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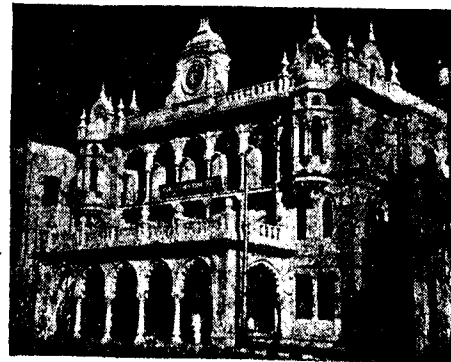
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Sri J. C. RYAN, M.A., I.A.S.,
has now joined the R.B.I. as Chief Officer,
Agricultural Credit Department.

Our New Registrar



Sri A. PALANIAPPA MUDALIAR, M.A.,
has taken over charge as Registrar of Co-operative
Societies, Madras.

THE

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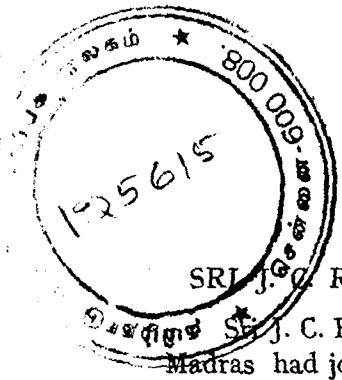
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Thought for the Month

"Credit is a remedy, but, like many remedies, it is also a dangerous poison (a double-edged tool, a consuming as well as a comforting fire) and in applying the novelty wholesale to the Indian ryot it must be applied with the caution that such remedies require, lest the ryots should learn too easily to borrow with a light heart, the lighter that the terms are favourable and repayment so easy and so gradual..... What does it matter to a peasant whether he is ruined by a bank or by a moneylender, by the too facile credit of the one, or the too usurious terms of the other?"

It is useless, however amiable, to believe that the ryot is only thirsting for capital in order to invest it at once in the improvement in development of his estate, that the influx of cheap capital is all that is wanted to enable him to wipe off his old debts in order to start forthwith on a self-denying career of productivity."

F. A. Nicholson.



Editorial Notes

SRI J. C. RYAN JOINS THE RESERVE BANK OF INDIA

Sri J. C. Ryan, the veteran Registrar of Co-operative Societies, Madras had joined the Reserve Bank of India as the Chief of the Agricultural Credit Department, after a distinguished record of service for nearly two decades. Rarely do we come across such a brilliant administrator, so thoroughly equipped for the task and so profusely imbued with a spirit of Co-operative Service. Dr. L. P. Jacks has called co-operation, "the most difficult and beautiful art in the world." Two things are indispensable to any Art—vision and technique. Judged by any standards, Sri J. C. Ryan was a consummate artist in Co-operation. He had a wide canvass and he worked on it with a rare skill and diligence. As in all arts, the effective expression of Co-operation depends even more upon vision than upon technique, important as are the forms of organisation and the operating methods. The functions of a Registrar are not merely formal. It is a great educational task, geared to the ideal of human elevation. And to this great evangelical task, Sri J. C. Ryan brought to bear a rare vision, a commanding mastery of the technique, tremendous drive and organisational prowess, superb tact and marvellous powers of persuasion. In fact, he possessed a special genius and an unquenchable passion for co-operative work.

No sooner had he assumed charge as the Registrar in July 1947, than he started on his mission with a sure note of confidence and an unshakable faith in the efficacy of the Co-operative Method. He writes: "The attainment of political freedom had cleared the road for economic freedom and a Co-operative Movement had a great part to play in the sphere of economic emancipation and I am confident that the Government will make the best use of it." These were the words of not a mere shrewd administrator but a great planner of Co-operation, a great dreamer as well. He possessed in abundance all the qualities of a superb administrator—an alert mind, an impeccable mastery over details, and an inflexible will to carry through a programme against odds. His mind was ever receptive to new ideas and he made unceasing efforts to know the intricacies of the several facets of the Movement and was on the keen watch for new trends

EDITORIAL NOTES

and turns of the great Movement. He would be busy devising new formulas, techniques to solve the multifarious problems confronting the Co-operatives. For example, he pleaded for the popularisation of the post-sanction system to obviate delays in the grant of loans to members of rural credit co-operatives. During the post-war period, he was responsible for harnessing the co-operatives for the tasks of increasing the production of food stuffs, handloom goods and cottage industrial goods as well as effecting the equitable distribution of controlled commodities at reasonable prices. He evinced a great deal of interest in perfecting the techniques of controlled credit schemes and rural and urban housing schemes. For strengthening the marketing structure, he recommended a proposal for an half grant subsidy towards the cost of godowns. Thus with an open mind, and a sympathetic understanding of the problems and an infinite capacity for unremitting work, he was able to cut many a Gordian Knot and build up the Movement to a great stature. Small wonder, then, that with his advice the Co-operative Movement in this State became a vital force and exhibited great vigour in all its spheres, new as well as old. Here is a fitting tribute to the constructive genius of Sri J. C. Ryan. "The Co-operative Movement, which started five decades ago in this State with the modest objective of relieving rural indebtedness has travelled far from its original concept during the last six years under the watchful Stewardship of the present Registrar of Co-operative Societies, (meaning Sri J. C. Ryan) and to-day, it embraces a variety of interests and enterprises. During this period the number of societies which was 17,057 on 30th June 1947 rose to 25,850 on 30th June 1953, their membership from 22.10 lakhs to 38.65 lakhs, their paid up share capital from Rs. 5.43 crores to Rs. 12.81 crores, working capital from Rs. 50.97 crores to Rs. 97.03 crores."*

Sri J. C. Ryan's constructive skill and energy were utilised not only for the building up of the Co-operative Movement in this State but were also pressed into service in the several other nation-building activities. As a member successively of three Committees appointed by the Government of India—the All-India Committee on Agricultural Indebtedness (D. R. Gadgil Committee) (1945), Saraiya Committee of Co-operative Planning (1946) and the Rural Banking Enquiry Committee (1950)—Sri J. C. Ryan made useful suggestions

*Vide G. O. 736, Department of Industries, Labour and Co-operation dated 23rd March 1954.

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of great value and these were adopted by these bodies. He served on the Expert Standing Advisory Committee on Rural Finance constituted by the Reserve Bank of India with great distinction and was largely responsible for the many concessions given by the Bank to Co-operatives and thus augmented the Co-operative Credit structure of this State. He also served on the Extension Board of the Indian Council of Agricultural Research and as well as on the several State bodies. He served as the Secretary of the Fifteenth Registrar's Conference held at Madras (May 1947). He was one of India's representatives at the Conference of the Food and Agricultural Organisation of the U. N. held at Lucknow (1949) and the Asian Conference of Technical Experts on Co-operation, which met at Karachi under the auspices of the I. L. O. (December 1950). In 1950, he proceeded to the Far East as the Consultant on Co-operation on a two month assignment with the Rural Welfare Division of the F.A.O.

Sri J. C. Ryan had a lively interest in the progress of Co-operative Education in this State and his helpful attitude and assistance to the Madras State Co-operative Union—the Apex institution for Co-operative Education and Propaganda in the State deserves special mention. In 1948-49 he strengthened the inventory of Co-operative Propaganda of the Union, by permitting the subsidy of Rs.15,80- provided for conducting training classes for Panchayatdars to be utilised for the production of educational films on Cottage Industry and Milk Supply Co-operatives. Thus a new trend—the audio-visual aid to co-operative education was—initiated. During the same year, he prevailed upon the Government to nurse the finances of the Union by the grant of a subsidy towards the pay of the Associate Editor-cum-Manager of the Union. He had been consulting the Union on the several problems and thus have immeasurably increased the prestige and the stature of the Union.

We are sure that Sri J. C. Ryan, as the Chief of Agricultural Credit Department, Reserve Bank of India will give a new sense of direction and a fresh impetus to the activities of the Department and thus intensify the contribution of the Reserve Bank of India towards the expansion of the Co-operative Movement. We further hope that with his appointment as the Chief Officer, the ties of the Co-operative Movement in this State with the Reserve Bank of India may grow more and ever more! We wish Sri J. C. Ryan many more years of devoted and ennobling service to the cause of Co-operation!

OUR NEW REGISTRAR

The long awaited event has happened. Sri A. Palaniappa Mudaliar till recently Joint Registrar of Co-operative Societies, had taken over charge as the Registrar of Co-operative Societies, Madras, with effect from the afternoon of the 10th November 1954. It is one of the unique events in the annals of Co-operative administration in the State, that one of the tried and veteran Officers had been promoted as the Registrar, the Chief of the Co-operative Department of this State. Sri A. Palaniappa Mudaliar possesses in abundance a genius for planning, a sustained and strenuous study of details and an unerring instinct for precision and a vigilant and cautious approach to problems and a masterly way of choosing the correct techniques and moves—qualities that are very essential for the Directing Chief at the G.H.Q. Quiet and unassuming, he has at disposal a vast reservoir of accumulated talent, born out of years of hard work and rich experience, which he can now utilize to develop the Movement toward purposive ends. To an infinite capacity for hard work, he has combined the masterly quality of analytical skill, which enables him to wade through a maze of complicated and tenuous administrative problems and seize at the most pivotal issue, with a clarity and deftness of a superb administrator. He is a great disciplinarian but that does not make him airborne. With an engaging candour, he moves with the Co-operators with an amiability, that endears him to the heart of the people. Grit, grasp of facts and tact are the inexhaustible weapons in his administrative armoury. Those, who have watched him working doggedly to solve the colossal and gruelling human problems of the unemployed ex-tappers in the City of Madras would wonder at his marvellous powers of tact, patience and organisation. Serene and unruffled, he tenaciously planned several workable schemes like the organisation of Milk Supply, Labour Contract, Palm-Gur and Cottage Industry Co-operatives, in order to provide alternative jobs for these struggling, jobless ex-tappers. In fact, it was in no small measure due to his purposive and painstaking effort, that the palmyrah jaggery societies for ex-tappers had registered a remarkable increase from 153 in 1947-48 to 2187 in 1952-53 and to-day, they are capable of providing employment to 1.88 lakhs of ex-toddy tappers. In his capacity as the Deputy Commissioner for Prohibition (Amelioration), he had, as it were, specialised the social welfare aspects of Co-operation, with a thoroughness and precision, that is peculiarly his own. He is a master planner and has a

brilliant acumen for drafting eminently practical schemes; with a clear vision and characteristic perfection, he evolved several Milk Supply plans, food distribution measures and schemes for the resettlement of ex-servicemen. He has a comprehensive knowledge of the short-term and long-term co-operative credit structure of this State. He has a great faith in the vital role of co-operative education. The workable programme prepared by the Madras State Co-operative Union, towards the Training of Co-operative Members and Executives owes its inspiration chiefly to him. In the year 1952, he attended the first Indian Co-operative Congress. In July 1954, he attended the First All-India Co-operative Editors' Conference at Delhi as an official representative and made valuable suggestions for the progress of Co-operative Journalism. We are sure that with his fine equipment—cultural and administrative—he is bound to enrich the content of Co-operation and vivify the Movement with a new tempo, so that the "Nation may be on the move more purposefully than ever before towards a better and a more abundant life."

THIRTY SECOND INTERNATIONAL CO-OPERATIVE DAY

Co-operators, the world over, have enthusiastically joined the great international co-operative festival—the Thirty Second International Co-operative Day celebrations. We in the State of Madras too, participated in the great festivity, with an enthusiasm of equal intensity. Reports are reaching us from the mufassal districts of a similar jubilation in celebrating the 32nd International Co-operative Day. Though enjoyment and pleasure were quite properly the order of the day, the deeper significance of the occasion was not ignored. The I.C.A. Declaration with its exhortation to Co-operators to be the builders of a New World and the stirring call of Sri R. G. Saraiya, President, All-India Co-operative Union to build up the strength and prosperity of the nation by co-operative endeavour brought home to the Co-operators of India their immense responsibilities and great tasks. In a world torn asunder by tensions and conflicting ideologies, the happy idea of co-operative fellowship must have a tremendous appeal. "The good idea of the International Co-operative Movement, must eventually lead to International solidarity. As Co-operators, we all have a duty to perform—to help in vouchsafing to mankind, peace and well-being in a climate of freedom." And as Herbert Morrison strikingly told a British audience: "We want a Co-operative World, for we shall be better and the World will be better

as a result of the adoption of Co-operative principles in all phases of life." That is what Co-operation can achieve on a global scale.

Coming nearer home, the task of national reconstruction is the sage act of social service, in an under-developed country like India, which is seething with a new impulse for progress. The President, All-India Co-operative Union had struck the right note when he exhorted the Co-operators "to build up its economic strength and prosperity by the co-operative endeavour of us all." Following the clarion call, the Madras State Co-operative Union organised the Festival and rightly pitched upon Sri M. Bhakthavatsalam, Minister for Agriculture and Rural Development Schemes to preside over the day. Sri M. Bhakthavatsalam dwelt at length on the vital role that Co-operation could play in all walks of life—agriculture, housing, marketing, small scale industries, large-scale industries and even the complicated problem of land. He complemented the Co-operators of Madras for their high degree of efficiency and their great enthusiasm, particularly in establishing the handloom industry on a co-operative basis and thus rehabilitating the weavers from the mire, in which they were sunk. He made a special plea that Co-operative Agencies should act with a greater vigour and enthusiasm and make the Rural Development Schemes a success. But there is a feeling among high ranking Co-operators like R. G. Saraiya that Co-operatives in the Project Areas have not been given due importance. Sri Karve has explained this difficulty as follows: "In the pursuit of quick physical results, the need for co-operative action among the people have tended to be subordinated in several places. Fortunately, this has been due not so much to a disregard or disapproval of the value of institutional Co-operation among the people as to an anxiety to move forward quickly on the material plane." We do hope with the Evaluation Chief that there would be a timely reorientation of the Development Policy, so as to ensure that the urge to progress is guided into democratic channels of mutual co-operation.

