certain limits. There must be some dignity about the institution thus conceived or organised. The credit society, the store, the weavers' society, the housing society, the cottage industries society, for the matter of that, even the wedding and funeral societies referred to above are in keeping with this dignity of human conception and the primary needs of human society and life.

It must indicate an erroneous line of thought to conceive co-operative remedies which are at once anti-social and derogatory to the dignity of human association. It is in this light that we consider some of the suggestions put forth by some eminent public men at a symposium at the Y.M.C.A. Athenaeum recently.

A symposium on the beggar problem was held on 18th Dec. '52 at the Y.M.C.A. Athenaeum of Public Affairs, Sri T. Chengalvarayan, Mayor of Madras presiding. The Hon'ble Sri C. Subramaniam, Minister for Finance, Madras was the Observer. A number of persons of importance such as Sri O. Pulla Reddy, Home Secretary, Dr. Hans Achinver of Frankfurt, Mr. Kyuzaemoiv Matsushashi, Mayor of Nagara in Japan attended and participated in the discussions. In the course of the discussions the visitors from Frankfurt and Nagara explained the measures taken in their respective countries to solve the beggar problem by means of legislation and welfare programmes.

The most curious, if not shocking, of all the suggestions was the one put forth by the Mayor of Madras. He said that "the beggar problem was not an isolated one but a mixture of several aspects of human life; social maladjustment was another factor. He suggested that they should start Beggars' Co-operative Societies under which multi-purpose stores could be run and where beggars could be employed for making a living honourably. Volunteers should go in the streets and induce beggars to become members of the societies where they need not pay any fees. Government must give one-third of the capital of such societies, the Corporation one-third of it, and the members of the public the remaining portion of the capital. He hoped to try the scheme in Madras city soon."

Few, we dare say, will deny that this is a most curious suggestion. Co-operation has an ethics of its own and a special message for the suffering humanity. It essentially aims at elevating man economically and ennobling him culturally. It also seeks to transform the poor into the rich. Thus the poor ryots or artisans have an opportunity to become prosperous in their occupations by co-operative effort. From this point of view, it is obvious that it will be hardlines to apply it to the beggars. Co-operation for the beggars

might make them rich even as Co-operation among the thieves may make them richer still; but it can hardly impart any sense of dignity and ennoble them. A beggars' co-operative might be an unworthy precedent to numerous persons of that class and might catch their fancy and have an unwholesome influence on society.

We in Madras are orthodox co-operators. We strive for the common man and as Sri J. C. Ryan, our Registrar, once expressed we do not encourage the organisation of the rich industrialists or engineers into a co-operative society, lest there should be an unwholesome influence on the socio-economic life of the people. We fail to see, then, how a beggars' co-operative society which the Mayor hopes to try in Madras City soon will be a step in the right direction.

Madras has earned a name as a place of pilgrimage for co-operators in other States and other countries. We feel honestly that this novel scheme of the Mayor of Madras will seriously affect our new status. The sooner such strange notions and schemes are given up, the better for us and our Movement.

Requiescat In Peace:

We have already announced in our last month's number the sad news of the death of Sri L. N. Paramasivam Pillai, President of the Tamil Nadu Co-operative Federation. Sri Paramasivam Pillai was one of the veterans in our State in the field of public work. He distinguished himself in various fields of public life in Madras State. As a Co-operator he was responsible for the founding of many a co-operative society at the primary or Taluq or District level; and he held office as Director or Secretary or President of many co-operative societies in the State. He was deeply interested in agricultural development and village administration and held various honorary offices in institutions organised for the purpose.

Two noble features could be found in Sri Paramasivam Pillai in a marked degree. For one thing, he was intensely religious. This must have developed in him an intense desire to serve humanity. Secondly he had an enormous thirst for knowledge. He studied keenly the various problems relating to the villages and the countryside and by his experience as office bearer in various types of institutions could help to develop them on sound lines.

In his death the co-operative Movement as well as the other fields of public work has lost a devoted worker. On behalf of the Co-operators in Madras we express our deepest sympathy to his family in their bereavement.

May his soul rest in Peace!

The South India Co-operative Insurance Society, Ltd.,

82-B, Mount Road, Teynampet P.O., Madras-18.

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V. VENKATACHALAM, M.A., B.L.,
Secretary.

In Memoriam

The late (Rao Sahib) L. N. Paramasivam Pillai,
Mirasdar-Lalgudi.

Born July 1893—Died 10th January 1953.

Founder of the Kuhur Co-operative Society (1919); Director, Lalgudi Sivagnanam Co-op. Agricultural Society since 1925 and subsequently its President since 1932-33; President Kuhur Land Reclamation Co-operative Society since its inception in 1928; Secretary, The Lalgudi Co-operative Union (1926-35), Vice-President from 1937; Secretary, Lalgudi Co-operative Land Mortgage Bank from 1930; Director, Trichy Dt. Co-operative Central Bank from 1927; Vice-President from 1930 and President from 1940; President, Lalgudi Co-operative stores from its inception in 1940; President, The Trichy Dt. Co-op. Federation; Member of the Executive Committee, The Tanjore Marketing Federation; One of the organisers of the Trichy Dt. Co-operative Central Stores and later the President of the Stores; Member Board of Management, Co-operative Fire & General Insurance Society; Director, Madras State Co-operative Bank; Executive Committee Member of the Madras State Co-operative Union for one term (1948-51).

Director, Tamilnad Co-operative Federation and later its President for many years.

Member, Trichy Dt. Board 1917-35; Vice-President, Lalgudi Taluk Board.

President, Lalgudi Taluk Land Owners Association and Founder-President, Tiruchi Dt. Village Officers Association; President of the Provincial Village Officers Association for some time; Member, Trichy Dt. Education Council,

One of the Secretaries of the Madras Provincial Union of Panchayat Boards from 1938.



The Late (Rao Sahib) L. N. PARAMASIVAM PILLAI,
Mirasdar, Lalgudi.

Born July 1893]

[Died 10th January 1953

SPECIAL ARTICLE

Co-operation and Planning

SRI R. SUBRAMANIAM, M.A.

Research Scholar, Annamalai University

The concept of planning is comparatively of recent origin and the latter part of the nineteenth century and the first decade of the twentieth century did not know its economic significance and what it stood for. If we survey the years prior to World War I, we find that the usage of such a word in the domain of Economics was confined to a few left hand theorists. And even as late as 1930, Economists were divided on the question of planning and violently opposed the idea of there being an economic system on planned basis. But much water has flown under the bridge since 1930 and the world observed the concrete plans of the U.S.S.R. which were designed to promote its economy to a prescribed standard. During the time the U.S.S.R. was pre-occupied with the five-year plans, the capitalist countries experienced the economic phenomenon of unemployment, deflation, falling prices etc. The later years saw the outburst of World War II when these countries were confronted with the ever-increasing demand for goods, materials and men; consequently, the idea of planning came to the forefront and the problems of conservation and planning engaged their attention. This led to some degree to the growth of planning in countries like U.S.A., U.K. etc., which, hitherto, depended upon incentives and rules of capitalism to whip up production, thus alleviating the evils of their economies. The World War II and aftermath spurred the notion of planning to further boundaries more or less along the lines of Russian experiments. As a result of this new study of models, in the sphere of planning, there grew a team of theorists who set out to analyse the working of the Russian system and other planned economies: and they seemed to have arrived at the conclusion that such controlled economies could after all function; a few of them wanted to know how it was worked and how it was done; still others, while admitting the possibilities of such a system being put into practice, were sceptical about its management which involved the finding of "brains to operate the switch board of the economy without getting the wires crossed." Ever since such theories were put forward, there developed a chain of theoretical reasoning for the justification of a planned economy and planning came to be based on theories. As a result two schools of thought on planning came into being—one for and

the other against it; the main bone of contention between these schools is that whereas the former upholds that planning is compatible with capitalism, the latter supports the view that planning is incompatible with democratic ideas and ideals and as such it can not be workable in a capitalist society. Suffice it to say that the theoretical advancement made by economists like Durbin, Maurice Dobb, Sweezy, Oscar Lange, Lerner, Mrs. Wootton and others, to name only a few, has further given a lillip to the popularity of the ideas on planning.

What is planning? In these days, we hear much about the word 'planning' and the air is thick with 'plans' to tame the economy of a country in such a way as to suit the ever-growing functions of the State, of enhancing production of goods and services and finding adequate means of distributing them among the population of the country. By planning, the economy is made to work through certain controlled channels so that the State can carry out its programme in which the various targets to be achieved within the stipulated time, are chalked out by the supreme authority. Therefore, it is a system of economy where the authority (usually the State) controls the strings of production and distribution so as to conform with the decisions taken by the State on what to be produced and how much of it. The governmental action is the pivotal point around which revolve the subsidiary systems connected with the planned economy for, the government at present is entirely different from its counterpart during the days of *laissez faire*.

Why planning? The failure of capitalism to subscribe to the needs of the people and the various and varied forms of political movements and 'isms' which arose in their wake upholding brighter prospects of ameliorating the economic condition of the masses, provided the basis for the advent of such a notion in the sphere of economics. The importance of planning for better utilisation of resources and distribution of the finished products according to the needs of the society began to loom large in the minds of leaders as a remedy for the inefficiencies of capitalism. People began to talk of planned capitalism where the virtues of socialism are incorporated and the vices of capitalism eliminated. The idea of a Welfare State is an off shoot of this. Moreover, we should take notice of the fact that the fundamental principle underlying the idea of a planned economic system is that modern

capitalism falls a prey to the periodical economic fluctuations which become severe and acute in its cycle of growth and decay; this phenomenon completely paralyses the economic structure to an enormous degree with the result that they entail an army of unemployed workers and a chain of idle machineries. But in a planned economy, with the regulation of production to meet the needs of masses and not to increase profit in the hands of the capitalists, such economic disturbances are not allowed to occur; thus it believes in mitigating this evil of capitalism. Again, the formation of monopolies under capitalism by controlling markets and sources of production with a view to achieving greater profits is another force tending to precipitate crises in the system; they want to maintain prices at a higher level than is possible in a period of depression and usually they are competitive rather than complementary. We see the phenomenon of monopoly *versus* free competition in a capitalistic economy and in this struggle the former invariably wins. And more often than not, this does not lead to the proper functioning of the law of supply and demand nor does it establish consumption as the pointer towards economic prosperity. On the other hand, planning by a method of judicious distribution for consumption of the produce of the economy, brings about a situation wherein the above defects are obliterated. Therefore, a planned economy is to be preferred to as a half way house between capitalism and socialism.