Major-General S. C. Alagappan suggestively narrated the epic story of the Indusco of China. Nym Wales in her book, "China Builds for Democracy" gives us a vivid and fascinating account of the working of the Industrial Co-operatives or Indusco. By 1938, Japanese war machine had annihilated about 80 per cent of Chinese Industries, rendering thousands of workers idle and homeless. The whole future of China hung in the balance. It was at this critical juncture, that a few Chinese youngmen under the leadership of Rewi

THE MADRAS JOURNAL OF CO-OPERATION

Alley, formulated a plan for "Guerrilla" industries on Co-operative basis in the interior of China. The Industrial Co-operatives are now China's glory and wealth. They have not only served the country as impregnable lines of defence against foreign aggression, but have also sustained the vitality of the nation by providing it with all the necessary consumption goods at a time when the whole economic edifice was bombed to pieces. There have emerged in China thousands of small Industrial Co-operatives, which are economically self-governing and self-sufficient, producing with manual labour and small machines all the necessities of life. These have a monthly turnover two times greater than their capital equipment—a remarkable achievement indeed! The 'Indusco' are of supreme value to China, not only during war, but also for its future industrial development. Even in India, there is a great urge to develop small scale Industries on the model of Indusco. J. B. Taylor had already outlined a scheme for "Organisation of Industrial Co-operatives." Sri T. T. Krishnamachari, Commerce Minister had appropriately announced a decision of forming Industrial Co-operatives under the control of a full-time Registrar in some of the States. This will be widely welcomed by those interested in the development of small scale industries.

Dr. Alagappan has also referred to a need for starting Hospitals and Schools and the like on a co-operative basis. We are told that in Ceylon, they have successfully experimented with the idea and have established the Moolai Co-operative Hospital Society Ltd. Organised in 1935 with 31 members, the Society has grown and has expanded its activities spectacularly. The Society, to-day, has a fully equipped hospital, with an average of 27,900 prescriptions and 3,700 in-door patients per year. It has a bed strength of 100. In Madras, a pioneering attempt has been made in registering an Hostel Co-operative. A few schools are being run on a co-operative basis, by a few Multipurpose Societies in Travancore-Cochin. In U.S.A. and Canada, the dynamics of Co-operation have ushered into existence Service Co-operatives, to perform a number of useful services like Transportation, Rural Electrification, Library Service, Freezer Locker Service and Group Health Service. It is one unending tale of experiment and expansion.

Prof. Krishnamoorthi, as is the wont of the head of a teaching institution, referred pertinently to the problem of finance of the Madras State Co-operative Union. If the Union has to take up an

EDITORIAL NOTES

expanded programme of activity, the present resources will not suffice. Realising the gravity of this perpetual problem of finance, the Union had submitted a plan to put the finances on a sound basis as early as 1948. The Government of Bombay has amended the Act and provided for a statutory Education Fund at a prescribed rate of the net profits of all societies, which pay a dividend at a rate of 4 per cent and more. The Bombay Government have agreed to contribute an equal amount of the sum, so raised. The Union, had therefore, recommended that suitable amendments to Section 36 of the Act and Rule XII-(a) under the Act, 1932 should be enacted. The Co-operative Advisory Council for the State had also recommended the proposal. We hope, that the Government would take up the question and expedite the enactment of the amendment and thus stimulate Co-operative Education in this State by fortifying the financial strength of the Union.

Sri T. Chengalvorayan had emphasised the need for bringing the benefits of Co-operation to the poorer section of the people. "The failure of the Co-operative Movement to serve the neediest strata is a general weakness, inspite of the efforts made on behalf of Harijans or Depressed Classes in many Provinces and States. It is a moot question, whether Co-operative is a fit agency for the performance of this all-embracing, up-hill task. It is heartening to note that the Farm Security Administration sets up Co-operatives within its framework for submarginal groups throughout U.S.A.

However, these are refreshing thoughts and let us hope, that these good ideas broadcast that day may fall on fertile and energetic minds and may take shape as fruitful forms of Co-operative Enterprise.

SRI A. D. BALASUNDARA MUDALIAR PASSES AWAY

Just as we go to the Press, we have received the sad news of the demise of Sri A. D. Balasundara Mudaliar, Director, Central Marketing Organisation of the All-India Handloom Board. He passed away at 1.30 a.m. on 28th November 1954 at his residence in Konnur High Road, Ayanavaram. He was Joint Registrar of Co-operative Societies and the Business Manager of the Madras State Handloom Weavers' Co-operative Society for eight years and by dint of his hard work and devotion to his task, he built up the Institution to its present stature. He was deeply versed in the problems of the handloom industry and was responsible for piloting several schemes for

the stabilisation of the handloom sector. He worked as the Director of Yarn and Handloom in the Office of the Textile Commissioner, Bombay from 1950 for two years. Lately, as the Director, Central Marketing Organisation of the Handloom Board, he was responsible for initiating several schemes for the marketing of Handloom goods. He was a great friend of the weavers and his death is a severe loss to the handloom industry. He was aged 53. He is survived by three sons, five daughters and two brothers. We pray that his noble soul may rest in peace!

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SPECIAL ARTICLES

Transplanting Folk School to Indian Soil*

DR. PETER MANNICHE,

Principal, International People's College, Elsinore, Denmark.

The U. N. Declaration of Human Rights stresses the need to combat war by seeking the foundations of peace in the minds of men. The UNESCO Conference in Mexico City took the first step in this search by setting up the Social Tension's Project, the purpose of which was to explore, by the most exhaustive research, the psychological nature of the various kinds of prejudice and other tensions which exist between ethnic, religious and social groups. As India has suffered much from the tensions, it asked for help through the United Nations. With research plans formulated, with machinery for mutual co-operation between research teams, UNESCO and the Government established, and with some financial help from both of the latter, India became one of the few countries in the world which sought a solution of domestic problems by research into basic relations instead of relying only on political expediency.

Another example of the work UNESCO is doing are its efforts, with the assistance of experts from F.A.O., W.H.O. and I.L.O., to introduce in the Minneryan area in Ceylon, community centres, with libraries and adult education, talks on health and hygiene, discussion groups on topics of general interest, educational films and pictures. Facilities for recreation are given, folk songs and folk games are developed, and it is hoped to inspire a general spirit of community.

The Coupon Plan

The UNESCO coupon plan aims at giving private organisations and groups in Europe, U.S.A. and Australia the possibility of contributing to the improvement of educational facilities in under-developed countries in such a way that a direct contact is created between the donors and the receivers. The contributions may consist of books to a library, of projectors, films and material to aid in the teaching of illiterates and travelling scholarships to teachers etc.

To take a concrete example: if the workers in a factory in U.S.A. want to contribute 50 dollars for the purchase of primers and reference books to workers in an African country, their representative will receive a number of coupons, the total value of which corresponds

*Reproduced from the Article "UNESCO and Co-operative Enterprise" Published in the International Review of Co-operation, August, and September 1954 Number.

to that amount. These coupons are sold to all interested and the 50 dollars are then sent in the UNESCO Currency of "Unum", which is acceptable all over the world, to the leader of the educational group in Africa. Along with the receipt, the workers in U.S.A. will receive a description of the educational work in Africa and of conditions prevailing there. Thus a direct contact is initiated.

Cultural Basis Needed

I need not go into details describing the well known work done in various fields by UNESCO Technical Assistance Department, or by the department in charge of Exchange of Personnel. Recently a team of 20 young men and women from 12 countries was organised by UNESCO to meet the acute shortage of specialists in fundamental education. For nine months this team will work with Indian educationists in a cluster of villages near Mysore. Besides actually teaching the villagers ways of improving their living conditions, the team will produce films, radio programmes and reading primers, and draft an experimental "HANDBOOK OF FUNDAMENTAL EDUCATION". After having thus studied the methods of Indian educationists in raising the level of village life, and after having perfected technique and materials for future fundamental education projects, the members of the team will proceed to work in southwest Asia, Africa and Latin America in order to combat poverty, disease and illiteracy in these countries.

The various kinds of work UNESCO is doing, are perhaps of the greatest importance in the eastern countries, for at this juncture in the world's affairs none of us in the West can do anything more important for world peace than try to cement cordial and close relationships with our big Asian neighbours and help to solve the terrific economic and material problems which every eastern nation faces.

THE PROBLEM OF CREATING A CULTURAL BASIS FOR THE SPREAD OF CO-OPERATIVES STANDS IN THE FOREGROUND. Here India supplies a good example of the fact, that the action of UNESCO in fighting illiteracy and in helping National Governments to provide their citizens with fundamental education is conducive to successful co-operative enterprise. Indeed, this kind of work is indispensable in India.

India's Problem

Ultimately India's problem is a question of popular education. The Government wants to build a large part of India's economic life

on Co-operation. But the large population is not enlightened enough, and not in possession of the qualities necessary to carry co-operative enterprises through on a large and comprehensive scale.

It is not the illiterate mass of the people who alone need to be educated for co-operation. The officers of the Government as well as members of political parties need likewise to be educated, so that they may acquire a sense of awareness and appreciation of the people's requirement. One of the ways UNESCO could help the Indian Government to solve this problem is through an adult education inspired by the traditions of the Danish Folk High Schools which during the last hundred years have educated Danish farmers for democracy and co-operation.

It is true that Denmark is not a social paradise. But there are certain aspects of Danish development from which India might get ideas for its reconstruction work, especially as far as the farming community is concerned.

Of the 206,000 Danish farmers possessing more than 3 acres of land, more than 190,000 are members of one or usually several co-operative societies. The Co-operatives have helped the Danish farmers to combine individual enterprise for social improvement with the advantages both of intensive small-scale farming and of large scale machinery in dairies, bacon factories, etc., which they own in common.

Educating Danish Farmers

Co-operatives have given the small-holder the same bargaining power as the large farmers, have freed him from the commercial aspects of his job and have made it possible for him to concentrate on the growing of good crops and the breeding of good livestock. The Danish cow now yields an average of almost 400 pounds of butter and almost 1,300 gallons of milk per year.

In the Folk High Schools, which include some 60 residential people's colleges for young men and women between 18 and 25 years of age, the Danish farmers were educated to carry the co-operatives through by themselves without help from the Government or the Universities. They helped to educate the rank and file to an understanding of their problems and a trustful appreciation of their leaders.

It was not so in the latter half of the 18th century when the Danish peasantry were freed from their bondage to a domineering

nobility. They were too weak and too ignorant to work out the reforms themselves. Under the influence of German Evangelical Christianity and the ideas of Rousseau some high-minded noblemen formulated plans for economic reforms which the autocratic monarch carried through against the opposition of the greater part of the nobility and to some extent of the peasants themselves.

The farmers' many small, scattered strips of land were consolidated into larger units in closer proximity to the farm buildings, many of which were moved out from the villages. New crops and a new rotation of crops were introduced. Cheap and long-term loans from the State enabled the former tenants to establish themselves as freeholders, or—in most recent years and in some cases—as tenants of the State. Along with the economic reforms followed educational ones. In 1814 compulsory primary education was established for all children between 7 and 14. In this way the basis was laid for the development which culminated in the Folk High Schools and the Co-operatives.

Modification for India

The Indian farmers have now more political freedom than the Danish farmers had before their liberation, and progress could therefore be made within a much shorter time than in Denmark. This will to a large extent depend on the education which the Indian farmers are able to obtain.

In its chapter on Rural Universities, the University Education Commission recommended the establishment of rural universities with facilities for post-graduate studies, especially in subjects of rural interest. A Rural University, the Commission suggested, should be situated in the centre of a ring of rural colleges admitting students for undergraduate university education for three years. But as this scheme involves a reorientation of the whole question of higher rural education on a scale too ambitious to admit of immediate execution, it might be well to begin with an attempt to realise the people's college idea.

However, the vast area of the country, the unwieldy size of its population and the heterogeneous character of its social and religious forms combine to render India's problems peculiarly difficult as well, as different from those of Denmark. The peculiar problems of India therefore, demand certain modifications of the Danish pattern of rural education. They demand, in addition, great zeal and effort. But they certainly do not call into question the expediency of adapting a mode

of education which raised the Danish illiterate peasantry to the present high level of efficiency.

Agricultural Background

It is true that the rural communities are for the most part illiterate. They have long been in the habit of looking to one master for protection. They lack initiative and motivation for co-operative activity. A continued attitude of external obedience to a considerable extent deprived them of a social conscience and personality. But generally speaking, they are much better than the urbanized population, as far as truth, morality and a natural sense of justice are concerned. A form of people's college might appeal to them.

Many of the conditions preceding the establishment of peoples' colleges in Denmark corresponded to those of India today. The Indian economy for instance, is predominantly agricultural. The patriarchal family organisation of India and its authoritarian system of education had also their counterpart in Denmark before the establishment of the people's colleges. There are, in addition, certain features of recent development in India which may form the background for a rural education somewhat similar to the Danish one. These are :

- The growth of Basic Education, especially in Bihar.

- The advancement of the Social Community Projects.

- The development of Janata Colleges, such as those in Amraoti and Delhi, and of Vidyapets in Mysore.

- The growing feeling of the need to reduce overcrowding at the existing urban universities.

- The increasing popular demand for social and agricultural education.

The approach to the villages is not a question of time but a question of method. May I, therefore, summarise some of the outstanding methods and principles in the Danish system of adult education?

Adolescents from 14 to 18 years of age learn farming as apprentices on different farms.

The Danish System

Every year some 6,000 young farm boys and girls between the ages of 18 and 25 years of age attend a five months' or a three months' course at a Folk High School. As a rule they attend only

once in their life time, and go back to their farms. The aim is to make them better citizens, but time has proved that they also become better farmers. In some of the schools, especially those of the smallholders, they are taught agriculture and domestic science as well as the humanities, but in the main, the subjects are of the latter type,

The influence of the Folk High Schools has helped to bring cultural amenities to the homes.

The personal method and the use of the spoken word, has been a characteristic feature of the peoples' colleges.

The individualistic principle is expressed by the fact that there is no preparation for a degree or any formal examination.

As the aim is not to examine, but to help them to get an answer to their questions, the colleges are not schools for children, nor do they appeal to adolescents, who "should be educated to find their life job on a good farm or in a good workshop". They are schools for the mature youth, for not till then is the mind full of questions about democracy, social problems, literature, art and religion. Education for life, whole life, has from the beginning been a dynamic force in the work of the Folk High School. But the approach is not analytic, as is usual in universities. The schools aim at finding a synthesis: something to live for and live on.

There has also been a political and economic impetus for young farmers to attend the schools. Democracy and co-operation needed education, not only of leaders but also of the rank and file, so that the ordinary farmers could follow the footsteps of the pioneers.

A large percentage of members of Parliament, the great majority of the co-operative leaders and over quarter of the rural population have been students at the folk high schools.

I have asked several Indians whom I have met to comment on the possibility of transplanting the folk high school idea to India. So far their comments have been positive. Although, Professor S. C. Debb, Head of the English Department, the University of Allahabad, U. P. pointed out some difficulties:

CLIMATE: It will not be possible for an Indian farmer boy/girl of the age of 12 and over to find a clear period of FIVE MONTHS IN THE YEAR, when he or she can work in the F. H. S. The maximum period of unbroken leisure that can be commonly utilised is 2½ months per

year. As the Danish F.H.S. scheme is based on a FIVE MONTHS' TERM PER YEAR, this disparity merits close attention.

EXPENDITURE: To make any such scheme as F.H.S. work successfully, a unit taking not less than 200 students will have to be arranged. The problem of capital expenditure, furniture and fittings, library, and the layout, have to be scrutinised; in India THE LIBRARY is very often neglected; whenever there is a shortage of funds, it is cut down.

SITUATION: In Denmark the normal distance between the feeder-villages and the F. H. S. is such as could be covered in three or four hours. In India, the lack of easy communications may be a source of difficulty in maintaining proper contacts.

PRIMARY SCHOOL LEVEL: The educational level of the Indian farmer boy at the end of his school career is very low. It hardly includes more than the rudiments of language, mathematics, history and geography. The gap between it and the level needed by the F.H.S. is a very serious one.

SOCIAL BACKGROUND: The Indian farmer boy who will come to stay for say, three months at an Indian F.H.S. will not be in a position to go back to a social background which has any facilities needed for keeping in touch with the subjects studied at the F.H.S. There are no circulating libraries, workers' clubs and union or co-operative society centres as in Denmark. The work will be in danger of being EFFACED before the young man comes back for the succeeding TERM. There is also a danger of the young F. H. S. student becoming mentally and emotionally dissatisfied with the village, to which he has to return. This will produce an unconscious feeling of HOSTILITY.

The difficulties pointed out by Professor S. C. Debb can be overcome.

The courses need not last five months. In Denmark half of the courses last only three months. In Holland and England, which have recently adopted and modified the folk high school idea the courses are often even shorter.

The number of students in Danish folk high schools is on an average fifty or sixty. When the first school began, in the middle of the 19th century, the students slept in a large dormitory, together with their principal and teachers. In India a start should be made in a similar unpretentious way. The expenditure for a library is not of immediate importance, as the streets should be put on awakening

the students' interest, of course, largely through oral teaching. But both the students as well as the college must have some books.

Incentives

In a country like India, where even now the percentage of illiteracy stands as high as 82.7, no scheme of adult education can claim to be perfect without a basis on which to build. Provision should be made in the villages for a BASIC ADULT school with short courses ranging from two to three months for each group annually for three years. It should be possible for a farmer beginning at the preliminary grade to come back the next year for a second grade and the year after for a third term although each time he will be at the school for only two or three months. Provision should be made for incentives to encourage him to complete all grades. The desire to achieve literacy need not be a *sine qua non* for admission to basic adult school classes. The old tradition of oral teaching in the villages may satisfy those who do not want to prepare for admission to a people's college, but INSTRUCTION IN AGRICULTURE AND CRAFTS AND THE ELEMENTS OF HISTORY, CIVICS, CO-OPERATION, GEOGRAPHY, BIOLOGY, COMPARATIVE RELIGIONS, HYGIENE, DIETETICS, should be of such a nature that the students on leaving would feel that they had gained something of both economic and cultural value.

Proposed People's College

THE PEOPLE'S COLLEGE itself should in principles and methods correspond to its Danish counterpart, but should be centred, as Gandhi wanted his schools to be, on agriculture and crafts, as well as culture. With a farm attached, the object should be to make this into a model enterprise and use its productive activity as an essential basis for imparting general education to ordinary farmers and higher education to specialists in rural economy and technology. It should be residential and admit students chiefly from the basic adult school just mentioned, and from the existing secondary or post-basic schools. The people's college may even, indeed should, be attended by university graduates with specialised jobs in Government or other offices, but the method of teaching should not be academic. The object of the teacher will be to present to his class within the space of a term a synthesis of his subject, but it must on no account be divorced from life as it is.

Further Studies

There will be three terms in the year, just as in the basic adult school. The students who can afford time to attend the college for

an annual term of two and a half months during three years, would learn the use of improved agricultural methods and implements, which if the people's college terms were to be restricted to slack seasons, would not be fully taken advantage of.

If students are encouraged by incentives to follow up at home what they have learned at the people's college, they may, after three years, qualify for admission to a college training adult education teachers for rural areas, or for a college of higher rural studies, with courses lasting one and three years, respectively. At these colleges there should be more emphasis on the formal acquisition of knowledge than at the people's college. The basic adult school and the people's college, as well as a network of night classes or better still, late afternoon classes, for adults in the villages, would be very good demonstration schools for teacher trainees. They would also help to keep the students at the higher rural college in close contact with rural life.

Those who have finished at the people's colleges and do not show a special desire and capacity to study further, would be well equipped to become leaders of state farms with the obligation to accept young adolescents as apprentices learning by example. They should not be paid officials but tenants of the state, paying an annual rent for land and buildings determined by periodic valuations and dependent on the quality of the soil etc. Stock and equipment should be their own but the state should grant them loans with which to buy it. Co-operative processing and marketing as well as buying of fertilizers etc., should be an essential feature of these state farms.

The fact that the preparation for the people's college takes place in the native community of the students, that the education it gives takes place within their normal occupational environment, and that that the students should go back to work in the villages for the greater part of the year, would not only bring economic advantages but also counteract the educated villagers' desire to migrate to towns. The ex-students would be able to bring cultural amenities to the villages and at the same time stimulate interest in better farming and cottage industries. These latter would relieve farmers from the dangers of idleness.

As the teaching in all the colleges would be mainly agricultural, it would probably be possible to create a HEALTHY RURAL CULTURE, rooted in country-people's belief in organic growth and adapted to the farmer's economic, social and religious needs.

Elasticity Essential

It would be impossible to formulate a rigid curriculum for people's colleges in all states. It must be elastic, suited to climate and other conditions. Each state should decide upon the length of the courses, but admission should primarily be based on the merit of the student, not on the wealth of his parents. Stipends for manual work done by the students should cover their expenses. In the course of time, the colleges should be maintained by local communities, but in the initial stage, the State will probably have to provide finance, staff and leadership.

Finally I wish to stress a point which is of the greatest importance. The folk high school idea is not a Scandinavian monopoly. It should be applied in forms that correspond to the needs of the time and of the respective countries for the development of social internationalism so necessary if any political internationalism is to function. Here the peace-loving traditions of India coincide with the aims of UNESCO, as well as with the fundamental ideals of the world-wide Co-operative Movement.

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Co-operative Farming

BY MISS MARGARET DIGBY

I intend in the lecture to talk about a subject which I have always found particularly interesting people from Asian countries, namely, co-operative farming in the sense of co-operative management of land and co-operative planning of agricultural operations, and I propose to interpret this term in a fairly broad way, so as to take in a number of experiments which do not always involve collective ownership of land.

The systems of land tenure throughout the world differ greatly, according to local custom, and are very complex. Broadly speaking, they are of three kinds: (1) The land belongs to the tribe, and individuals or the families have the right to pasture animals, to use water and to cultivate areas assigned to them from time to time by tribal council. (2) The land belongs to a single owner, who either cultivates it with labourers (sometimes with slaves) or lets it out to tenants in exchange for a share in the harvest, or a money rent. (3) The land belongs to a number of small owners who cultivate it with the help of their families. All these forms exist in different countries, and sometimes in the same country to-day, but they also represent three stages in development, tribal ownership coming as a rule first, and individual ownership, whether of the intensively cultivated peasant farm of Europe or the mechanised family farm of America, coming last.

Why has there arisen, in a considerable number of countries throughout the present century, and indeed before, a demand for the abolition of the individual farm in favour, not indeed of the tribal land system, but of some kind of communal, collective or co-operative farm? I would suggest that the answers fall into three groups, ideological, financial and technical.

1. Ideological. The social miseries of the early industrial age produced a number of thinkers on communist lines. They should not be confused with members of the communist party to-day. They included men like Robert Owen and Tolstoy. The result of their influence was a considerable body of men who believed that private

*With kind courtesy to Sri M. Arulanandam, B. COM., (HONS.) Secretary, The Madras Co-operative Milk Supply Union, who has placed at our disposal this report of Miss Digby's lecture. This lecture was delivered under the auspices of Danish Group Training Course on Co-operation, held in 1953, which was attended by Sri M. Arulanandam.

ownership (whether of land or capital) was morally wrong, that profit-making was wrong and that the employment of labour was wrong. There were also, at a later stage, the more orthodox Marxians, who believed that the individual was nothing and the state everything, that the state must be founded on the monolithic party, and that while the peasant class retained their private property and worked as individuals, they would never become assimilated to the factory workers, support the party or submit loyally to the state.

II. Financial. During the last half century, population has been growing rapidly. Partly to relieve pressure, partly for other and more political reasons, there have been many movements of population, great and small, together with changes in the ownership of land, and changes in the use of land, nearly always in the direction of more intensive cultivation. All this requires capital, which most of the new settlers lacked and had no means of raising. In some important instances (though not in every case) it has seemed easier to find capital for a group than for individuals. It has also been hoped that the group would need less capital and would handle it more economically.

III. Technical. The trend of modern technology has been for the last hundred years in the direction of mass production, larger work units, larger and faster machines, bulk handling, standardised design. It was natural that many people, especially those with an industrial background, felt that this must also be the development in agriculture. It was indeed obvious that the use of modern agricultural machinery greatly increased output per man (though not necessarily output per unit of land), and that machinery could only be economically used on fairly large continuous areas. Where it was desired to release men and women from the production of food, in order that their labour might be available for work in factories then the large scale mechanised farm was the obvious answer. If circumstances or social conscience made the large private estate unacceptable, then the collective farm must take its place.

It may be necessary to suggest a fourth factor which can perhaps be described as custom. There are countries in which some sort of tribal land ownership is customary or at least remembered. It may have become technically inefficient, or it may be drifting into an oppressive landlordism. In such cases reform is needed, but it may naturally work in the direction of collective rather than individual ownership and management.

With these preliminaries, it may be possible to turn to the more advanced experiments in collective farming and see why they were undertaken, what forms they have assumed and how far they have been successful. In a short lecture, it may be better to ignore the various Owenite colonies, none of which were successful for long, as well as the numerous religious groups in America and elsewhere, which are bound together by special and unusual ties and disciplines. I should like to begin with experiments that I know of at first hand.

ITALY. In the last years of the nineteenth century, when the Italian national state was comparatively new, and the population of Italy already rising, a determined effort was made to drain the wide marshlands of the Po and other river valleys. The government provided a considerable part of the cost in the form of loans on easy terms to landowners, who were prepared to have their land drained, and the actual work was carried out by gangs of workers, who formed themselves into co-operative labour contracting societies. There were, however, landowners who refused to take the responsibility or provide even the minimum capital necessary for this work. There was also much unemployment. In these conditions, some of the labour contracting societies themselves leased or purchased the land, received the government reclamation loans and carried through the work of ditching, draining, the building of dykes, sluices and access roads. When the work was completed, some groups divided the land into small-holdings, and settled themselves as peasant farmers. In other districts, where no reclamation was needed, the same result was attained by groups of tenants who undertook the co-operative leasing of land from large landowners who had formerly employed agents. Some of the reclamation co-operatives, however, retained the land as a large co-operative or collective farm, to which further land was often added in the course of years. The soil was at first wet and somewhat saline, and the earliest crop was rice. Later, wheat was grown, and later still fruit trees and vines were planted, with lucerne between the trees, which could be cut and fed green to dairy cattle. The farm thus became more productive and more intensive as the years passed.

In the individual type of settlement, the members live on their farms, and the cost of building houses is added to that of agricultural equipment. In the collectives, houses are sometimes built but more often, the workers continue to live in nearest village. In some of the individual settlements the land is divided once for all, and the

members become the owners of their holdings. In others it is merely leased for periods of three to nine years. It is distributed in accordance with the quality of the land and the number in the member's family. Often there is a fixed scale, so much for a man, so much for a woman, a youth or a child. If the member's family has changed in composition by the time lease runs out, then the land is re-allocated. Such re-allocation, as well as the question of rent and houses (not all of which may be equally good) is apt to make for prolonged and difficult discussions. Some co-operatives retain some land in common, for instance the fields producing bread grain in a village which gets its income from fruit and vegetables. There is a full range of co-operative services—supply of agricultural and domestic requirements, marketing, sometimes processing (which also provides factory work for members or their families), and joint use of machinery.