Nevertheless, the concept of a planned economy presents certain difficulties (which can be overcome) on the economic side as well as on the side of society. The new economic order should conform to the political set up of the State to which it belongs as also to the social set up in which it should function. It seems it is this part of the problem which gave rise to the controversial issues regarding the possibility of a planned economic system being managed in a capitalist system. As the economy is directly controlled and administered through governmental orders, there may be occasions in which the government will be called upon to take such actions as would tend to promote more of the public than of the vested interests in the name of industries hankering after profits. If this is the case, how can planning be carried on under capitalism? Again in the matter of economic technicalities, we have to assume that the State, in taking to itself the responsibility of carrying out the programme of policy, will not intervene in the economic sphere of production and consumption as *entrepreneurs*

do, but will act as a general body in whose hands are vested the power of directing, controlling and co-ordinating the economic activities. And to do this job, an economist recommends experts in the various fields of economic activity for they alone are the fit persons to execute the work involved on the economic side "without getting the wires crossed". For the machinery to translate the policies of these experts, one should find out the best institutions in accordance with the best interests of the people at large. And the planning body or the State should have moral faith in such institutions whose activities in turn should square with those of the State.

*A Solution :—*If this is the case, for the appropriate machinery to carry out the policies of the State or to tackle the matters of economic technicalities one can have recourse to what is generally termed as 'co-operatives'. The principles on which co-operation is based are within the bounds of democracy and as such they can live alongside capitalism. The most laudable features are its voluntariness with regard to membership and the obliteration of profit motive from the minds of the people who control industries, thus paving the way for the fuller development of such industries and undertakings as would bring about a social equilibrium between the needs of the society and the available resources. Moreover, it does not allow capital to assume the role of a dictator in economic life but instead promotes the association of mankind on the basis of mutual and active participation in the enterprises. It exploits neither the agricultural producer nor the consumer nor the industrial worker, besides conferring benefits on large circles of people. Again it mitigates the problem of unemployment and in fact tries to improve the general condition of labour. In short, co-operatives with such ideals before them, are the very weapon with which to combat the evils of capitalism or for that matter of under developed economies, like India where the development of the rural areas is of paramount importance in the near future; and as the Review of International Co-operation (1936) points out, because of "the principles on which co-operative movement is founded the possibilities of its peculiar economic basis and the right which the co-operative movement has towards an equal place with any other form of economic enterprise within the polity of any and every state", co-operatives should be the *force majeure* in any planned economy.

It may be pointed out here that co-operatives in a planned economy will be complaisant to the Planning Commission and will be complementary to it. Every cell constituting these co-operatives is formed from below and a separate task is assigned to each; these cells are then finally co-ordinated in the centre and the different kinds of work that these cells execute are then perused and examined in the light of the Planning Commission's targets and if anything is wanting, proper guidance is given to each cell. Now, this brings out an important question; that is, if the co-operatives function under the authority of the Planning Body, will it not be contrary to their ideals, the ideals of voluntariness and freedom of action enjoyed by them?

The problem defined.—Recently, the trend of economic thought, especially in the field of co-operation, has shown that there should be a re-thinking of the principles of co-operation in the light of present day set-up. The labour policy pursued by the Labour Party in England and the principles of co-operation followed there have attracted public opinion to concentrate on their relationship and studies have been conducted to illumine the nature and significance of this problem. Dr. N. Barou and Prof. G.D.H. Cole have tried to put certain relevant thoughts into writing and the credit goes to the latter in setting the ball rolling. Though co-operation has succeeded much to confer benefits on the people all over the world by assuming a prominent part in the domain of production and distribution, banking, provision of recreation clubs, sanitation, schools and the like, it has yet to conquer a good part of every day business of life before it could claim an order of its own. Nevertheless it has brought within its orbit certain elements which are worthy of appreciation, but if it has to survive the tests it is subjected to at present in various countries, it has to provide itself with a sort of protective coloration so as to suit its surroundings. In short, as Prof. G.D.H. Cole has pointed out in his book "The British Co-operative Movement in a Socialist Society", it should re-orient its policy with respect to its voluntary character and the relationship with the State. Wherever compulsion is necessary and imperative, the voluntary principle should give way to the former type; for, only then could it aspire for the high place in the society in whose moulding, it has got a great stake.

I would like to draw attention to this point which has also been stressed by the Conference of the Registrars in 1944. They

said that "where an execution of a plan required action by all members of economic category or group, it should be made compulsory for all either to join a society or otherwise to carry out the plan". However, this was contrary to the principle of co-operation as understood by the Co-operative Planning Committee (1945), though a provision was made to the effect that "in certain cases of co-operative activities like consolidation of holdings, crop protection or irrigation, if compulsion is not introduced, it is likely that an object essential for economic progress will not be attained". The degree of compulsion that is necessary in any case has to be determined by a majority of two-thirds. It may be said that the F. A. O. Technical Meeting on Co-operation in Asia and Far Eastern countries held in Lucknow in 1949, also appreciated this point of view. And in the matters connected with consolidation of holdings, co-operative farming, irrigation, marketing of agricultural produce etc., this degree of compulsion has to be applied so as to pluck the goose with as little squealing as possible; so that in the end, majority issues may not be at the mercy of a recalcitrant minority, especially those issues affecting the future economy of our country. Unfortunately, the First All-India Co-operative Congress held in Bombay very recently, in recommending the formation of co-operative farming societies in places wherever their formation is practicable and desirable, has left out this point of administering mild doses of compulsion in the field of co-operation. They have pointed out that the principle of voluntary membership, democratic management, and equitable distribution of the surplus among their workers should not be jeopardised in any way when any issues of the above kind are taken up for consideration. But it may be said that there are certain difficulties in our country or for that matter in any under-developed countries, which warrant a little amount of compulsion to be injected into the body of co-operation so that it be rendered healthy to face the many-faceted situation. To do so does not mean that such a measure will run counter to the very principle of co-operation; on the other hand it will be a pointer towards a clear understanding of the principles of co-operation by infusing into the minds of the cultivators who are illiterate, the ideals of co-operation together with its benefits.

Looking towards India. Therefore, it seems that in a country like ours, where co-operation has made rapid progress in every walk of economic activity, though the credit side of

it predominates still and where it leaves much to be desired, if it has to advance further, co-operation must be given a reorientation along the lines suggested above. The lofty ideas of co-operation seem not to have captured the hearts of the people because they are illiterate. The age-old social ties still predominate their views and the modern methods for improving agricultural production are not appealing to them; the cause for this is to be found in the poverty of the masses; they are unable to take advantage of the scientific methods of cultivation. Moreover, they are steeped in agricultural indebtedness which makes their life dreary. To add to this the intermittent failure of rains on which depends the cultivation of their small plot, devoid of fertility invariably, makes not only them victims of starvation, but their family and also their cattle which are the 'visible hands' behind their ploughs. No doubt, the introduction of co-operation to lend a helping hand to the poor farmers has done much to alleviate these evils; but much remains to be done. A new type of energy must be instilled into the minds of these people through better propaganda, education, persuasion and demonstration. And here comes the principle of compulsion to be administered gently because the conservative mind of the farmers and the people at large, refuses to be inculcated by the ideas of better farming and living, through the vehicle of co-operation. Leaders in the true sense of the term should be found to carry on the onerous task of enlisting the enthusiasm of the masses. And again there should be a sort of consolidation and co-ordination of various policies with respect to the co-operatives at the centre so that any additional work allotted to them can be expedited. Non-official element as far as co-operation is concerned should be represented and it is gratifying to note that co-operation in India is forging ahead along this line. These and such other steps as may be found necessary from time to time together with the governmental support will go a long way in giving it a *vis a tergo* to the movement. Though the co-operative movement in our country should try as far as possible to stand on its own legs of ideals and regulations, it need be hardly stressed that a "new type of discovery and devotion to new truths" by changing the outline only are not to be lost sight of. Or else, the legs will get stiffened and may grow anaemic, in course of time.

Such a line of thought is relevant to the Indian conditions. And more so in the light of the Planning Commission's Plan'

in which the rural development programme, among other things, should include in its methods, the "utilisation of the co-operative movement as the effective channel through which Government's assistance in finance and supplies reaches the cultivators". It has also put its faith on co operation in regard to co-operative farming. Evidently, the co-operative is called upon to shoulder the most important duty to be fulfilled in the next five years, the duty of enhancing the production of agricultural products to stave off starvation, thus contributing towards the arithmetic of human welfare in our country. No doubt, it has to face difficulties especially in regard to co-operative farming, for, there are the hurdles of illiteracy, social ties as well as other customs not amenable to reason and the individual rights to one's property and the like together with which goes the unwillingness to surrender it, to be crossed over in the near future. But however, these can be overcome provided co-operation takes such shapes to suit the conditions by incorporating in its armour the weapon of compulsion to be used only when and if its action is imperative. Thus, co operation can play an important part in the public sector of the economy in conformity with the intentions of the Planning Commission.

Conclusion. Therefore, we have seen how in an age of planning one can find the services of co-operatives useful in implementing the various programmes of the Planning Authority. We have also seen the case for it. In this new task assigned to co-operation, we have found out its immediate need for changing the cloak with the body in tact and how it should be tinged a new. Moreover, a cursory study of the Indian situation has also been attempted above in which it has been brought about that a policy of renewal should be adopted with regard to co-operation, if it has to assume more responsibilities, especially when its assistance has been sought by the Planning Commission.