In the collective farms the membership may be larger than that required actually to run the farm, and full employment cannot be guaranteed. This, however, is the common experience of all agricultural labourers in Italy. The co-operative does not spread what work there is among all its members, and does its best to get them additional work on private farms. In general, they do in fact work more than the average number of days in the year. On the other hand, in order that the farm finances may be kept sound, the workers are not paid wages at the full local rate, but receive a subsistence allowance, to which is added a distribution of surplus, if there is a surplus, at the end of the year. Many of the collectives also run collective services, old age pensions, help for the sick, children and mothers, community halls and a richer social life.

Sri Malcolm Darling has summed up the advantages and disadvantages of the two types; "The collective facilitates mechanisation, scientific farming and expert control; it leads automatically to produce being pooled and sold in bulk, and it can readily provide its members with definite social benefits and amenities. Best of all, it eliminates the uneconomic holding with its common accompaniment, fragmentation. All these advantages can indeed be enjoyed by the individualistic type of society, but with greater difficulty. On the other hand, the collective type does not suit hilly tracts, with their widely scattered farms, or forms of cultivation requiring intensive personal application. Nor does its system of teamwork encourage a high standard of work, and mechanisation may lead to unemployment. Worst of all, though well adapted to the needs and mentality of the

agricultural labourer, it is repugnant to the peasant owner or tenant, who sees in it a loss of land, independence and social prestige."

U.S.S.R. AND EASTERN EUROPE. The reasons for collectivisation in Russia were some what different. A century ago, Russia was a land of great estates cultivated by serfs. After their liberation, the serfs continued to labour on the landlords' estates, though some of them began to acquire small farms of their own, and a co-operative movement for credit, marketing and some other services was initiated. After the revolution, the peasants seized the land. Some of them, on their own initiative, formed communes or collectives, which they worked in much the same way as the Italians. More often, they divided that land into small holdings and continued to use and extend their co-operative services. Apart from a stormy interlude of "war communism", this continued undisturbed until 1928. It was not, however, the intention of the Communist Party to encourage the growth of a population of peasant proprietors. For one thing, they would have been politically intractable and difficult to control. For another as Stalin said at the time: "You cannot base the Soviet State.....on two different principles: on the largest unified socialised industry on the one hand, and the most backward, unorganised rural small trading economy on the other." This statement may not have been wholly true—for one thing, rural economy was not, in fact, unorganised—but it shows clearly the doctrinaire reasons which induced the State itself to look for some alternative to peasant agriculture. Added to this was the consideration that the Communists wished to put through the rapid industrialisation of a country which had vast natural resources, but lacked industrial labour. If, by mechanising agriculture, the same, or perhaps a larger quantity of food could be produced from the land with a smaller rural labour force, then men and women would be freed to work in the factories, and their food supplies would still be assured. The position, you will observe, was quite different to that in over-populated countries with limited natural resources. Finally, the greater part of Russia, with its huge plains and water drawn from winter snows, was peculiarly suited to large scale mechanised cultivation.

Collectivisation was put through in Russia very quickly, with much violence, suffering and economic loss. (For example, many peasants killed all their livestock rather than surrender them to the collectives). There is ample evidence that the new system was received with resentment, except perhaps by peasant labourers,

who had had little or no land of their own. The Russian Government was, however, determined to enforce the new system, and did so with a full measure of success.

In some ways it was a return to the old system of the large estate, only instead of being managed by a landowner or his agent, it was administered by a committee of workers, with an appointed technical manager and considerable supervision from governmental authorities. The members of the collective were the established villagers, less any who had been deported or executed as recalcitrant. They lived in their own houses and had their own garden and small animals. They worked as directed on the collective farm, and were paid in accordance with the number of "labour days" worked. The labour day is an artificial unit, not really related to time. A day's work on certain heavy or skilled jobs counts as more than a labour day. The same number of hours worked by a woman or youth counts as less. Wages are not, however, paid regularly. The members receive a small, usually very small, weekly sum. Then, at the end of the year, a surplus, after the farm has met all its obligations to the State, and has provided for reserves and capital needs, is divided among the members in proportion to the labour days worked. Distribution is often in kind, not in cash.

Obligations to the State have been mentioned. It is a distinguishing mark of the Russian collective farm that it does not operate in isolation, but is keyed into the whole state-directed economy of the country. Capital is provided by state banks; purchase of materials are made from state trading organisations, cultivation is carried out not by the farm's own machinery, but by state owned "machine tractor stations", a large part of the crop, a fixed quantity based on the expected and not the actual yield, is earmarked for sale to the State at a specially low price. The difference between this and the price obtainable from sales direct to the consumers or to the semi-independent consumers' co-operative movement, may perhaps be looked upon as rent from the collective to the State. Payment to the machine tractor station for cultivation and harvesting is also made in kind.

The results of the collective system in a country as vast as Russia are not easy to assess completely. Some results, however, are fairly clear: (1) Though the position has improved since the early years of collectivisation, it is still doubtful whether the yields of major crops are much, if at all higher than they were before the revolution. (2) The cultivated area has been greatly increased by the

extension of arable farms into former pasture or waste land, especially in Asiatic Russia. (3) It has been possible to build up a large industrial population, originally drawn from the peasantry, and to keep them fed. (4) Dissatisfaction with the system has continued among the collective farmers, and has shown itself partly in long battle over private gardens and livestock, (when these are reduced or abolished, there is active discontent) when they are increased, the peasant loses interest in the collective) and by some of the curious developments during the war and the German invasion, when peasants seized the opportunity to re-divide the land, or farm managers tried to turn themselves into landlords.

Since the Second World War there has been a determined attempt to introduce the collective system into the countries of Eastern Europe under Russian influence. Agricultural conditions in these countries were, however, unlike those in Russia before the revolution. They were over-populated, not under-populated. Czechoslovakia and Poland were already industrialised. Though there were areas of great estates (notably in Hungary), most farming was carried on by peasant proprietors, often fairly prosperous and well organised in a multiplicity of co-operatives. The land, too, was very diverse, often hilly, skilfully and intensively farmed, with much livestock husbandry, the growing of fruit, vegetables and industrial crops. Collectivisation was approached in a more hesitating and less brutal way than in Russia. Direct compulsion was not used. By varying the weight of taxation and the availability of supplies, pressure was put upon peasant farmers first to convert their numerous single-purpose co-operatives into a single multi-purpose society, and then to pool their land in a collective farm. This might take several slightly different forms—cultivation might be in common, but not ownership, and members might receive a share in the proceeds proportional to land contributed, as well as to their own labour. Progress was none the less slow, and it is doubtful if any country in Eastern Europe collectivised more than a fifth of its agricultural land. Yugoslavia was the first to call a halt to the whole process and make it possible for peasants to withdraw freely from collective farms, while keeping in being co-operative organisation, industry and the use of machinery. This example was followed a few months ago by Hungary, and it would seem possible by other East European countries.

MEXICO. When Mexico began to settle down, after a long period of revolutionary disorder in the nineteen twenties, the Mexican

Government was faced with the need to secure some stable administration of the great estates which had been transferred to national ownership. They had been cultivated by Indian villagers, whose position had been much like that of the pre-revolution Russian serf. The Mexican government now formed them into Ejidos which, like the Italian co-operative farm, might be wholly collective, (this seems to have been usual in the highly developed cotton growing regions) or based on individual holdings with co-operative services and the common use of pasture or woodland. No detailed study of the working of the Ejidos has been made for some time. A few years ago they were reported to be fairly successful, and a beginning has been made in raising the depressed conditions and low educational state of the people.

ISRAEL. The origin of collective farming in Israel is different from that in any of the countries we have so far been considering, with the possible exception of certain types in Italy. When Jewish settlers began to arrive in Palestine in the early years of this century, they included a number of young men of the student type, many of whom had left Russia after the unsuccessful revolution of 1905. They were convinced that the Jewish people would never really repossess Palestine until they learnt to become peasants and cultivate the land with their own hands. They had, however, no capital with which to start farming, and therefore had to begin work as labourers. The newcomers, impelled by a theory as to the virtues at what they called "self labour" and by the practical need to find work for themselves, formed what was to become a very strong trade union organisation, and secured employment either on established Jewish farms or in the clearing and draining of new land acquired for Jewish settlement. With help of their organisation they were in many cases able themselves to settle on the land they had cleared. They settled as a "kvutza", "kibbutz" or collective.

It was natural that much, though not all, Jewish settlement should take this form. Many of the settlers already held socialist theories, they were for the most part unattached young men, and camp life was natural and acceptable to them, they were townsmen and intellectuals, who wanted a different kind of social life to that desired by peasants, they had little agricultural experience, and large scale mechanised farming was the kind which most appealed to them.

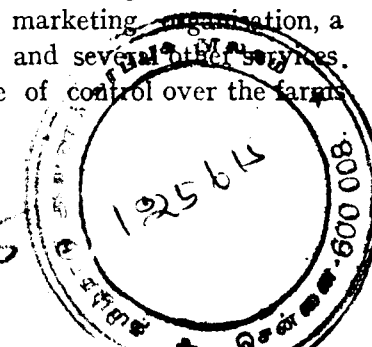
The Israeli kibbutzim represent the most extreme form of collectivisation. They are much more truly communist than the kolkhozes of Russia. Not only is the land cultivated in common, and the livestock, machinery and other equipment common property, but living is common also. There are no family houses. Each member or married couple has a room in a cottage or block of flats, but all eating is in a common dining room, washing in common bathrooms and laundries, children are taken from their parents almost from birth, and are brought up in communal nurseries, kindergartens and schools, till they are old enough to become working members of the community.

The daily life and working plan of the kibbutz is decided by various committees. No wages are paid. Necessities and what comforts can be afforded are supplied free to the members, the rest goes into the common fund of the kibbutz, apart from a small annual sum intended to allow the member to take a holiday.

Such complete community life does not appeal to all, and after some years another type of settlement, the moshav, began to grow up, in which family life and a money economy was retained, each member cultivated his own holding, but all the services, credit, supply, marketing, machinery, irrigation were co-operative. This resembles the Italian "individual" type of farming, except that holdings are permanent. There is also an intermediate type, in which the farm is held in common, but the members have their family homes and gardens. Members are paid for their work on the collective farm, but in proportion not to their work (as in Russia) but to their family needs. Sometimes payment is made, in part at least, not in national currency, but in notes which can only be cashed in the co-operative store of the settlement. There is no payment in kind.

The Israeli collective farms, of whichever type, do not stand alone, as the Italians do, nor are they closely controlled by and integrated with state economy. Instead, they form part of a very complex organisation set up by the National Federation of Jewish Labour, which has grown from the workers' trade unions already mentioned. This provides the farms with financing institutions, the Workers' Bank and others, with a central marketing organisation, a consumers' wholesale, an auditing union and several other services. It also exercises a considerable measure of control over the farms themselves.

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A detailed comparison of the results obtained by the three types of Israeli collective or co-operative farm would be interesting and might be valuable. It is, however, very difficult to transfer Israeli experience to other countries. For one thing, the available capital has been much greater in proportion to population than other countries could hope to provide. For another, nearly all the earlier and many of the later settlers were educated townsmen, and none of them were settled peasants. As between the different types of settlement, there is some indication that the individual and mixed types work rather more rapidly towards financial self-sufficiency than the collective types, and that there is a higher output per member. On the other hand, many kibbutzim have been established in agriculturally unsuitable places, in order that their members may act as frontier guards. The prestige of the kibbutzim is high in Israel, and they are looked on as experiments in a new form of social life. They continue to attract young people in search of adventure, either Israeli born or from the free western world. It is noticeable, however, that refugees who have suffered in concentration camps and refugee camps, or even spent long periods in armies, prefer the type of settlement in which family life is private and daily work is individual. The same is true of Jewish immigrants from Asiatic countries, who were already in family groups when they came to Israel.

OTHER COUNTRIES: There have been a number of smaller scale experiments in various forms of co-operative farming. In GREAT BRITAIN, at the time of the great depression and widespread unemployment in the nineteen thirties, Land Settlement Associations were formed, with the aim of settling unemployed miners on the land. Estates were acquired and, in England, divided into smallholdings on which cottages were built. As the men had no previous experience of farming, managers were appointed to each estate, and a good deal of supervision was at first found necessary. Later, men with an agricultural background were also allowed to take holdings, and proved on the whole more successful settlers. It was a condition of admission that all those taking up a holding should obtain all their supplies from and market all their produce through the Land Settlement Association, acting as a co-operative agency. In Wales, no individual holdings were created, and the farm was run on collective lines. Both types of organisation have done well, though they were fairly costly in capital equipment in the early years.

In several of the BRITISH NON-SELF-GOVERNING TERRITORIES in Africa and elsewhere, co operative farming schemes have been carried

out. Some of the most successful are in Cyprus, where the initiative came from the people themselves, often ex-servicemen who managed to rent or buy a tract of derelict land, and formed themselves into a co-operative to reclaim and farm it. Family life is private, but all buildings, equipment and livestock are held in common. Wages are not paid, but the proceeds of the year are divided up among the members, after provision has been made for reserves and for developing the farm. Among African villagers the formation of co-operative farms has not, as a rule, been spontaneous. It usually springs from the anxiety of agricultural officers to help a primitive tribe with little agricultural knowledge, or one which has had to be moved from badly eroded land, to set up as farmers on comparatively modern lines. Sometimes an attempt is also being made to introduce a new crop. All such experiments have to be very carefully supervised. They require a good deal of outside capital, and are not, at least in the early stages, fully self-governing.

Some interesting experiments of this kind are being made under the FRENCH administration in NORTH AFRICA, among Arabs still living under tribal authority. Some are nomadic, others only cultivate a part of the land belonging to the tribe, and do so by very primitive methods. Improvement is sought through the acceptance by the tribe of a development project in which they participate, but which is, in the early stages, to a large extent directed by Government Officials from the agricultural, forestry, water control and other departments. Where arable land is available, an attempt is made to secure permanent tenure of individual holdings by families, in order to encourage improvement. Superior seed is distributed on credit, and loans are provided for the purchase of iron ploughs and mules. At the same time, heavy machinery is made available for clearing and deep ploughing. Sometimes, part of the tribal land is retained for communal use. In other areas, local irrigation schemes are initiated, and in the mountain and semi-desert regions, communal fodder reserves, shelters, wells and dipping tanks are provided, to improve sheep farming, promote a better use of the scanty pasture, and prevent the enormous losses of sheep which take place in years of drought.