It is no gainsaying the fact that to lift the masses from the morass of poverty, it requires not only Herculean task but also the labour of Sisyphus. In this every one of us has got to play the role as our citizenship would warrant us to do. For, it (co-operation) is going to be a new stepping stone to a new social order; for, again, co operation is an act of faith, an act of honesty and self help and mutual help. More than anything else, it has got a moral force behind it. And provided these forces are harnessed to yield the desired result of moulding the future economy of our nation, it will prove itself a worthy tool to be used in the great task. The efficacy of it has been realised all over India. But the sooner it is put into practice, the better, for, eggs to day are better than a chicken tomorrow.

CONSUMERS CO-OPERATION

Consumers Co-operation in Madras—Some Suggestions for Improvement

SRI. A. PALANIAPPA MUDALIAR, M.A.,

Jt. Regr. & Dy. Comr. of Prohibition (Amelioration) Madras

Mr. President and brother Co-operators,

I thank Mr. Loganatha Mudaliar, Director and Vice-President of the T. U. C. S., the panchayatdars and representatives of the G. T. No. 2 branch for having asked me to address you to day. I have participated in the celebrations of the T. U. C. S. Day and one or two of its branches and what I may tell to-day may therefore not be quite new to you. I however feel extremely glad that I have been given an opportunity to associate myself with the annual day celebrations of one of the earliest branches of the T. U. C. S. which has got a good record of business and reputation. I must also state that you are singularly fortunate in having secured as the President of to day's celebrations, the Mayor of Madras whose abiding interest in the promotion of social welfare is well known. His presence to-day is a matter of particular pleasure to me as I see indications of his keen interest in the Co-operative Movement. Some of you might have heard him at the International Conference of Social Work held recently at Madras when he emphasised with great force the paramount need for Co-operation in the larger sense of the term viz. Co-operation between individuals, communities, States etc. and pleaded that such co-operation will alone bring peace to the world and the Kingdom of God on earth. I have seen him attending the State Co-operative Conference held at Madras in December last which is a further proof of his faith in Co-operation. Gentlemen, to day the Co-operative movement requires robust leaders of not only abundant faith in the movement but imbued with practical vision of how best the co-operative method could be applied for the promotion of the social and economic welfare of the people both in the towns and in the villages. I am sure, Sri Chengalvarayan will take an active and increasing interest and the co-operative movement which is admitted on all hands as the best to remedy various economic problems confronting the country. Addressing a meeting in New Delhi, Pandit Jawaharlal Nehru, Prime Minister of India, said, "I am of firm conviction that only through the adoption of

the co-operative method can agricultural production increase. I feel we should propagate the co-operative method to achieve quick progress. We have to bring this method in all spheres of life, trade and industry". In India, all political parties have advocated the co-operative method and invoked the co-operative organisation for the economic betterment of the masses. Thanks to the large support which the State Government have been giving to the movement in Madras and the services rendered by the large body of non-official workers, the movement has covered a wide range of services to the people and catered to their varying needs both in the urban and the rural areas. The sooner we build up a Co-operative Commonwealth in India, the sooner will the economic ills of the country disappear.

2. Like other forms of Co-operation, a consumers co-operative society aims not only at the promotion of the economic well-being of the individuals concerned but also at the social and moral elevation of its members. Co-operation is primarily concerned with the supply of food stuffs and other articles of daily need so that the average consumer can have them pure, in correct measures and weightment, and at reasonable prices. This type of co operation undertakes the retailing and wholesaling and sometimes the production of consumer goods and seeks to reduce trading costs by making buyers their own sellers. Unlike many other aspects of the co operative movement which find favour only with particular classes of people the consumers movement carries with it a universal appeal as every citizen is a consumer and is certainly interested in getting his requirements better in quality and cheaper in price. The movement is of particular interest to women as it enables them to make substantial economies in domestic expenditure.

A consumer society promotes social welfare in diverse ways besides supplying good articles at fair prices. It trains members in the art of administration: it promotes thrift and the members save while they spend. I refer to the bonus which the members get on purchases which is a form of savings. Consumer societies can open reading rooms, maintain libraries, install radios and construct community centres for undertaking recreational and social activities. Social workers have a great opportunity for rendering services to the community by actively participating in the management and administration of societies of this type. From

these points of view, the consumers society has a much larger role to play in the social life of the citizens than mere distribution of the daily requirements.

3. Madras occupies a foremost place in the field of Co-operation among the States in India. It is particularly true in respect of consumers co-operation. On 30-6-52 there were 1591 primary stores and 24 central stores. They had a membership of 5.67 lakhs and a share capital of Rs. 128.47 lakhs. Their turnover was about Rs. 43.13 crores. Co-operative stores, wholesale and primary have played an effective role in the procurement of food-grains and their distribution. They procured and imported food grains to the value of Rs. 16.22 crores and distributed food grains worth Rs. 16.16 crores. On 30th June 1952, they had stocks valued at Rs. 5.28 crores. In the latter part of the year, they held large stocks of food-grains such as wheat and milo on consignment account. The value of such stocks held by them was Rs. 3.31 crores at the end of the year. By undertaking these activities, the stores societies helped the Government and the public in the equitable distribution of food grains. In June 1952, Government decontrolled and derationed food grains. With the decontrol of food-grains, co operatives have to face a new situation. They have, therefore, been permitted by Government to deal in food-grains in the free market, although the co-operatives hold food grains on Government account for distribution to Fair Price Shops. I am sure that their past experience in dealing in food grains will be of advantage and that they will gradually build up business in the free market. They have been advised to make bulk purchases of paddy during the next harvest, arrange for its conversion into rice and supply to their members. Several central stores have already commenced the work. The future of the central stores as well as the primaries will largely depend upon the extent to which they will adapt themselves to the new conditions and the extent to which they will adopt sound business methods and practices.

4. Among the primary stores, the T.U.C.S. holds a unique position. Its achievements are a matter of history now and I shall be carrying coal to New Castle if I shall be enumerating the various services rendered by the T.U.C.S. both during the war period and after. Suffice it to say that it has earned for itself a reputation among the public as the premier distributive agency and won the recognition of Government for its valuable services to the public.

With its 30 depots and 35 branches it caters to the needs of nearly one-seventh of the population of the city in respect of rice. Besides dealing in groceries it acted as a wholesale dealer for the supply of mill-made cloth to other co-operative institutions and as a retail distributor to the public in the City. It also undertook the distribution of groundnut-cake. To-day the T.U.C.S. has a monthly turnover of Rs. 30 lakhs running 63 fair price shops, monthly off-take of rice being over 1200 tons of rice. The progress of your own branch is also no less striking. Its sale is round about a lakh of rupees and it has got 618 members. You have got a building of your own which is apart from the convenience it provides, gives it a status peculiarly its own. It is gratifying to note that you are maintaining a reading room for the use of the members as well as non-members. The citizens of the place, I am sure, owe a deep debt of gratitude to Mr. Loganatha Mudaliar and the panchayat-dars of this branch for the amenities provided by it.

But let us not rest on our past laurels. The stores movement as well as the T.U.C.S. has succeeded very well in the past but much more remains to be done in the future. While we have every reason to be proud of the progress of the consumers movement and of the T.U.C.S. we should be equally alive to the task facing us in the future. No individual or institution can live on past achievements. We must either progress or stagnate and perhaps perish. Let celebrations like this spur us on to greater activity. Let us learn to buy in the cheapest and the best market, sell at market rates and divide the profits among ourselves. Let us earn for our goods the title of the best and the cheapest in the market. Let us even manufacture goods to satisfy some of our needs. Let us learn to live and work as brothers. All this and more is possible if the true spirit of co-operation will permeate all of us. Let us learn to ask what we can give to the stores by way of services and not what we can get out of the stores for ourselves. May I therefore venture to make a few suggestions on this occasion on the future of the stores movement in general and the T.U.C.S. in particular.

First, consumers societies have to reorganise their business in order to meet the new situation arising out of decontrol of food grains. Food grains will constitute the major part of stores business. They should therefore specialise in dealing in them in a free market. While controls largely influenced the success of the

stores movement hitherto, their success in the future will depend upon the efficiency with which the stores make bulk purchases in favourable seasons and retail them to the consumers at fair prices. This would call for a high degree of business efficiency and integrity both on the part of management and of the employees and the extent to which these are forthcoming in any place, the success of the stores can be vouchsafed. The future will be a testing time for the stores organisations and it remains to be seen how far they would fare in a free market. It is encouraging to find that certain stores have already arranged to operate in the free market and formulated concrete proposals for strengthening their trade in the free market. The T.U.C.S. for instance has recommenced its purchase of rice. I sincerely trust that its past experience will stand it in good stead and that even in the changed economy it will have a definite place in the trade. It will not be possible to eliminate altogether the private shop-keeper in the near future nor is it the objective of the consumer movement as it stands to-day. But certainly by its example and conduct, it will tend to exercise a salutary effect on private trade and to keep down prices thus ensuring to the ultimate consumers a supply of necessities at reasonable prices.

Secondly the stores societies should widen the range of the articles for sale. Besides, the other needs of the consumers which have increased with the rise in the standard of living should be arranged to be sold. You have referred in your report to the need for the sale of such articles like stationery, patent medicines etc. There are hundred other articles which are almost in daily demand by the middle class and lower income groups which could be arranged to be sold. In fact, the stores societies should make it a point to undertake the sale of all essential and scarce commodities and Government in a Welfare State would encourage the distribution of such articles through co-operatives, for proper distribution of essential commodities is as important as their production.

Thirdly women should be associated in the management of the stores, as they are the best judges of the quality of the articles. Special efforts should be made to encourage them to join in the stores and to give them a voice in the management. I am sure that the T.U.C.S. will issue a directive to its branches to get women elected to the panchayat of the branches.

A consumers society should persistently endeavour to build up a loyal body of customers who will stick to the institution through thick and thin. This is a matter which will depend largely on the members themselves. I understand that not more than 1/3 of the members of your branch are purchasing more than Rs. 50 worth of goods in a half year. Certainly there is scope for considerable improvement in the transactions in the branches. The members should realise their responsibilities to the institutions and that in the welfare of the institutions lies their own welfare. One possible method of increasing the custom in a big city like Madras will partly lie in the direction of house-delivery of the articles. I find that this suggestion has already been made by many of your members and it is a wholesome suggestion. I do not share the misgivings entertained regarding the system. After all, trust begets trust and if the T.U.C.S. establishes a reputation for the packets it delivers regarding its quality, grade etc. the habit of taking the packets without any check or scrutiny will fast develop resulting in advantage to the stores as well as to the consumer. This system will be a great boon to such of the middle class and lower income groups who are hard pressed for time to go to the stores and who have no servants at their disposal. I would suggest that the T.U.C.S. makes a beginning in this locality and popularises the system of house-delivery of the articles.

In order to provide an incentive for the rapid development of the branches and their increased efficiency, the T.U.C.S. may encourage friendly competition among the branches by instituting the award of prizes annually for the branch adjudged as the best from the point of view of membership, transactions, honesty and efficiency of management and supply of articles of good quality, etc.

Last but not least the stores should be able to command the services of well-trained, honest and efficient paid staff. For the success of the movement we want not only a band of honorary workers actuated by a sense of public service, but also a large body of paid employees who will discharge their duties with diligence, honesty and courtesy. Each has a fair part to play for the ultimate success of the movement. Paid employees can be as good co-operators as anybody else if they discharge their duties with that due sense of responsibility that is expected of them.

The time has come when next to the efforts of the honorary workers the stability of co-operative institutions depends on the efficiency, honesty and loyalty of the paid employees. While honorary directors can lay down the policy, its execution has necessarily to be left to the paid employees. As co-operative employees they have two-fold functions to perform. A salesman in a co-operative stores has not only to distribute goods with the same efficiency and courtesy as those of any other trader but in the process he has to consciously or unconsciously spread the gospel of co-operation. The employees should be imbued with a spirit of service to the people and discharge their obligations in a manner which will make them true to themselves and to the institutions which they serve.

I shall now conclude. Your branch has a good record of useful service. I am confident that this branch will play a worthy role in the history of T.U.C.S. Great responsibilities rest on the branches. They have to safeguard not only their working but the fair name of the other branches and the reputation of the institution as a whole. The indiscrete behaviour of a salesman, a solitary instance of unfair price and an occasional lapse on the part of an employee in your branch will mar the good name of the branch as well the main institution. The Director and the panchayatdars should ceaselessly guard themselves against such lapses and ensure effective control over the employees. Further the branch should keep itself in touch with the tastes and the needs of the consumer in the locality so that it can make a proper assessment of the requirements of the locality and arrange for catering to them. Frequent occasions should be found for the members of the branch meeting together, so that the members may realise that the branch is not an institution separate from themselves. The branches should be so developed that they function as centres of social service. In addition to the reading room, your branch can have a library with useful books on topical interest. Radio will be a useful addition. A small park and playground for children can be opened if possible. In order to conduct these extra trade activities, funds will be required and I suggest that subscriptions may be raised from the members and non-members and administered separately. It is my sincere prayer that in the years to come, your branch will build a lasting edifice of consumer co-operation in the locality which will redound to the credit not only to the people of the locality but also of the T.U.C.S. and the consumer movement as a whole in the Madras City.

Reorganisation of Village Credit Societies

SRI M.S. PALANIAPPA MUDALIAR, B.A.

Tamilnad Co-operative Federation, Coimbatore

Co-operative credit system in Agricultural Finance is occupying a noteworthy place in the 10 Tamil Districts of the Madras State. The credit societies are well established in the villages and they supply credit to agriculturists. Having been established on unlimited liability of members it has its strength as well as its disadvantages. Its strength is that all loans advanced to agriculturists are normally easily realised and in time. Its main disadvantages are (1) that agriculturists who own no property are denied credit facilities from the co-operative society, (2) the credit available is restricted, and (3) all the necessities of an agriculturist member for his short-term borrowing are not given to him from the society. The last drawback is due to the limit fixed on the borrowing of each individual member. These advantages necessarily involve the agriculturists in getting their extra requirements from private finance on higher rate of interest. If these societies are properly directed and enough finance is provided to them, it is possible to oust the private finance and make the society the only centre from which the agriculturist of the village can obtain all his short-term requirements.

It is a general saying that co-operative credit has brought down interest rates. Actually the rates of interest have been brought down from somewhere about 18 per cent to $6\frac{1}{2}$ per cent per annum now. But we have to reckon the cost incurred by the financing and propaganda agencies and the cost to the State of the ever-increasing co-operative department. We cannot really shut our eyes to these aspects and must add to the prevailing rate in Co-operative Finance, the extra on these accounts to arrive at the real rate. But there is the feeling that people at least learning to be creditworthy and that will in the long run reduce still further the interest rates. It must also be examined how far these expenses of the co-operative movement can be brought down.

Recently the bylaws in the village credit societies are being amended to make them multipurpose societies. The sad experience of the non-credit activities after the past 10 years is that though they have flourished very well, it has brought in its innumerable mismanagement, swindlings and misappropriations in many such societies. It is to be remembered that the co-operative department has been

quadrupled during this period and these non-credit societies have been supposed to be in the constant vigilance of these departmental officials, and many such societies actually were under their direct management. Hence I am strongly of opinion that turning these village credit societies into multipurpose at this stage is highly injurious to the credit movement and the agriculturists whom they are expected to help. The other activities of the village can best be left out to be handled for the present by the functional societies such as stores, marketing societies and production societies.

How far then these credit societies can be remodelled so that they may serve the agriculturists fully? I suggest a new departure in the constitution of these village societies. Each society must be made a limited liability society. All those members who are in a position to give security for their borrowings must be permitted to be enrolled as members conforming to this limited liability. Their credit needs may be met by the society on taking enough security from time. All those persons such as tenants, agricultural labourers, village artisans and such others who cannot offer adequate property security for their borrowings may be asked to join in groups. Each group may be permitted to join as one member of the limited liability society. The group is not to be exactly as I have described them. Two artisans and three servants and one agricultural labourer who have mutual trust among each other may be in a group. Another group may be differently constituted. Each group on joining must be treated as one member and its maximum borrowing limit fixed by the Committee of the society in secret ballot. Every individual in the group will be held liable for the entire loan advanced on unlimited liability basis. There will be no bar on a property owner in joining one of these groups and helping the other members of the group in their borrowing to meet their credit requirements.

To all societies re-constituted as above, the District Central Bank, the Apex Bank and the Reserve Bank must come forward to advance all the short-term and medium-term requirements of all the members. No member must be forced to look to private finance or other finance for his credit requirements, both short-term and medium-term. The long-term loans are best advanced by the Land Mortgage Banks, which are well organised and worked in the Madras State.

Then comes the necessity of staffing these societies. Young men from fairly rich families of the village must be given co-operative training and they must be appointed Managers of the societies on

decent pay comparable to persons employed by Government and stationed in towns and cities. Then only these societies will be in safe hands and agriculturists will really be enabled to get all their requirements of short-term and medium-term agricultural finance. There is a feeling in the minds of some co-operative officials that the staff in the Co-operative Societies must be paid less than what is paid to the Government staff, though work and responsibility may be on a par. This feeling has also its supporters among some leading co-operators and so acts as a stumbling block for those young men who really want to serve the co-operative movement. That is why I have made out this point.

Another serious handicap for the working of the village societies is that they are too small to have their own Managers and Accountants. It is better to combine them into a sufficiently bigger type, but not too big so that the local knowledge which is necessary in running these institutions become intractable.

The cost of the movement is a big source of expense to the general tax-payer and stands in the way of development of the movement, indirectly. Two decades back the officials attended to everything in a society. Now, the officials are much larger in number than are necessary, but expect all the work to be done by the staff employed by the Central Banks and societies and they simply inspect and report, nowadays. Suitable retrenchment measures should be adopted to avoid overlapping of functions between co-operative officers, officials of the movement and department respectively. This will enable more work to be turned out in the development of the movement as a whole at a less cost.

The Madras District Co-operative Central Bank, Ltd.
 13/14, Mukkur Nallamuthu Chetty Street, Madras-1.
 ESTD. 1930

Authorised Capital	TELEPHONE NO. 2384.
Working Capital	Rs. 10 lakhs.
	35

All kinds of deposits accepted.

Rates of Interest:—

Current Deposits	1/2 %	Savings Deposits	2 %
Fixed Deposits For—: 6 ms.	3 1/2 %	For 1 yr.	3 1/2 %
		For 2 yrs.	3 1/2 %

Further particulars can be had from the undersigned:
 B. S. VIJAYAGOPAL, B.A., B. COM.
 Secretary.

WEAVERS' CO-OPERATION

Schemes for the Development of the Handloom Industry

SRI PRAGADA KOTAIAH, M.L.A., NIDUBROLU.

We are glad to learn that the Government of India is allotting to Madras State a sum of Rs. 1.25 crores from out of the Cess to be levied on the mill cloth for the development of the handloom industry. As per the number of looms in the State we have to get atleast Rs. 2 crores and we hope the Government of India will examine this and revise their decision.

Though the levy of cess on mill cloth is one of the measures for the development of the handloom industry, we do feel that permanent protection can be given to the handloom industry only when the entire production of dhoties and sarees for international consumption is reserved exclusively for the handlooms and when the yarn is supplied in adequate quantities and at cheap price.

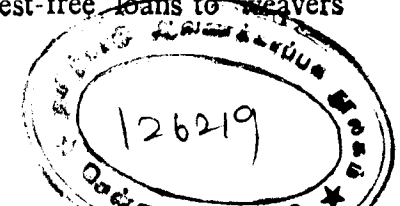
We also wish to stress that this amount should be spent not on temporary schemes but on such schemes that would afford permanent help to the handloom industry.

Structure of the Handloom Industry.

When we examine the structure of the handloom industry, we find three categories namely 1. Independent Weavers, 2. Master weavers and Kharkhanas, 3. Weavers' Co-operative societies.

Independent Weavers.