In INDIA the recent Planning Commission expressed the opinion that agriculture is unlikely to produce the best results unless the size of the unit of land management is substantially increased. It is proposed that all the land of a village should be taken as a single farm,

with rights of land ownership recognised through the payment of an "ownership dividend" at each harvest. The immediate proposals are for the establishment of (1) village production councils, in order to develop production and canalise government aid, (2) "registered" farms, that is, holdings of a size considered in themselves fully economic, and (3) co-operative farms resulting from the grouping of uneconomic holdings. Some progress has undoubtedly been made in setting up of co-operative farms, especially among refugees and former landless workers.

This does not quite exhaust the list of experiments in co-operative farming, but it does perhaps give material enough for some general reflections, if not necessarily conclusions.

(1) DOES IT LEAD TO GREATER TECHNICAL EFFICIENCY AND HIGHER PRODUCTION? In the sense that collectivisation, like any other form of large scale farm makes it easier to employ machinery and mechanised devices, it certainly makes for higher output per man. This is only an advantage if there is something else for the displaced workers to do. It will undoubtedly reduce the need for draft animals, and this will be a distinct gain to food supplies, wherever land is being used to grow fodder crops, which could be converted to the production of human food. It is not so certain that co-operative farming leads to higher output per area of land. It will do so only if mechanical processes, such as very deep ploughing, quick harvesting or piped water supplies are, in fact, technically superior, or where it is possible to induce a group to adopt improved methods and material which they would not have adopted as individuals. Set against this is the fact, which I think is incontestable, that very few, if any, co-operative or collective farms can show yields anything like as high as those of peasant farming, such as we see in Denmark. Running a farm like a factory, with fixed hours of work and management, which may be democratically chosen, but which leaves little responsibility to the worker, does not produce the attention to detail or constant application of intelligence and the resulting high standard of achievement which is seen in the family farm at its best. The question of efficiency in the use of capital is more difficult to discuss, because no real investigation has been made by any competent economist. It is, however, recognised, that even individual farms can quite easily be over-mechanized, and the capital cost of many (though not all) co-operative farms has undoubtedly been high.

(2) IS IT SUITABLE TO ALL TYPES OF FARMING? This really arises out of the previous question, and my answer is, No. Where farming means the production of field crops from land suitable for mechanisation, or requiring large scale water control, I believe that some form of co-operative farming is valuable and has a future. Where it is largely concerned with the care of livestock (with the possible exception of sheep) and with the production of fruit, vegetables and other crops requiring a great deal of personal attention, and where the land is mountainous or otherwise much diversified, I believe that a rational system of peasant farming with a full range of co-operative services—supply, marketing, processing, stockbreeding, the use of machinery where required—is likely to lead to higher production, certainly per acre and possibly even per man.

(3) WHAT IS THE EFFECT ON POPULATION? Nearly all the countries which have recently become deeply interested in co-operative farming, are also those with the population problems. It is, indeed, the effort to preserve a balance between food supplies and population that has led them to study co-operative farming, in the hope that it may bring about that rise in yields which they begin to fear independent peasant farming will never achieve. As I have already stated, I believe that the introduction of co-operative farming in arable regions might well achieve some increase in yields per acre, though it would probably not be sensational. It should not be forgotten, however, that unless new land is brought under cultivation, it would inevitably involve the displacement of many workers for whom alternative employment will have to be found, either through the establishment of village industries, or through migration to the towns. A further question arises on which I have so far seen little speculation, but which is, none the less, important. It is fairly well attested, that when peasant farmers are in secure possession of their holding, and become even moderately prosperous and confident about the future, the birthrate tends to fall. This happens even in countries where religion forbids any advocacy of family limitation. Is the same result likely to occur in co-operative or collective farms, where the worker has no direct personal responsibility? It seems to me unlikely. The co-operative farm, especially if it is coupled with social institutions like nurseries and schools, or the payment of wages on a basis of family need, or the establishment of industries employing young people, seems to me more likely to stimulate population than to restrain it. Whether this is regarded as good or bad, it should, I think, be faced.

(4) IS IT POPULAR? Here, I think the answer is fairly clear. To the landless labourer, used to working under direction and unable to get a farm by any other means, it is 'acceptable. To the refugee, who has lost everything and finds himself in a strange and possibly hostile environment, it is also acceptable. To the townsman and intellectual who has no traditional relation with the land, to whom all is strange and experimental, but who sets a high value on human intercourse, it is welcome. To the traditional, settled peasant, with his family living and his lifelong association with a particular piece of land, a particular group of animals and plants, it is unwelcome and indeed unacceptable. Even if it puts a little more money into his hands (and this it does not always do), it tends to leave him uprooted, proletarian, discontented and open to the temptations of idleness and sabotage.

You will have realised, however, that co-operative farming is a very wide term, stretching all the way from the complete communism of the kibbutzim in Israel, to settlements which only differ from the ordinary village in the care and completeness with which co-operative services have been planned. Somewhere on that scale I believe can be found models which can be adopted or adapted to meet a wide range of circumstances. But for that, more study is needed, and this is a field which I would earnestly commend to economists interested in the future of agricultural countries and peasant communities.

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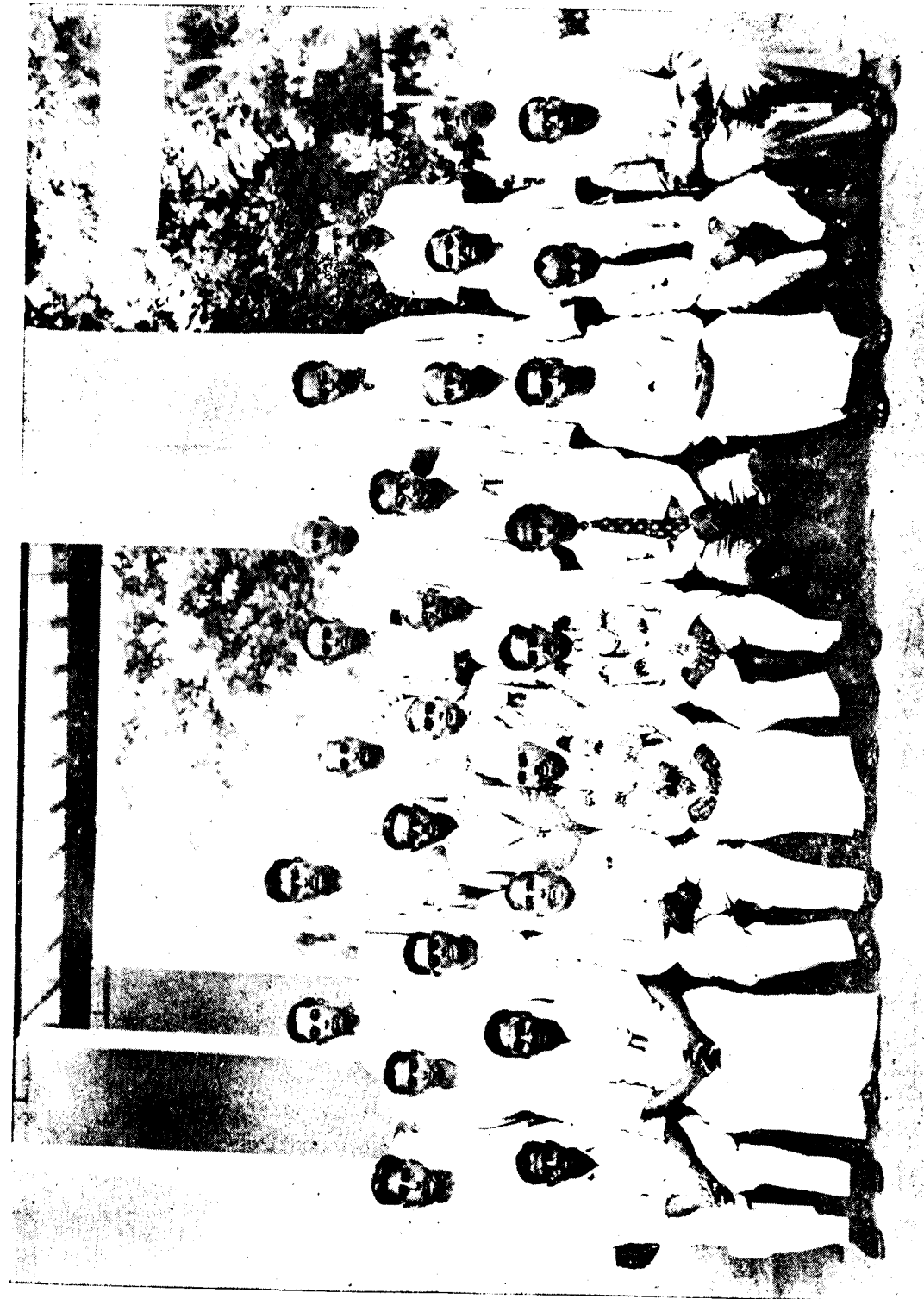
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Sixth Secretaries Conference, Vellore.



Thirty Second International Co-operative Day Snaps



Hon. M. Bhaktavatsalam, Minister for Agriculture is delivering his Presidential Address.



Prof. R. Krishnamurthi, is seen addressing the meeting.

MEETINGS AND CONFERENCES

Proceedings of the 32nd International Co-op. Day held on 6th Nov. 1954 under the auspices of the Madras State Co-op. Union, Madras.

The vital role that co-operation could play in all walks of national life, including the development programmes, was referred to by Mr. M. Bhaktavatsalam, Minister for Agriculture, presiding over the celebration of the 32nd International Co-operative Day and All-India Co-operative Day on the 6th November at the premises of the State Co-operative Bank in George Town. The celebration was organised by the Madras State Co-operative Union.

Mr. A. B. Shetty, Minister for Public Health and Co-operation and Mr. J. C. Ryan, Registrar of Co-operative Societies, and Sri A. Palaniappa Mudaliar, Joint Registrar of Co-operative Societies were present.

Dr. P. Natesan, General Secretary of the Union, welcomed those present and said that co-operation was a sort of VIA MEDIA between capitalism and communism. No doubt, much advance had been made on the credit side during the past 50 years, but co-operation had not yet become the real force it really was. Much headway should be made in the direction of provision of marketing facilities and formation of multi-purpose societies.

Mr. K. Nachinarkiniasivam, President of the Madras Co-operative Milk Supply Union, read the Declaration of the International Co-operative Alliance and the message of Mr. Saraiya, President of the All India Co-operative Union.

Vital Role of Co-operation

Mr. Bhaktavatsalam said that he was much interested in the development of the co-operative movement, and he was glad that Madras occupied the foremost place in India in the field of co-operation. However, he added they should not feel complacent about it, but should do more work. Success in their national development programmes depended much on the progress of the co-operative movement. Whether it be in the field of agriculture or housing or marketing, co-operation could solve many a problem.

For the complicated land problem, Mr. Bhaktavatsalam said, co-operation was the ultimate solution. He said he was anxious to adopt various types of co-operation in an attempt to solve that problem.

including co-operative farming and looked forward to the help of co-operators in that task. He also mentioned how the cultivators were put to frequent hardship due to fluctuating prices and emphasised the need for starting co-operative marketing organisations for agricultural products.

Even in regard to industries, whether large scale or small-scale. Mr. Bhaktavatsalam said, co-operative method would be advantageous. They should explore all possibilities of organising cottage industries on the co-operative basis. In that context, Mr. Bhaktavatsalam referred to the valuable part played by co-operative organisations in stabilising the handloom industry and rehabilitating the weavers.

The Minister then referred to the various programmes outlined in the Community Projects and the National Extension Service schemes and explained how co-operation was an essential element for the success of those schemes. He said that enough progress had not been made in those schemes and pleaded that the various co-operative agencies should act with more vigour and enthusiasm and make the schemes a success.

At this stage, Sri M. Bhakthavatsalam left the Hall and on his request, Sri A.B. Shetty, Minister for Co-operation took the chair.

Induscos of China

Major-General S.C. Alagappan during the course of his address, stressed the value of co-operation, both in war and in peace and explained how the Induscos of China effectively mobilised the national resources to supply the requisites of the War Front and how later they were switched on to produce goods and services so necessary for peace-time consumption. He also stressed the necessity of organising service Co-operatives like Hospitals, Schools and Colleges and run these institutions on a co-operative basis. Such endeavours would augment the content and spirit of co-operation, as well as fortify the Co-operative Movement.

Co-operative Education—a Plea for Greater Emphasis

Prof. R. Krishnamurthi, Principal, Pachaiyappa's College, traced the history of the Co-operative Movement and said that the Co-operators should not be complacent over their achievements. He said though the Reserve Bank of India's Statistical Report for 1951-1952 showed that there were 1,85,650 societies of all types at the end of

the Co-operative Year 1951-52, with a total membership of nearly 138 lakhs and a working capital of Rs. 306.34 crores, the actual analysis of figures showed a state of affairs, which did not give room for complacency. He stressed that a great co-operative educational effort was necessary now, in order to put the Movement on a sound basis. As a teacher, he could vouchsafe for the utility of constant dinning and propaganda. But he remarked that the finances of this chief co-operative education and propaganda body of the State namely—The Madras State Co-operative Union—of which the speaker was the Treasurer was in dire need of augmentation. The main sources of finance of the Union were small contributions of the 650 affiliates, grants of the State Co-operative Bank and Central Land Mortgage Bank, and a State subsidy towards the Manager-cum Associate Editor of the Union. The funds were just sufficient to render a modicum of co-operative educational services, like the publication of the MADRAS JOURNAL OF CO-OPERATION etc. The Union must have a more intensive programme of co-operative education and propaganda like the publication of study-guides, renning of a correspondence school of co-operative training etc. But these programmes could not be pushed through without adequate and copious finance. Apart from Government assistance, the co-operative societies themselves should nurse the finances of the Union from out of their surplus and thus foster the missionary purport of this still small voice of co-operation.