Independent weavers are those, who purchase yarn, weave it on their looms and sell the cloth either to the consumers direct or to the cloth merchants. So long as the market is favourable they can ply the trade, but when the market is dull, they have to under sell their products, as they have no funds to withstand the slump. Thus in the slump season they suffer a lot on account of reduction in their wages. They have to also resort to malpractices such as deterioration of standards. This would lead to further reduction in prices and standards and thus affect the industry in general. It is therefore necessary to encourage all these independent weavers to join the weavers co-operatives. Compulsion, however, may not be necessary, but conditions must be created to attract all these weavers into the weavers' co-operative societies. One such condition is to provide interest-free loans to weavers



towards share capital to the extent of Rs. 25 per loom. These loans may be recovered within two years at the rate of Re. 1 per month, from out of the wages earned by them. When all these independent weavers are thus brought into the weavers' co-operatives, they will be free from the responsibility of finding money for their capital, and marketing of the cloth produced by them. There would be also no danger of malpractices such as deterioration of standards and colours. The Madras State has already agreed to the Scheme and is advancing loans to the weavers towards share capital in distressed areas. But this scheme has to be put into force effectively in all districts by placing 25 to 50 thousand rupees at the disposal of all the Deputy Registrars of Co-operative Societies for the purpose of disbursing loans to the weavers. If they agree to this it may amount to Rs. 10 lakhs for the whole state. These Rs. 10 lakhs can be rotated for advancing new loans, as and when the repayments are made. In this way within 5 to 10 years all the weavers can be brought into the weavers co-operative societies.

Master-Weavers and Kharkhanas.

Master-weavers are those who engage a small number of weavers. They procure yarn, dye it, then get the cloth produced by weavers working under them and pay wages to the weavers. When the market is brisk, these master-weavers would employ all the weavers under them and when the market is slack, they disband some of them, reduce the wages, spoil the quality of the cloth and some times under sell the cloth in the market for quick disposal. The same applies to the Kharkhanas also.

It is desirable that the master-weavers and the kharkhanas be abolished and all the weavers engaged by them be enrolled into the weavers co-operative societies, but it takes a long time. And under the present circumstances it may not be possible also; therefore it is necessary that every master-weaver with at least 50 looms and more should be made to register himself and his looms with the textile department. Rules may be framed for continuous employment and reasonable wages. Provision may also be made for notice on either side if the weaver wants to cease his employment under the master-weaver or kharkhana, or if the master-weaver or kharkhana wants to terminate his employment.

At present, the master-weavers and kharkhanas are investing their own money as capital. As is mentioned above, the investment

they made is sufficient if the trade is brisk, but when the trade is dull, they suffer from want of capital. At such times and also for normal business, the Government or some other agency must come to their aid.

Subsidy on Yarn Purchases.

There are two difficulties with regard to supply of yarn. One is inadequate supply and the other is higher cost. Whereas the weaving mills, specially composite mills get yarn at cost price, the cost of the yarn supplied to the weavers is higher by 25 per cent over the cost price. The mills' profit, the middlemen's profit, transport charges and sales tax, etc, are added to the production cost of yarn. Thus the handloom cloth is unable to compete with mill cloth. It is therefore necessary to reduce the difference in price and supply yarn to the handloom industry at the same price at which it is supplied to the mills. One of the measures we have suggested to equalise the price is to levy an excise duty on yarn consumed by the composite and the weaving mills and use the amount so got to subsidise the prices of yarn supplied to the handloom industry. The yarn should also be supplied to the handloom industry. The yarn should also be supplied from the mills direct to the master-weavers or kharkhanas, in which case it is possible to reduce the difference in price to some extent. The Government may also subsidise the purchases of yarn to the extent of 10 per cent on the cost of yarn consumed by handloom weavers. This proposition works out as follows:

The yarn quota for Madras State is 22,500 bales for a month. Estimating the cost of a bale of yarn at Rs. 1,000, the total cost comes to Rs. 2,25,00,000. Subsidy at 10 per cent amounts to Rs. 22,50,000 per month and for one year it comes to Rs. 2,70,00,000. But it may not be possible for the Government to find this amount; hence the subsidy may be reduced to 2 per cent in which case the subsidy works out to Rs. 54,00,000 per year.

The benefit of the subsidy should be given only to the registered master-weavers, kharkhanas and weavers' co-operative societies. In that case the amount of subsidy will get reduced to three-fourths of the total mentioned above i.e., Rs. 40,00,00 as 25 per cent of the loans consist of independent and unattached weavers and unregistered master-weavers working with less than 50 looms.

Dyes and Chemicals.

Dyes and chemicals form an important raw material to the handloom industry. Production of cloth is mostly in coloured varieties. Dyes and chemicals are mostly imported from foreign countries. On account of this, during war, prices rose up and there was great scarcity in supply. It is therefore necessary that we must start an indigenous industry for the production of dyes and chemicals. It is not possible for one state to do this and it should be on All India effort. The total capital required for such venture is Rs. 5 crores. All this capital must be formed within 5 years, by which time, the factory must be completed. This venture may be either in the shape of joint stock company or a Government-owned factory. If it is a joint stock company, the capital may be collected from the handloom weavers and others also. State Governments should contribute more than the half of the capital. If it is found necessary, the Government of India should set apart Rs. 50 lakhs from out of the cess fund, towards the capital of this concern, in which case by 5 years, it could amount to Rs. 250 lakhs, i.e., it would form half of the proposed capital and the other half of the capital may be collected from all State Governments and others.

Finance Corporations.

There is no regular institution in the country to finance the activities of the handloom industry. Only in the case of the weavers co-operatives societies, there are sources of finance from the district co-operative central banks, but in the case of master-weavers and others there is no such source at all. Hence the industry will thrive only so long as the market for handloom products is there and when the market goes down, all the activities in the industry come to a stand still for want of finance. In the case of co-operative societies also, the co-operative central banks refuse to finance in dull season on account of huge accumulation of stocks in the societies and slack marketing. At such times, the weavers' co-operative societies suffer less, and some of them go into liquidation.

In order to avoid these financial troubles, it is necessary to set up a financial corporation in every state to finance the handloom industry. A capital of about Rs. 5 crores is required and this capital may be collected from all sources within a period of 5 years. An amount of Rs. 50 lakhs from out of the cess fund may also be set apart every year towards the capital.

The function of the finance corporation should be to advance loans to weavers co-operatives, master-weavers and Kharkhanas for purchase of yarn, dyes and chemicals, improved appliances and small scale spinning plants.

The Management of this institution should consist of Government representatives, and representatives of the industry and Reserve Bank. The representation to the Reserve Bank is necessary, as it would have a salutary effect on the working of the institution and the Reserve Bank also would be able to advance loans liberally to this institution.

Marketing.

With regard to marketing of handloom cloth, the question of internal marketing and also that of external marketing should be tackled.

In the case of internal marketing, there is severe competition from the mill cloth. The question of price is the main factor in internal marketing. Somehow, the impression is there, that mill cloth is cheaper than handloom cloth, though actually it is not so. In order to overcome the prejudices created against handloom cloth by interested parties, it is necessary to show the consumers a marked difference in prices between handloom cloth and mill cloth and wide spread propaganda to make the consumers realise the desirability of purchasing handloom cloth in the interests of the national economy and large scale employment. For all these purposes the producing institutions such as the weavers' co-operative societies, master-weavers and karkhanas should be given subsidy from out of the cess fund to carry on the above mentioned activities. This subsidy may be based on the cloth produced. A beginning may be made giving subsidy at the rate of 2 per cent on the cost of the cloth produced and raising it to a maximum of 5 per cent. This subsidy at 2 per cent works out of Rs. 67,50,000 per year if the value of the cloth produced is estimated at Rs. 33,75,00,000 per year. This would operate as a sort of price support for handloom cloth.

Export Corporation.

With regard to exports all the export trade is in the hands of a few merchants. These merchants engage contractors for procurement of the cloth. The foreign market is not a steady market. When there is demand in foreign market, the exporters

purchase cloth and when there is no demand, they will not procure cloth, and at such times there would be heavy accumulation of cloth and the prices fall to the lowest. As the exportable varieties are not useful for internal consumption, the slump, when it comes, would prove to be very disastrous and only the weavers suffer from it. The exporters will also exact penalties from the weavers for some alleged faults in weaving. There is no proper assessment for the quality of the cloth and no control over their mischief.

Export trade in handloom cloth forms 1/8 of the total production in the State. About a lakh of looms are engaged in the production of exportable varieties and these looms are concentrated in particular areas.

It can be seen therefore, that export trade in handloom cloth is an important factor and it should be organised and developed on sound lines. Thus handloom cloth export corporation should be set up to handle this trade. It is sufficient if the initial capital for this corporation is about Rs. 25 lakhs. This amount can also be taken from out of the cess fund. The capital may be increased every year by setting apart Rs. 25 lakhs in each year upto 5 years from out of the cess fund. This must be an All India Organisation, with head office in the Madras, as Madras State is the chief exporting state.

The Management of the State Corporation should be in the hands of a Board of Directors, consisting of Government nominees representatives of the industry and a representative of the Reserve Bank.

The function of the export corporation should be to procure cloth from producers direct and market in foreign countries either through its emporia or its agents.

State Owned Spinning Mills.

As is often said, the handloom industry suffers from inadequate supply of yarn at cheap price. The yarn mills in the State, though their existence depends upon the prosperity of the handloom weavers, do not regulate the prices of yarn in the interests of the handloom weavers and take maximum advantage, when there is scarcity which is sometimes their creation. It is therefore necessary that there should be some counter check to their activities and ultimately to run the yarn mills as national concerns. As it is, there are no yarn producing mills in Northern Circars of

Madras State though these districts are the largest consumers of yarn in the State. It would be proper therefore to set up a yarn spinning mill either on the banks of the Godavari or the Krishna and set apart funds from the cess fund for this purpose. An initial grant of Rs. 15 lakhs may be made this year and this may be increased as the work progresses. We believe ultimately this yarn mill costs Rs. 45 lakhs if the spindles are limited to 12 to 16 thousand.