Suggestions for Success.

Mr. T. Chengalvarayan ex-Mayor of Madras said that he had three suggestions to make in order to put the Co operative Movement on a sound basis. He emphasized that the jurisdiction of a village co-operative credit society should be coterminus with that of the Panchayat so that there may be a purposive collaboration between these two rural institutions, leading to an intensive development of rural welfare. Secondly he would suggest that the benefits of the Co. operative Movement should reach the most neediest strata of society and towards this end, suitable adjustments in the structure of the Movement should be made. Lastly, he would plead for the lessening of the official control and for making the Movement truly a "Movement of the people, by the people and for the people."

Dr. P. Natesan proposed a vote of thanks.

Proceedings of the Sixth Session of the Secretaries Conference held on the 3rd and 4th October, 1954 at Vellore.

The most valuable adjunct to the Tenth Tamil Nadu Conference held at Vellore was the convening of the Sixth Session of the Secretaries Conference on the 3rd and 4th October 1954. It is a happy augury for the future healthy development of Co-operation in this State. The most essential factor, for a robust growth of the Co-operative Movement is a vital, intelligent and honest managerial personnel. A Co-operative Officer be he an official or nonofficial should not merely be content with technical efficiency; he should be imbued with a missionary spirit of co-operation. He should be a wise counsellor and a great inspirer of the co-operative ideal. He should create a live co-operative spirit, that should animate the working of the Society, that he manages. The Tamil Nadu Co-operative Federation must be congratulated on having secured a 'Forum' for the managerial personnel, and given recognition to the responsible status of these officers.

We are told that the Secretaries have met already five times before under the sheltering aegis of the Tamil Nadu Co-operative Federation; and the Sixth Session was under the wise Chairmanship of Sri S. R. Manickm, B.A., C.A.I.B., Secretary, the Salem District Co-operative Central Bank. The President dwelt at length on the origin and history of the Secretaries Conference. He was of the opinion, that despite repeated resolutions on several aspects of Co-operative Secretarial functions, no tangible results could be achieved all these five years. This was, he thought, partly due to the confused objectives of the sponsors of the Conference. He would plead for a clear cut definition of the objectives and he would urge, that the scope of the Conference should be purely functional and should confine itself to the interests of managerial class of officers. This Conference need not concern itself with the broad policy decisions regarding the Co-operative Movement, which task may be properly assigned to the General Body of Co-operators; with this end in view, he would urge for an immediate change in strategy and organisational set up.

The Conference was attended by nearly all the Secretaries of District Bank, Secretary, State Co-operative Bank and a few

PROCEEDINGS OF THE SIXTH SESSION OF THE SECRETARIES CONFERENCE

Secretaries of non-credit Institutions, like Milk-Supply, Housing and Printing. In all, 26 delegates attended the Conference.

The most outstanding decision taken by the Secretaries Conference was the resolution to create an Association for the District Bank Secretaries. There was a good deal of discussion on this issue. While veteran Secretaries like Sri Alagappan and Sri Varadarajan felt that an all-embracing Secretaries Association may prove unwieldy in the initial stages; moreover, they argued, that of all species of Co-operative Institutions, the Central Banks have achieved a certain degree of organizational stability and permanence and is, therefore, of pivotal significance to the Movement; besides, the problems of the Secretaries of District Banks are of a comprehensive nature; and on account of these special factors, they thought that a small compact organisation of District Bank Secretaries would be more effective and would be capable of producing at least some tangible results. Sri M. Arulanandam, Secretary, Madras Co-operative Milk Supply Union expressed the view that a Managerial Association to discuss the functional problems of those officers, entrusted with managerial responsibilities was the need of the hour and as such, it should be broad-based and should include the Secretaries of both Central and Non-Central Banking Institutions. He thought if the Central Bank Secretaries closed the doors of their Association to others, the chances of the other Secretaries forming another Association were remote and thus their view points may go unrepresented. Sri P. Natarajan and Sri A. Subramaniam of Coimbatore held similar views.

Sri C. M. Janarthanam, Associate Editor, "THE MADRAS JOURNAL OF CO-OPERATION" suggested that for the present, an Association for District Bank Secretaries may be formed to carry out immediate work; but the Association should take steps to widen its membership to the Secretaries of Non-Central Banking Institutions in as short a time as possible and thus strengthen the Association.

The Conference was greatly indebted to Dr. P. Natesan, General Secretary of the Madras State Co-operative Union and Sri M. S. Palaniappa Mudaliar, Joint Secretary, Tamil Nadu Co-operative Federation, for their encouraging guidance and mature advice.

A group photo was taken on the occasion. This was indeed an unique event. Sri V. Alagappan remarked humourously: "At last, we too have been given a photographic recognition!" The success of the Conference was in no small measure due to Sri D. Rangabashyam, Secretary, The North Arcot District Co-operative Central Bank.

RESOLUTIONS PASSED AT THE SIXTH SESSION OF
SECRETARIES CONFERENCE HELD AT VELLORE
ON 3—10—1954 and 4—10—1954.

1. Resolved to recommend to the Secretaries of Central Banks that an Association of all the Secretaries and other paid officers of the Central Banks in the Madras State be formed and that steps be taken to form associations of the Secretaries of the other Co-operative Institutions. Carried unanimously.
2. Resolved that Sri V. Alagappan be the Convenor of the Association.
3. Resolved to authorise and request Dr. P. Natesan, Sri M. S. Palaniappan, Sri C. R. K. Chetty, Sri V. Alagappan and Sri G. Varadarajan to wait on deputation on the authorities concerned regarding the recognition of the association.
4. This Conference resolves to reiterate the several resolutions already passed at the previous Conferences (copy enclosed).
5. This Conference resolves to thank all the Co-operative Institutions which have sent their Officers to participate in the Secretaries Conference.
6. This Conference resolves to thank the Tamil Nadu Co-operative Federation for convening the Secretaries Conference.

DELEGATES WHO ATTENDED THE CONFERENCE

1. C. Radhakrishna Chetty, Madras State Co-op. Bank.
2. V. Alagappan, Madhurai Dt. Co-op. Central Bank, Madhurai.
3. Krishnaswamy, Executive Officer, Vellore Co-op. Central Bank.
4. D. Ranghabhashyam, Secretary, The Co-op. Central Bank, Vellore.
5. P. Manickam, Secretary, Salem Co-op. Central Bank.
6. B. S. Vijayagopal, Secretary, Madras Dt. Co-op. Central Bk.
7. G. Varadarajan, Secretary, Trichy Dt. Co-op. Central Bank.
8. S. Velayutham, Executive Officer, Trichy do do
9. G. Madalaimuthu Udayar, Secretary, Nilgiris Co-op. Central Bank,

RESOLUTIONS

10. K. C. Muthuswami, Secretary, Coimbatore Dt. Co-op. Central Bank.
11. Adishesan, Manager, Coimbatore Co-op. House Mortgage Bk.
12. K. Natarajan, Asst. Secretary, South Arcot Co-op. Central Bank.
13. D. Kannan, Secretary, South Arcot Co-op. Central Stores.
14. K. G. Karuppuswami, Secretary, The Co-op. Central Bank, Tanjore.
15. M. A. Victor, Secretary, Ramnad Dt. Co-op. Central Bank.
16. P. Natarajan, Business Manager, Coimbatore Co-op. Milk Supply Union, Ltd.
17. M. Subramaniam, Secretary, The Coimbatore Co-op. Building Society, Ltd.
18. S. Swaminathan, Secretary, The Co-op. Central Bank, Kancheepuram.
19. N. Suryanarayanan, Secretary, Nilgiris Co-op. Central Stores.
20. K. Shanmugam, Secretary, South Arcot Co-op. Central Bk.
21. M. Muniratnam, Secretary, Tinnevely Dt. Co-op. Central Bk.
22. M. Arulanandam, Secretary, Madras Co-op. Milk Supply Union.
23. S. Ramiah, Secretary, The Co-op. Central Bk, Kumbakonam.
24. J. Lakshmanan, Secretary, Tanjore City Co-op. Milk Supply Union.
25. M. Arumugam, Manager, The Co-op. Press, Tanjore.
26. A. Subramaniam, Secretary, The Coimbatore Co-op. Printing Works.

**Action taken by the Registrar of C. S. Madras
on the Resolutions Passed at the Fifth
Secretaries Conference held at Tanjore**

Copy of Letter R. C. No. 26217/54.Q Dated 28-9-1954 from the
Registrar of Co-operative Societies, Madras.

Sub : Co-operative Central Banks—Conference of Secretaries
—Resolutions.

Ref : Your letter dated 25-2-1954.

THE RESOLUTION No. 1-(2) you have stated that persons having deposits in Banks may be permitted to discount cheques and bills upto 90 per cent of deposits held by them provided they guarantee that they would not create any change on the deposits held by them.

2. In this State, Co-operative Banks have not been given a general permission to undertake discounting of cheques and bills. Under Model Bylaw No. 1 of the Central Co-operative Banks, one of the objects of the bank is to carry on general business of banking not repugnant to the Madras Co-operative Societies Act and the rules framed thereunder. Under this provision, the Central Co-operative Banks are generally undertaking collection of bills etc. They cannot undertake payment of cheque before collection to all persons. They can, if necessary discount the cheques of their members only. Discounting of bills for the general public is the legitimate function of commercial banks and not of Co-operative Banks. In 1939-40 the Committee on Co-operation recommended that Central Co-operative Banks might be permitted to undertake all kinds of commercial business, excepting discounting of bills; but Government did not agree with their recommendation. The Banks can be permitted to discount cheques of approved members, subject to the adoption of certain safeguards. The maximum limit upto which the cheques of an individual would be discounted is fixed at Rs. 3,000 and the question of relaxation of the limit will be considered and decided, if proposals are received on the merits of individual cases.

RESOLUTIONS NO. 1-3 : The question of fixation of the scale of pay for the Secretaries on a par with that of the Deputy Registrar has to be considered in each individual case, with reference to the working capital, volume of transactions and financial position of the Banks concerned. It cannot be arbitrarily fixed at a uniform scale. In any case it is for the Board of Management of the Central Banks to fix

ACTION TAKEN BY REGISTRAR ON THE RESOLUTIONS

the scale of pay of the secretaries of their banks subject to the budget allotment sanction by the General Body.

RESOLUTIONS NO. 1-5 : The Conference has requested that the age limit for the recruitment of Deputy Registrar from among Secretaries may be fixed at 45. According to the proviso to Rule 3 of the Special Rules for the Madras Co-operative Service the age limit for recruitment as Deputy Registrar is 27 for a person who has held for a period of not less than two years the post of Manager, Secretary or Executive Officer of the State and Central Co-operative institutions, while the age limit for others is 25. There is no need to relax the present age limits.

The Conference has also requested recruitment of atleast One Deputy Registrar each year from this category. There is provision in the rules for recruitment of such candidates; but their recruitment cannot be enforced and they have to take their chances on merits along with others, before the Madras Service Commission.

RESOLUTION NO. 14 : The conference has requested that the non-official Co-operative employees who have put in 10 years service should be promoted to Government service irrespective of qualifications. There is no question of "promotion" from non-official service to the Government service. The special rules for the Madras Co-operative Sub-ordinate services already give a concession to the supervisors employed in Co-operative institutions and they are eligible for direct recruitment as Junior Inspectors if they had worked for 5 years as supervisors and passed the State Union examinations and if they possess the minimum general educational qualifications. No further concessions are necessary and appointments without considering the educational qualifications will not be conducive to efficiency in the services. The rules at present give the maximum concession to nonofficial Co-operative employees and there is no need for further amendments of the rules in this regard.

RESOLUTION NO. 2 : The results of the enquiry under section 38 of the Act will be communicated as quickly as possible to the Central Bank concerned and it is not necessary to fix any time limit for this proposal.

RESOLUTION NO. 3 : Regarding resolution No. 3 the Madras State Co-operative Bank has since issued instructions in its circular No. sec. 620 dated 17-9-54. According to this circular the return of collateral securities need be submitted only as on 30th June and 31st

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December in respect of loans. As regards cash credit such returns should be submitted each quarter. But only the returns for the quarter ending 30th June and 31st December need be certified by the Deputy Registrars.

RESOLUTION NO. 5: The Conference in its resolution No. 5 has resolved that the posts of Secretaries and the Executive Officers of the Central Banks be placed on a provincial grade and that the appointments and transfers should be made by the State Co-operative Bank after consulting the Registrar.

The question of provincialing the services of the Secretaries and Executive Officers of Central Banks is under consideration.

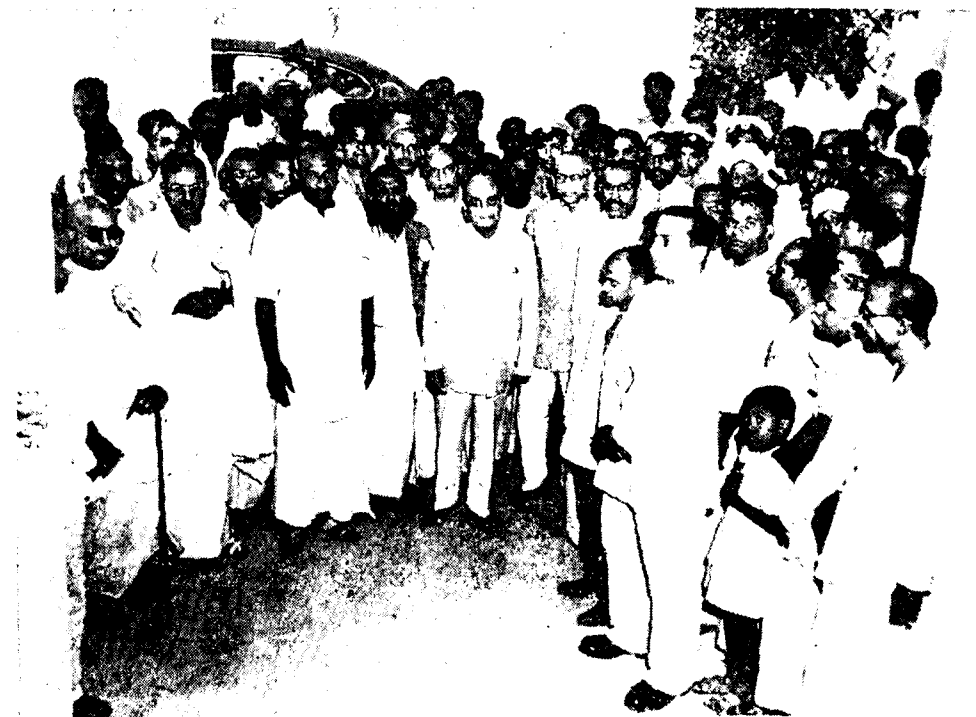
RESOLUTION NO. 6: Resolution No. 6 requests for nomination of the Central Bank employees for the posts in the Reserve Bank's Agricultural Credit Department.

This is a matter for the Reserve Bank of India to consider with reference to its service rules.

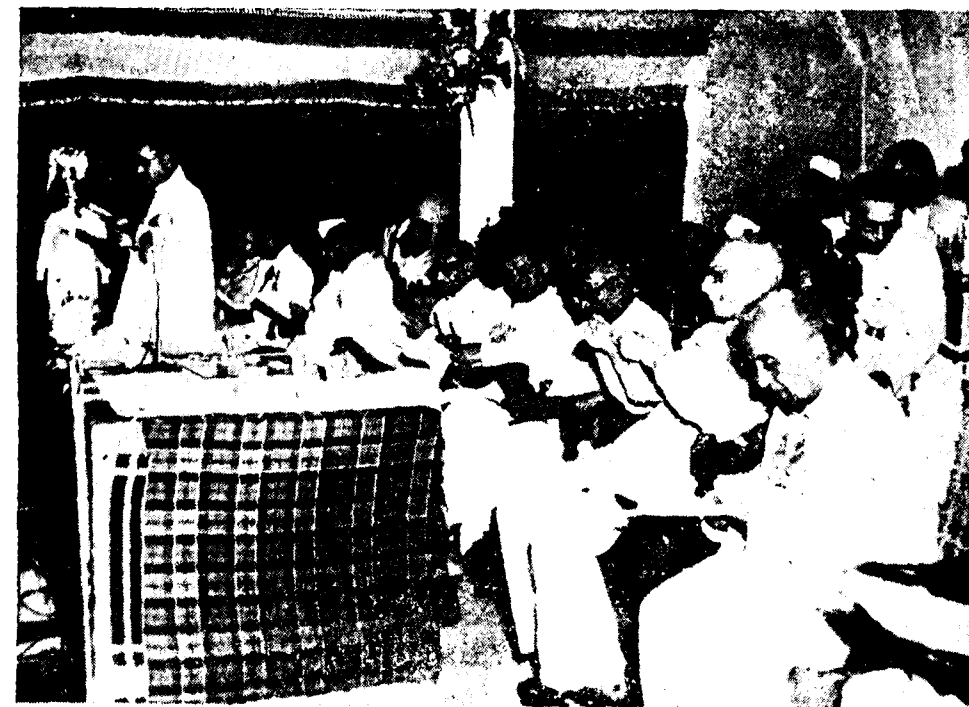
J. C. RYAN,
Registrar.

The George Town Co-operative Bank, Ltd., No. 8512
29, Krishnappa Naicken Agraharam Street, G. T. Madras.
(REGISTERED IN 1928.)
Authorised Capital Rs. 3,00,000. Working Capital Rs. 30,00,000
Membership Exceed 3,500
All Kinds of Deposits Accepted
Rates of Interest: Fixed Deposits 5 % for one year and 4½% for 6 months
Current Deposits 4½% Savings Deposit 2 %
Recurring Deposits 6½ running for a period of 7 years.
Loans:—Loans are granted on the security of deposits, on the pledge of movables (Jewels only) and on the First Mortgage of immovable properties.
Further particulars can be had from the Secretary.
P. NATESAN, M.B., B.S.,
President.

Tenth Tamil Nadu Co-operative Conference, held at Vellore 3rd and 4th October 1954.

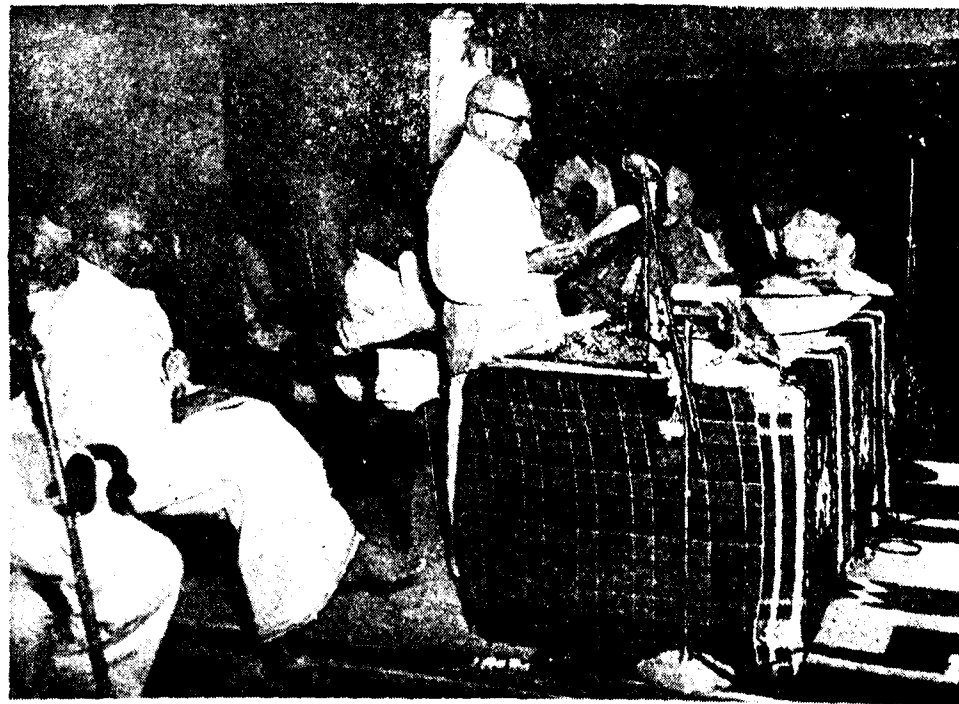


Warm Reception to the leaders of the Conference.



Sri B. Bakthavathsalu Naidu delivering the welcome address.

**Tenth Tamil Nadu Co operative Conference, Vellore
3rd and 4th October 1954.**



Dr. Panjab Rao Deshmukh, delivers his Inaugural Address.



Hon. Sri K. Kamaraj Nadar, addresses the Conference on the eve of his opening the Co-operative Industries Exhibition. Sri A. Krishnaswamy Vandayar, President of the Conference is seated next to him.

**A Report of the Thirty Second International
Co-op Day & All-India Co-op Day Celebrations.**

Following the clarion call of the I. C. A. Co-operators all over the State and elsewhere have joined the co-operative brotherhood by observing the 32nd International Co-operative Day and the All-India Co-operative Day on 6th November 1954. Indian Co-operators, that day pledged themselves for the peace and dignity of man, besides pleading their support to build up the economic strength and prosperity of the Nation by Co-operative endeavour. We have published a few of the reports of the celebrations that have reached us.

Badagara

The Thirty Second International Co-operative Day and All-India Co-operative Day was celebrated under the auspices of the Badagara Local Co-operative Union on 6th November 1954 at the premises of the Badagara Mission High School. Sri K. K. Govindan Kutty Nambiar, Head Master, Government Basic Training School, Badagara, presided over the function. Sri P. P. Kunhiraman hoisted the Co-operative Flag. After prayer, Sri K. Balakrishna Nair welcomed the gathering. Sri T. H. Narayana Kurup, Secretary of the Union spoke on the "Co-operative Movement and its Benefits." The president read the I.C.A. Declaration and R. G. Saraiya's message. The Hindi song composed by Prof. H. L. Kaji was sung by the students of the Basic Training School. With a vote of thanks, the function terminated.

Cocanada

The Thirty Second International Co-operative Day was celebrated on 6th November 1954 at the premises of the Cocanada Co-operative Central Bank with great enthusiasm on the lines suggested by the All-India Co-operative Union. The Affirmation of the President, All India Co-operative Union and the Declaration of the I.C.A. were taken by all Co-operators.

Dharmapuri

The Thirty Second International Co-operative Day was celebrated on 6th November 1954 at the premises of the Salem Co-operative Central Bank branch at Dharmapuri. Sri T. E. Subbarathnam, Sub Divisional Magistrate, Dharmapuri, presided over the function. Sri M. Kandaswamy Gounder, M.L.A., President of the Dharmapuri Co-operative Union hoisted the Co-operative Flag. The Declaration

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of the I.C.A. and the message of the President of the All India Co-operative Union were read by Sri R. S. Veerappa Chettiar. Sri Kalappa Shetty, Deputy Registrar of Co-operative Societies, Dharmapuri and Sri M. N. Nanja Chettiar and Sri T. A. M. Subramanian Chettiar dwelt on the working of the Co-operative Movement and appealed to the public to strengthen the Movement. There was a pleasant tea party at the end of the meeting. Sri R. S. Veerappa Chettiar proposed a vote of thanks.

Eluru

Under the auspices of the Co-operative Central Bank Employees Society Ltd., Eluru, the 32nd International Co-operative Day was celebrated in a fitting manner on 6th November 1954. Sri Mantri-pragada Subba Rao Pantulu presided over the function. Sri Srirama Krishnayya unfurled the Co-operative Flag. Sri P. Ranga Rao and Sri N. Krishnamurthi spoke on the occasion. The Declaration of the I.C.A. and the message of the President, All India Co-operative Union were read at the meeting. Sri C. Ramavataram proposed a vote of thanks.

ALL INDIA CO-OPERATIVE DAY

Under the auspices of the Co-operative Central Bank Ltd. Eluru, the All India Co-operative Day was celebrated in the Bank Jubilee Hall on 6-11-54 at 4 p.m. Sri J. Lakshmayya Naidu Garu, President of the Bank presided. Sri K. Md. Hussain, B.A., Deputy Registrar of Co-operative Societies, Eluru attended the function. The directors of the Bank and many members representing local societies participated in the Celebrations.

After unfurling the co-operative flag, the resolution intended for the day was read out by the Secretary of the Bank and unanimously carried.

Kumbakonam

On 6th November 1954, the Central Bank premises was gaily decorated by flags and festoons. Co-operative Commandments and posters were hung. In the evening, the affirmation was taken by all co-operators.

Kulitalai

The Thirty Second International Co-operative Day and the All-India Co-operative Day was celebrated on 6th November, 1954 at the office of the Kulitalai Supervising Union. Sri T. R. Krishnaswami

A REPORT OF 32ND INTERNATIONAL CO-OP. DAY & ALL-INDIA CO-OP. DAY

Reddiar presided over the function. Sri T. Angamuthu Chettiar, Sri N. Rangachariar, Sri V. A. Parasuram, Sri B. Palani Kumar and Sri N. Pichu Aiyar addressed the gathering. Sri Kathaperumal Pillai proposed a vote of thanks.

Tiruchengode

Under the joint auspices of the Co-operative institutions, the Thirty Second International Co-operative Day was celebrated on 6th November 1954 at the office of the Tiruchengode Co-operative Marketing Society Ltd. Sri P. K. Ramalingam, B.A., B.L., presided. The Meeting was attended by all Co-operators. The Declaration of the I.C.A. and the message of the President, All-India Co-operative Union were read at the meeting. Sri K.A. Kasiviswanatha Mudaliar, President, the Tiruchengode Handloom Weavers' Society Ltd. exhorted the members to imbibe a true spirit of co-operation and get themselves trained in the technique of co-operation, Sri D. K. Hanumantha Rao and Sri P. C. Muthu also spoke on the occasion. Sri P. C. Muthu proposed a vote of thanks.

Tirunelveli

Under the joint auspices of the various Co-operative Societies "The All-India Co-operator's Day" and the 32nd International Co-operative Day was celebrated, Sri A.R. Shanmugham Pillai, President, Tirunelveli Junction Co-operative Urban Bank, Ltd. presiding. Sri D. A. Susainathan, Deputy Registrar, Tirunelveli hoisted the Co-operative Flag. Sri S. Subbiah Mudaliar, Secretary, Tirunelveli Weavers' Co-operative Society welcomed the gathering. He also read the message of Sri R. G. Saraiya, President, All-India Co-operative Union.

Sri V.S. Sankarasubramania Mudaliar, Sri S. Ramaswamy Konar, Sri M. Ramiah Pillai, Deputy Registrar of Co-operative Societies, Sri M. Munirathnam and Sri A. Annamalai Moopanar addressed the gathering. Sri S. Subbiah Mudaliar proposed a vote of thanks.

Vellore

The 32nd International Co-operative Day was celebrated at Vellore at the Central Bank premises on the 6th November 1954. Sri G. Meganatha Mudaliar, Sri S. Gopala Reddiar, Directors of the Bank, participated. The Staff of Central Bank: Co-operative Printing Press, and North Arcot District Electric Motor Power and Pump Supply Society attended the meeting. The Affirmation of Sri R. G. Saraiya, President, All-India Co-operative Union was taken by all

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the Co-operators standing. Sri D. Rangabashyam, M.A. and Sri K. B. Sarangapani and Sri Margabandu Sarma spoke on the occasion. With a vote of thanks the function came to an end.