Research Institute

Much is talked about the research, but nothing came out of it. Government of India have allotted some years back about 80 thousands of rupees for research from the development fund and nothing is known what came out of this expenditure. There are textile institutes with research sections but no useful purpose is served by these institutions. It seems to be futile to spend further amounts on pure research without specifying the problems.

The present problems of the handloom industry are as follows.

1. The present fly-shuttle looms should be improved to enable the weavers to increase the speed in weaving.
2. The present method of sizing should be examined and improvements should be suggested.
3. The dyeing of yarn should be examined and fresh formula should be suggested for getting new shades in the different colours.
4. There should be a permanent section for designing. Samples should be prepared and widely distributed. There should be also some designers to put those designs in weaving, whenever their services are requisitioned.
5. Research should be made into the possibility of designing and manufacturing small scale spinning plant within a reasonable cost to cater the needs of 5 to 10 looms within one day's production. A reward of Rs. 1 lakh also may be announced for this purpose.

An initial grant of Rs. 5 lakhs may be allotted to all these activities.

Conclusions.

Therefore our suggestions are :

1. To allot Rs. 10 lakhs towards share capital loans to weavers to join weavers co-operative societies.

2. To compel the master weavers and Kharkhanas to register their concerns with the textile department and to disclose the number of looms working under each of them.
3. To give subsidy on yarn consumed by weavers co-operatives and other registered concerns at the rate of 2 per cent and allot Rs. 40 lakhs for this.
4. To establish a finance corporation to finance the handloom industry and to allot Rs. 50 lakhs towards its capital.
5. To establish an export corporation to undertake foreign trade in handloom cloth and to allot Rs. 25 lakhs towards its capital.
6. To give subsidy at the rate of 2 per cent on the value of cloth produced by weavers societies and other registered concerns and to allot Rs. 67,50,000 for this purpose.
7. To establish a State owned spinning mill on the banks of Krishna or Godavari with a capital of Rs. 45 lakhs and to make an initial grant of Rs. 15 lakhs in this year.
8. To conduct practical research in the problems of rapid weaving, sizing, dyeing, designing and invention and manufacture on small scale spinning plants to be operated in cottages.
9. To announce a reward of Rs. 1 lakh for inventing a suitable spinning machine to cater to the needs of 5 to 10 looms.
10. To establish an indigeneous industry for the manufacture of dyes and chemicals with a capital of Rs. 5 crores and to allot Rs. 50 lakhs as an initial capital.

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

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

ALL KINDS OF DEPOSITS ACCEPTED

Fixed Deposits : For 6 months 2½% ; For one year 3%
 For 2 years 3½% ; For 3 years and above 4½%

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

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

CO-OPERATIVE WORTHIES:

Life of Mr. L. N. Paramasivam Pillai

SRI M. S. PALANIAPPA MUDALIAR, B.A.,

Secretary, Tamil Nadu Co-operative Federation, Coimbatore

The district of Tiruchirapalli, as at present constituted, is an integral part of the old Chola Country. It has many a famous and sacred temple. It has been the birth place of many a man of fame and name. The late Mr. L. N. Paramasivam Pillai is one among them. Sri L. N. Paramasivam Pillai did much constructive work for the cause of the co-operative movement and the uplift of the masses in his own way. He was a gem among Co-operators. His smiling disposition, love of truth, pride of service and devotion to co-operative work and unassuming manners stood him in good stead and won the affection of other Co-operators. All of them will now bemoan the loss of such a veteran Co-operator. His demise at his residence on 10th January 1953 was a shock to his friends, as it was sudden and unexpected.

Sri Pillai comes of a well-to-do noble family. He was born in 1893. His father, the late Rao Sahib Mr. T. Nataraja Pillai was a well known personality in the Tiruchi District. Soon after completing his studies in Lalgudi, Sri Paramasivam Pillai entered the co-operative field as an honorary worker for serving the people. The village of Kugur enjoyed the fruits of his maiden efforts in this direction. The Kugur Co-operative Credit Society was started by him on 1st December 1919. He continued as its President to the last. The Lalgudi Co-operative Agricultural Improvement Society was afterwards organised and started by him. This Institution serves as an example of his pioneering co-operative enterprise in the field of agricultural farming. From this humble beginning, he soon rose to the position of a leader. On 16th October 1927, he was elected as a Director of the Tiruchirapalli District Co-operative Central Bank. Later, he became its Vice-President and from 1940, its President, which position he held till 1942, when he retired. The Tiruchirapalli District Co-operative Central Stores was then organised by him. The development of this Institution owes much to his untiring and vigilant efforts. Sri Pillai continued to be the President of the Central Stores, till death snatched him away from our midst.

Of his other connections in the co-operative field, mention may be made of the Lalgudi Co-operative Land Mortgage Bank, which was organised and started by him in 1930, the Lalgudi Co-operative

Stores and the Lalgudi Co-operative Building Society and the Lalgudi Co-operative Union. Among the State Institutions, he was a Director in the Madras Co-operative Central Land Mortgage Bank and the Madras State Co-operative Union. His work in the movement would be incomplete if mention is not made of the Tamil Nadu Co-operative Federation. The late Mr. T. A. Ramalingam Chettiar, Founder-President of the Federation found in Sri Pillai the necessary qualities of head and heart and selected him as his successor and got him elected as the President of the Institution. Sri Chettiar also remained on its Board after he retired from the Presidentship of the Federation. No other tribute is needed to show us the greatness of Sri L. N. Paramasivam Pillai. Sri Pillai continued as the President of the Federation until his death.

In other fields of public life also, Sri Pillai figured prominently. He was the Vice-President of the former Lalgudi Taluk Board, and President and Vice-President of Lalgudi Taluk Land-Owners' Association, Founder-President of Tiruchi District Village Officers' Association and also President of their Provincial Association for some time.

He was a man of deep religious convictions. He endowed several charities. He was founder of the Jagadambal Hostel named after his first wife and was instrumental in starting the Lalgudi Girls' High School.

Tamil Nadu has lost an eminent and its leading Co-operator. He leaves behind him his beloved wife, Srimathi Soundaranayaki, two brothers Sri L. N. Gurunamasivayam Pillai (elder) and Sri N.T. Viswanatham Pillai (younger) and his nephew Sri G. Varadarajan, Secretary of the Tiruchirapalli District Co-operative Central Bank and numerous friends and relatives. May his soul rest in peace!

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

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

(REGISTERED IN 1928.)

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

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

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

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

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 1942 issue.—Editors.]

1. The Brahmakuntam Multipurpose Rural Credit Society (S. Arcot Dt.)

The Brahmakuntam Multipurpose Rural Credit Society in Kallakurichi Taluk in South Arcot District was registered on 27-3-1912 and started work on 21-6-1912. The village is situated 10 miles north of Sankarapuram. The society is affiliated to the Kallakurichi Union.

The present number of members in the society is 67 with a paid up share capital of Rs. 1,475. The society has invested Rs. 1,668 towards shares in the institutions noted below:

	Rs.
1. South Arcot District Co-operative Central Bank ..	1,018
2. do do Stores...	50
3. Kallakurichi Agricultural and Industrial Society...	600
Total ...	1,668

It has Rs. 2,585 under reserve fund. The maximum borrowing power of the society is Rs. 12,500. During the year 1951-52, the society borrowed Rs. 11,700 from the South Arcot District Co-operative Central Bank including Rs. 3,200 being the pump set oil engine loan to a member. A cash credit of Rs. 315 was also accommodated by the Central Bank for purchase and sale of agricultural manure. At the end of the year a sum of Rs. 11,848 was due to Central Bank under loans and a sum of Rs. 12,795 was due from members.

Besides the credit transactions, the society is also doing multipurpose activities for the benefit of its members and others. During the year 1951-52, the society purchased and distributed chemical manures to the extent of Rs. 402. The society has also purchased agricultural implements to the value of Rs. 60. The society has since purchased a sprayer for the benefit of the members and others in the village. The society has been advised to introduce thrift scheme through hundi boxes. Towards recreational activities, the society is conducting rural games etc. at regular intervals.

The net profit earned by the society during the year 1951-52 in the transactions amounted to Rs. 187-5-0. The Panchayatdars are taking interest in developing the affairs of the society.

2. Veeraperumalpuram Multipurpose Co-operative Society, (Madura Dt.)

The Veeraperumalpuram Multipurpose Co-operative Society in the Tirumangalam Rural Welfare area of the Madura District was registered as

a Co-operative Society on 20-10-'48 and started on its work on 25-10-'48. This is the 5th year of the working of the Society.

The area of the operations of the society is confined to the Veeraperumalpuram hamlet of Arasapatti village. In 145 families in the village, there are 91 members with a paid up share capital of Rs. 1,740. 66 per cent of the village is being served by the Co-operative Society.

The society has a reserve fund of Rs. 132-8-0. It has invested Rs. 1,000 and Rs. 100 as shares in the Madura District Co-operative Bank and the Tirumangalam Co-operative Sale Society. The loans outstanding against members amount to Rs. 10,215 as against a Bank loan of Rs. 1,0270. The Society has been paying off the dues to the Bank in full each year.

The society has been working at a profit as follows :

	Rs.	A.	P.	
1948-49 Net Profit	5	7	6	
1949-50 "	32	7	0	
1950-51 "	226	5	0	
1951-52 "	143	15	0	unaudited figures
1952-53 "	80	7	0	Upto 15-11-52 figures

The society has been doing the following multipurpose activities.

(1) The society has been working a ration shop from the year '49-50 to the satisfaction of the public and the officers. The transactions are as follows :—

Year	Purchases. Rs.	Sales. Rs.
1950-51	17,408	18,474
1951-52	2,854	2,708
1952-53	3,066	3,278

It took a licence to deal in oil cakes and manures. Purchases were made for Rs. 1,847 and sold for Rs. 2,041 under this head. The society also interested itself in joint purchase and sale of domestic requirements. The transactions under this item amounted to Rs. 918.

The society has also purchased a bund former and a D. D. T. Sprayer pump. A 50 per cent grant of Rs. 87-8-0 was received from the Government for the purchase of the sprayer. During 51-52 the sprayer was used by 8 members to protect 12 acres of cotton and black gram crops.

A first aid medical chest has been purchased for the use of the public. The society has applied to the Collector for the lease of 10 acres of waste lands with a view to cultivate them.

The society has carried out an intensive propaganda for the digging up and maintenance of manure pits and nearly 50 per cent of the members are having one pit each.

It has submitted an application for a free grant of Rs. 1,000 for the purchase of a stud bull.

3. The Kosigi Multipurpose Co-operative Society, Adoni taluk (Bellary Dt.)

The society was registered on 1-6-39 and started on work on 24-6-39. The village of Kosigi is a major Panchayat with a population of about 10,000 people.

The society had on 30-6-52, 408 members with a paid up share capital of Rs. 3,264. Efforts are being made to enlist more members so as to reach the target of 80 per cent of the population. During the year 1951-52 a sum of Rs. 4,315 was received as loans from the Hospet Co-operative Central Bank. Due to failure of crops in the area the loans could not be cleared. A sum of Rs. 7,508 is still due to the Central Bank while the loans due to society from members amount to Rs. 9,501-7-0.

The society receives chit fund deposits from members during 1951-52. A sum of Rs. 5,800 was received from members and auctioned out to members for a similar sum.

A separate cash credit is allotted to this society for doing non-credit work and the balance of the cash credit account in Hospet Co-operative Central Bank is Rs. 2,541-7-0 intended. It deals in mill cloth, handloom cloth, iron and steel, oil and chemical fertilisers. The following are the transactions with regard to its non-credit business.

Item.	Purchases. Rs. A.	Sales. Rs. A.
1. Iron and Steel	9,266 15	7,176 0
2. Cloth	9,270 6	6,917 9
3. Chemical fertilisers	2,199 8	731 11
4. Oilmen Stores	834 12	513 11
	21,580 9	15,338 15

The society earned a gross profit of Rs. 474-13-0 under non-credit business. It employs a clerk and is running its business in a rented building and it has also a hired godown for stocking the materials and other stock on hand valued at Rs. 12,436-11-0. The society now has proposed to construct a godown at an estimated cost of Rs. 10,000 and the proposal is under scrutiny and it has collected a sum of Rs. 1,845-11-0 towards donations for the purpose. This will facilitate the issue of produce loans and considerably improve the working of the society as cotton and groundnut are grown in the area.

The investments and borrowings of the society are detailed below:—

Investments.	Rs. A.	Borrowings.	Rs. A.
Reserve Fund	712 0	Chit Fund	244 0
Shares in Central Bank	1,400 0	Donations for contribution of a godown.	1,345 4
Members loans	9,501 0	Due to Central Stores	6,232 0
Shares in other institutions	5 0	Central Bank cash credit	2,541 7
Closing Stock	12,436 11	Loans from Central Bank	7,508 0
Furniture	100 7	Share Capital	3,264 0
	23,450 7		21,133 11

4. The Kumbdaje Multipurpose Rural Co-operative Society (S. Kanara Dt.)

The Kumbdaje Multipurpose Co-operative Society in Kasargod Taluk of South Kanara District is one of the good working societies in the Kasargod circle. The society was started on 10-3-38. Its area of operations extends to the villages of Karadka and Kumbdaje of the Kumbia Firka of South Kanara District. It has got a membership of 97 with a paid up share capital of Rs. 2,402.

THE MADRAS JOURNAL OF CO-OPERATION

The society meets all the credit requirements of its members. The society collected thrift deposits amounting to Rs. 94 in the year 51-52 and the total savings of members at the end of the year amounted to Rs. 654. It borrowed Rs. 4429 from the District Central Bank and issued loans aggregating Rs. 5125 out of which Rs. 4275 were issued on the pledge of produce. The outstanding loans amounted to Rs. 6982 out of which Rs. 2825 were surety loans and the rest were on the pledge of produce.

The society has adopted multipurpose by-laws within the frame work of its by-laws. It has taken up many multipurpose activities, besides credit transactions. It is acting as the agent of the South Kanara Agriculturists Marketing society and has sent Rs. 6,825 worth of members' produce, chiefly areca, for sale. It was running a ration shop selling controlled commodities like rice, sugar, wheat. Since the distribution of rationed articles has ceased the society has resorted to sale of provisions. During the year 51-52 the society has purchased commodities worth Rs. 11,400 and has effected sales worth Rs. 13,000 resulting in a gross profit of Rs. 340. The society has earned a net profit of Rs. 513 for the year 51-52.

The society has got a reserve fund of Rs. 1109 out of which Rs. 851 is invested in the District Central Bank and Rs. 150 in National Savings Certificates. The society has invested Rs. 300 in District Central Bank Shares, Rs. 150 in the shares of South Kanara Central Co-operative Whole sale stores Limited, Rs. 20 in the shares of Kumbala Cottage Industries Federation Ltd., Rs. 5 in the shares of South Kanara Agriculturists Marketing Society Limited and Rs. 25 as the ration security deposit.

On the recreational side the society is running a reading room and a *yakshagana mandali*.

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

ALL SORTS OF BANKING BUSINESS DONE

&

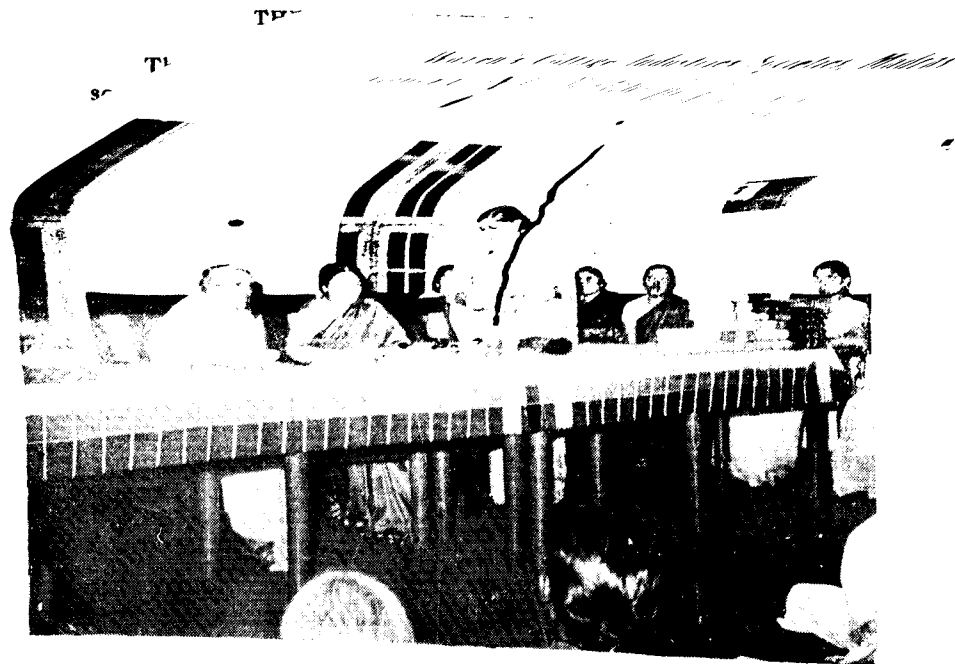
EVERY KIND OF DEPOSITS ACCEPTED
AT FAVOURABLE RATES OF INTEREST

Working Capital Exceeds Rs. 2,00,00,000

Refresher Classes for Co-operative Officials in Madras City, 9th Feb. 1953.



The Hon'ble Sri D. Sanjivayya, Minister for Co-operation, inaugurating the classes. To his left seated are Dr. P. Natesan, Genl. Secretary, M. S. C. Union and Sri T. V. Ratnam, Dy. Registrar, Madras.



Mrs. J. Clara Ryan, President of the Women's Cottage Industries Central Society, welcoming Srimathi Sakuntala Subramaniam wife of the Hon'ble Sri C. Subramaniam, Minister for Finance, Madras.



Srimathi Sakuntala Subramaniam, giving away prizes to some of the Members of the Society.

WOMEN'S CO-OPERATION

The Madras Women's Cottage Industries Central Society

Srimathi Clara Ryan, wife of the Registrar of Co-operative Societies, Madras, presided over the Annual Meeting of the Central Women's Cottage Industries Co-operative Society and its affiliated primaries at the office of the Madras State Co-operative Bank, Nethaji Subhas Bose Road, George Town, on 31-1-'53.

In her Annual Report, she pointed out that the Central Society was started in 1948. It had 11 primary societies with a total membership of about 1,000 women. The Central Society last year distributed Rs. 11,000 worth of mill-cloth to members to make readymade garments, etc. They sold about Rs. 50,000 worth of garments and other products of the Societies, and realised a profit of Rs. 1,116. Rs. 6,715 was given to members as stitching charges. The Government Transport Department had placed an order for 1,800 sets of uniforms for drivers, conductors and cleaners. If other Government departments did likewise it would be of great help to the societies. She thanked Sri T. V. Ratnam Deputy Registrar, for his help to the societies.

Srimathi Sakuntala Subramaniam, wife of Sri C. Subramaniam, Finance Minister distributed prizes (*sarees*) to two members of each of the primary societies who had earned the highest wages during 1952. After distributing the prizes she referred to the condition of middle class families and said that such cottage industries helped them to earn some extra money. She also stressed the need for more cottage industries societies to help middle class women to supplement the family income. She wished the societies success.

Kumari Varalakshmi gave a Bharatha Natya recital. Srimathi S. Subbulakshmi proposed a vote of thanks.

CO-OPERATIVE NEWS & NOTES

Co-operative News

The Hon'ble Sri D. Sanjeevayya, Minister for Co-operation, Madras inaugurated the refresher classes for the officials of the Co-operative Department in the Madras City at the Office of the Deputy Registrar of Co-op. Societies, Madras, on 9-2-'53. Dr. P. Natesan, M.B., B.S., General Secretary, Madras State Co-op. Union presided.

In the course of his speech the Hon'ble Minister said that a comprehensive bill to amend some provisions of the Co-operative Societies Act would be introduced soon to help the Co-operative societies. The Minister said that he had received various representations for amending the provisions of the Co-operative Societies Act. He had found in one particular case that Co-operative institutions were not generally allowed to use, from out of their reserve fund, money to construct buildings for societies themselves. Societies in several places were suffering for want of buildings; and when assurances were given by the societies that they would recoup the amount within a short time, there should be no provision which would prevent the utilisation of the money required by the society. If any section of the Act stood in the way, it should be amended.

Referring to the duties of the officials of the Co-operative Department he said that their work was essentially different from that of other Departments in as much as the Co-operative Officials had to deal with numerous non-officials, probably at times with "very trouble some non-officials two." He stressed that the officials should import a sort of humanitarian attitude and treat their work as social service. He advised that in cases where the enforcement of a particular rule worked hardship on the individuals or societies and hence needed relaxation, the officers concerned should report to the authorities that the rule should be relaxed in public interest.

Sri T. V. Ratnam, Deputy Registrar, in the course of his address, referred to the development of the Movement in Madras District. In 1944 they had only 184 societies with a working capital of Rs. 8 crores; and in 1952 they had 304 societies with a working capital of Rs. 24 crores. The Movement developed on the non-credit side also and they had house construction, cottage industries, weavers', milk and stores societies.

Mentioning that Madras had become a place of pilgrimage for foreign co-operators, he suggested that if Government agreed to bear the one-fare expense of officials visiting foreign countries, that would help very much our officials in going out and gathering knowledge and experience.

Dr. P. Natesan, in his Presidential address, expressed appreciation of the kind interest of the Hon'ble Minister in the progress of the Movement. He advised the officials to maintain a high standard of efficiency and equip themselves with a knowledge of all rules, regulations, bylaws and procedure.

CO-OPERATIVE NEWS

He also referred to the Co-operative Societies Act and the Shop Assistants Act applicable to co-operatives and observed that they were like two husbands to a woman. He requested the Government to consider the unenviable position of the Co-operatives and give them relief from this difficult situation.

Sri V. Vedantachari, Co-op. Sub-Registrar, proposed a vote of thanks.

The General Body Meeting of the Madras District Co-operative Central Bank was held in the M.S.C. Bank Hall on 15-2-53. The Administration Report and Audit Review for 1951-52 were adopted and the Budget for 1952-53 and some amendments to the bylaws were passed. The Bank earned a profit of Rs. 46,621-14-0 during the year.

Sri K. Sriramulu, Sri P. Kuppuswamy Mudaliar and Sri M. Kundana Prasad Lal were elected as Directors.

As per their G. O. Ms. No. 589 dated 6-2-'53, the Government of Madras has reconstituted the Madras State Co-operative Advisory Council with the following members:

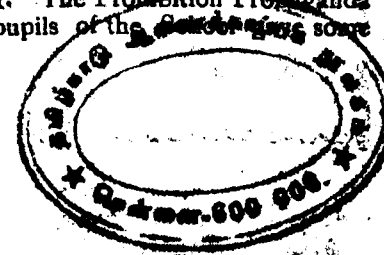
The Minister in charge of Co-operation, Chairman; the Registrar of Co-operative Societies, Madras, The President of the Madras State Co-operative Bank, Ltd., Dr. P. Natesan, General Secretary of the State Co-operative Union, the President of the Madras Co-operative Central Land Mortgage Bank, Ltd., Sri P. L. Narasimha Raju, President, Co-operative Bank, Vizianagaram; Sri V. K. Eradi, President, Malabar Co-operative Wholesale Stores, Kozhikode; Sri R. Kanakasabai, Chairman, Municipal Council, Chidambaram; Sri T. M. Chinnia Pillai, Commissioner, Hindu Religious Endowments Department; and Sri P. Basi Reddi, Advocate, Cuddapah.

The Joint Registrar of Co-operative Societies will continue to act as the Secretary to the Council.

Dr. Ballendux, Banking and Credit Expert attached to the Asian Field Office established in Lahore under a United Nations Extended Technical Assistance Programme visited Madras during the last week of January '53 to study the need for technical assistance to the co-operative movement in the Madras and also to award scholarships for specialised training abroad for select workers in the co-operative field. Dr. Ballendux, accompanied by Sri T. V. Ratnam, Deputy Registrar of Co-operative Societies, Madras, visited several co-operative institutions in Madras and discussed various problems relating to the Movement in the State.

Dr. Ballendux has already visited Calcutta, Lucknow and other places.

The Teachers of the Calavala Cunnan Chetty High School, Trivellore, enacted at the village of Ulandai on 5-2-53, "Madhupanamu", the Telugu translation of the one Act play "What the Vintners Sell" written by Sri J. M. Lobo Prabhu, I.C.S., Secretary, Development Department, Madras. About 2,000 villages witnessed it. The Prohibition Propaganda Van also showed some films and the girl pupils of the school gave some dance recital.



**THE RAMANATHAPURAM
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for 4 months onwards 3%
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Current Deposits upto Rs. 5,000 1%
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Season Deposits are accepted in our Karaikudi Branch and
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Other Reserves .. 4,75,359
Working Capital .. 138,24,517
Loan Transactions .. 101,58,976
Overdraft Transactions .. 304,98,603

Deposits are accepted at the following rates:—
Fixed Deposits:—
6 months 2% 4 years & above. 3½%
1 year 2½% 5 years & above 3½%
2 years 2½% for deposits of
3 years 3½% Rs. 5,000 and above 4½%

Savings Deposits and Thrift Deposits .. 1½%
Current Deposits .. 1%
Provident Deposits .. 3%

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ween 3 to 6 months @ 4% p. a.

A. MARAMA REDDY,
Secretary.

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.

JUST OUT!

The Madras State Co-operative Union Examination, March 1953.

An examination for the students of the Coimbatore, Tanjore, Rajahmundry and Anantapur Institutes will be held at the respective Institutes' Headquarters from 25th March 1953 to 31st March 1953 as per programme given below.

Wednesday	25-3-1953	10 a.m. to 1 p.m.	Co-operation—Historical, General and Principles.
Thursday	26-3-1953	10 a.m. to 1 p.m.	Co-operative Law.
Friday	27-3-1953	10 a.m. to 1 p.m.	Audit.
Saturday	28-3-1953	10 a.m. to 1 p.m.	Book-keeping.
Monday	30-3-1953	10 a.m. to 1 p.m.	Banking.
Tuesday	31-3-1953	10 a.m. to 1 p.m.	Rural Economics, etc.

Candidates who failed in the previous Provincial Co-operative Union Examinations held during 1942 to 1952 are hereby informed that they can also sit for the above examination.

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

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

The examination in Theory comprises of three parts :—

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

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

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

The last date for receiving the examination fees together with the application in the prescribed form is 28-2-1953. Fees must be remitted only by money order. Applications and money orders received after the said date are liable for rejection, and no complaint in this behalf will be attended to.

For further particulars please apply to:

The General Secretary,
The Madras State Co-operative Union,
379, Netaji Road G.T., Madras.

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

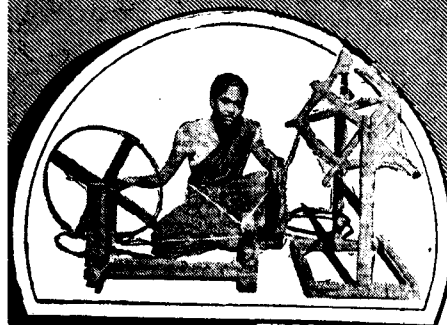
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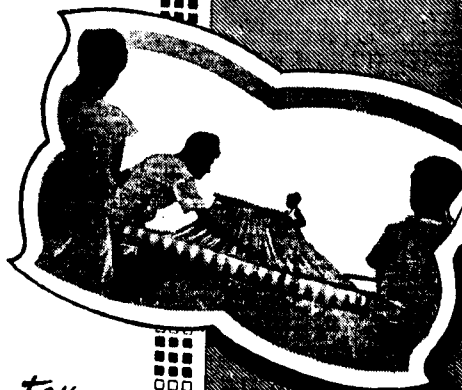
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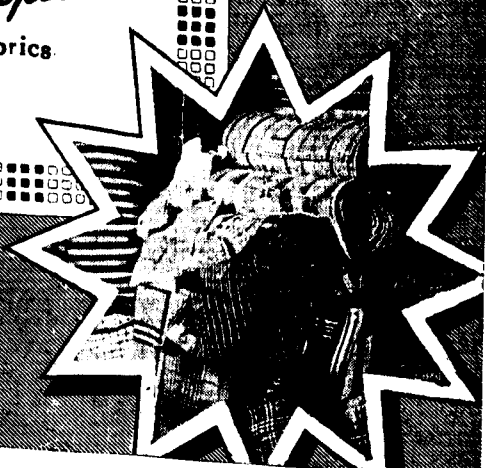
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The Madras Co-operative Central Land Mortgage Bank, Limited,

LUZ, MYLAPORE, MADRAS.

President:

SRI BHOGARAJU VENKATARATNAM.

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

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

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

Summary of Balance Sheet as on 30-6-'52.

Liabilities.		Assets.	
	Rs.		Rs.
Paid up Share capital.	20,47,600	Cash on hand & balance with Banks	48,564
Reserve and other Funds	...31,38,519	Loans to Primary Banks	...4,84,96,981
Debentures	...5,59,49,000	Sinking Fund Investments	... 1,02,18,971
Deposits, Loans and Overdrafts	... 23,84,832	Other Investments	... 42,91,89
Sundry Liabilities	... 3,66,633	Sundry Assets	... 11,21,51
Profit	... 3,86,273		
Total Rs....	6,41,72,369	Total	... 6,41,72,369

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

Edited and Published by Dr. P. Natesan, M.B., B.S., at M. S. C. Bank Buildings Esplanade, Madras. Printed by Sri S. Sundaresan, L. P. T., at the Central Co-operative Printing Works, Ltd., 1/17, Mount Road Madras-1725-253.