Tanjore

INTERNATIONAL CO-OPERATORS' DAY

The International Co-operators' Day was celebrated on 6-11-1954 in the premises of the Co-operative Central Bank Ltd. under the joint auspices of all the local Co-operative Institutions. Sri O. N. Ramaswamy Iyer, M.A., Retired Deputy Registrar presided over the function. The function commenced with the hoisting of the Co-operative flag by Sri C. Sudhama Rao, B.Sc., Deputy Registrar of Co-operative Societies, Tanjore. Then the children of D. K. Subbiah Naidu School sang Co-operative songs. This was followed by the welcome address by Sri K. G. Karuppuswamy, Secretary of the Central Bank. The President explained that constructive works such as laying of roads, digging of channels etc., were undertaken by the Labour Contract Societies as early as 1920 and that such institutions did not live long since there was not adequate support from the Government. Now that the need for such work being undertaken by the Co-operative is keenly felt, he envisaged a bright future for the Co-operative Societies. The President continued that many great schemes are being planned under the Second Five Year Plan and hence the coming five years will be a period of great activity for the Co-operatives. The President's speech was followed by Messrs. P. Venkatakrishna Pillai, P. Chokkalinga Pather, Vice-Chairman of Tanjore Municipality and K. Srinivasa Iyer, M.A., Lecturer, Hood Co-operative Institute Ltd. The Co-operative Pledge was read and explained to the audience by Sri R. Narayana Iyer, B.A., Executive Officer of the bank. Then a Dance Recital by Kumari Kameshwari was gone through. There was also a playlet staged by the members of the Y. M. L. A.

With a vote of thanks proposed by Sri K. G. Karuppuswamy, Secretary of the bank, the function came to an end.

Tiruchirapalli

ALL INDIA CO-OPERATORS DAY

Under the auspices of the Tiruchirapalli District Co-operative Central Bank Ltd., the All India Co-operators Day was held under the Presidentship of Sri. T. S. Muthukumaraswami Pillai, President

A REPORT OF 32ND INTERNATIONAL CO-OP. DAY & ALL-INDIA CO-OP. DAY

of the Bank. A large gathering of co-operators of the town attended the meeting, Messrs. T. M. Narayanaswami Pillai, M.A., B.L., M.L.C., M. Sivagurunathan, M.A., Lecturer in Tamil, Zamal Mohamed College, K. Ramalingam, M.A., Commissioner, Tiruchirapalli, addressed the audience impressively.

Sri T. M. Narayanaswami Pillai in the course of his speech traced the growth of the movement during the last half a century in this country with particular reference to the Madras State. He pointed out that a Democratic Republic can be effectively set up if co-operation succeeds in all aspects that prominent men from various cadres without any distinction of caste, colour or creed have contributed for this noble cause. He also stressed that rural and economic prosperity of this country lies in this movement and that if co-operation fails, the best hope of India will fail. He finally appealed to the Co-operators to help the movement for the regeneration of the country at large.

Sri. M. Sivagurunathan spoke on the success of the consumers Co-operation in England and compared our consumers movement with that of England. He also suggested the organisation of industrial co-operatives.

Sri. K. Ramalingam spoke about the weakness in Co-operation on account of a few undesirable elements in co-operation and appealed to Co-operators to be on guard from such elements.

Lastly, the President reviewed the speeches of the speakers and expressed the hope that co-operation has a great future, despite certain weaknesses in the movement.

With a vote of thanks and Tea the function concluded.

The Madras District Co-operative Central Bank, Ltd.	
13/14, Mukkur Nallamuthu Chetty Street, Madras-1.	
ESTD. 1930	TELEPHONE No. 2384.
Authorised Capital	Rs. 10 lakhs.
Working Capital	50 "
All kinds of deposits accepted.	
Rates of Interest :—	
Current Deposits	4 % Savings Deposits 2 %
Fixed Deposits For—: 6 ms. 3½% For 1 yr. 3½% For 2 yrs. 3½%.	
Further particulars can be had from the undersigned:	
B. S. VUAYAGOPAL, B.A., B. COM. Secretary.	

CO-OPERATIVE NEWS & NOTES

News and Notes

AID TO HANDLOOM WEAVERS

The Madras State has been sanctioned a sum of Rs. 159.04 lakhs till the end of September by the Government of India from the Cess Fund for the rehabilitation of the handloom industry. The allotment to the State for 1953-54 and 1954-55 is Rs. 98.29 lakhs for each year.

Up to that date, a sum of Rs. 24.63 lakhs has been spent in the execution of rehabilitation schemes in this State. This represents the largest amount spent by any State in the country. The expenditure on schemes related to the sanction of interest-free loans to weavers to enable them to join weavers' co-operatives, provision of working capital to weavers' co-operatives to give work to the newly admitted looms, expansion and reorganisation of the marketing side of the Madras State Handloom Weavers' Co-operative Society, supply of appliances and equipment to members of societies to improve the technique of production, and grant of subsidy to recoup rebate allowed by co-operatives on retail sales of cloth.

The target of looms fixed for 1953-54 was 33,100 of which 24,585 have been brought into the co-operative field till the end of September last, the actual increase in the number of looms in the co-operative fold being 25 per cent. It is expected that the remaining 8,515 looms would be tackled before the end of December next.

Loans totalling Rs. 34.4 lakhs have been sanctioned to the Madras State Handloom Weaver's Co-operative Society to provide it with the working capital required for procuring cloth produced by its affiliated primaries. The Government have also sanctioned a sum of Rs. 10 lakhs to it to enable it to set up the South India Co-operative Mills in Tirunelveli.

To ensure the benefits of the rehabilitation schemes for the weavers in Malabar district, proposals are under consideration of the All-India Handloom Board for the conversion of two handloom factories in that district into industrial co-operatives. The workers in these factories will become the proprietors. The question of extending the scheme to other weaving centres where handloom factories are working, is under examination.

The first meeting of the reconstituted All-India Handloom Board which was held in Bombay last week, reviewed the progress in the

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implementation of the several schemes financed from the Cess Fund. Mr. A. Palaniappa Mudaliar, Registrar of Co-operative Societies, Madras, attended the meeting.

JAP METHOD OF CULTIVATION

POPULARITY IN SOUTH INDIA

The modified Japanese method of paddy cultivation is becoming popular among the ryots of South India, according to Mr. N. C. Tirumalachari, Regional Campaign Officer (Japanese Method of Paddy Cultivation), Madras.

The Officer said that the total acreage under this method of cultivation in Mysore State had reached the figure of 87,000, which was far in excess of the target of 20,000 acres fixed for that State for 1954-55. Coorg also had reached its target of 10,000 acres. The Madras and Travancore Cochin States, he said, might reach their targets of one lakh and 20,000 acres respectively before the end of the official year. A little over 4,000 acres came under Japanese method from the figures available till the end of August in Madras State, and about 2,500 acres in T.C. State.

Mr. Tirumalachari, who returned from a tour of Ramanathapuram and Tanjore districts after inspecting the areas under the National Extension Service, said that he found that the ryots had come forward to adopt the Japanese method by having demonstration plots in their own areas with line planting and inter-cultivation with the rotary cultivator, reduction in the seed rate from 40 Madras measures to five or six measures per acre and by raising healthy seedlings. Under this method, he said, the ryots were applying about 15 cart loads of cattle manure or 5,000 lbs. of green leaf and 150 lbs. of super-phosphate as basal dose and 150 lbs. of ammonium sulphate were applied later. In very many areas the inter-cultivation, he said, had been found to result in appreciable increase in the yield. In South Arcot district, he said, the yield had gone up to 6,000 lbs. an acre by the adoption of the Japanese method as against the average of about 2,000 lbs. under the usual methods adopted by the ryots.

SMALL-SCALE INDUSTRIES

PROGRAMME FOR DEVELOPMENT

Central Board Constituted

A Small-Scale Industries Board, it is understood, has been set up by the Government of India to frame and to implement programmes for the development of small industries in the country.

Mr. Jang Bir Singh, Development Commissioner for Small-scale Industries, will be EX-OFFICIO Chairman of the Board, which will have among its members, Mr. Tarlok Singh, Joint Secretary, Planning Commission, Mr. H. C. Gupta, Joint Secretary, Ministry of Irrigation and Power, officials of the Ministries of Commerce, Industry and Production, the Community Projects Administration, the Directorate General of Resettlement and Employment, and representatives of several State Governments.

The Government intend to appoint a number of non-official members also to the Board later. It is proposed to include representatives of large-scale and small industries and other interests concerned.

The Board will co-ordinate the activities of the four Regional Institutes of Technology for Small-Scale Industries, which will be set up according to the recommendations on small industries by the International Planning Team of the Ford Foundation. These institutes are to be located in Calcutta, Bombay, Faridabad and Madurai. The institutes are to assist small-scale industries in improving their technique of production and management in obtaining credit and finance and securing important raw materials, in marketing their goods to the best possible advantage and in promoting patterns of development for bringing about co-ordination in production programmes between small and large-scale industries.

The Board will also co-ordinate the activities of the proposed Marketing Service Corporation, which would later integrate its activities with those of the Regional Institutes of Technology and of the Industrial Corporation which is to be set up to organise production by small industries for meeting Government orders.

In addition to the four regional institutes, the Government of India have also sanctioned four branch units to be located in Hyderabad, Travancore-Cochin, Bihar and the U. P. Personnel for these institutes are being recruited and it is likely that one of the first assignments of the staff acting in conjunction with State Governments would be to carry out a survey of the markets for small-scale industries in each region which would assist in formulating and implementing production programmes.

A conference was held in Bombay in June, 1954, of State Government officials and officials of the Ministry of Commerce and Industry. The Government of India, it is understood, had suggested

that the grant of loans to small-scale industries by State Governments should be liberalised in certain specific directions and the procedure for such grants should also be streamlined. Following the conference, the Government of India are giving funds to the State Governments for supplementing their budget for grant of such loans and a sum of Rs. 28 lakhs has been sanctioned so far to the various State Governments.

CENTRAL GOVERNMENT'S NEW HOUSING SCHEME

Loans for Low income group housing and facilities to acquire and develop land for the purpose are envisaged in a scheme approved by the Government of India.

The scheme has been formulated by the Ministry of Works, Housing and Supply in the hope that, together with the Subsidised Industrial Housing Scheme, operating since October 1952, it will go some way in relieving the housing shortage throughout the country.

This low Income Group Housing Scheme will be forwarded soon to the State Governments for implementation.

Under the scheme, the Central Government will give to the State Governments loans at an interest of $4\frac{1}{2}$ per cent recoverable in 30 annual equal instalments. This amount will then be loaned against suitable securities by the State Governments to individuals, co-operative housing societies and housing finance corporations who are anxious to build houses for themselves or their members.

Limit of Assistance

The assistance will be limited to a figure not exceeding 80 per cent of the actual estimated cost of the house including the price of land, subject to a maximum of Rs. 8,000 per house. Those who apply for aid under the scheme will, therefore, be required to raise on their own at least 20 per cent of the estimated price of the house and land. The total cost of a house to be built under the scheme, thus, comes to Rs. 10,000 but there will be no objection to building a house costing more. In no case, however, will the loan exceed Rs. 8,000.

The scheme is meant primarily for individuals who do not own a house already, though relaxations can be made in certain circumstances. Persons whose income exceeds Rs. 6,000 per annum are not eligible for aid under the scheme. The accommodation in a house built under the scheme must have a floor area of not less than 330 sq. ft. or more than 1,200 sq. ft.

ENQUIRY COMMITTEE FOR HIGHER EDUCATION IN RURAL AREAS

The members of the Rural Higher Education Committee, appointed by the Government of India to go into the question of educational facilities available in rural areas, stayed in the City for two days, during which they held discussions with the officials of the Madras Government on problems relating to rural education before leaving for Coimbatore on November 22.

The members of the Committee are Dr. K. L. Shrimali, Parliamentary Secretary to the Union Minister for Education (Convener); Dr. L.H. Foster, President of the Tuskegee Institute, Alabama, U.S.A. Mr. L.K. Elmhirst, a leading educationist of U. K.; Mr. J. C. Mathur, Education Secretary, Government of Bihar, and Mr. R. K. Patil, former Minister of Madhya Pradesh. They were accompanied by the Secretary of the Committee, Mr. I.R. Khan.

The Committee, which was appointed early in September this year, started work on November 1 and has so far visited Bombay and Saurashtra. From Madras, the members of the Committee will go to Travancore-Cochin, Mysore and Hyderabad before returning to Delhi on December 2.

Dr. Shrimali told Pressmen that the Committee would examine the whole question of rural higher education. Some efforts were being made to develop institutions which would tackle the special education problems of rural areas. The Committee would examine whether there was any need for establishing such institutions and if so, on what lines they could be developed. Dr. Shrimali hoped the Committee would conclude its work by the end of January and submit its report to the Government of India.

FIRST CO-OPERATIVE DRUG FACTORY IN INDIA OPENED IN U.P.

The First Co-operative Drug Factory in the country was opened at Ranikhet on 16th October, 1954, by U.P.'s Deputy Minister for Co-operatives, Sri Mangala Prasad.

Built at a cost of Rs. 7 lakhs, the factory will be run by the U.P. Co-operative Federation and will manufacture both Ayurvedic and Allopathic medicines by introducing latest scientific methods to the value of Rs. 8 to 10 lakhs annually.

At the outset, according to the pharmaceutical expert of the State Government, Sri Prajapati Joshi, it would not only provide

part time employment to nearly 10,000 villagers but it would also employ between one to two hundred persons as full-time employees. Though the factory would be in the charge of the U.P. Co-operative Federation its technical side for manufacture of medicines would be looked after by the pharmaceutical expert of the State Government. In the course of time it would also prepare injections.

Kumaon hill regions abound in medicinal plants and the factory aims at utilising them through co-operatives. It is also planned to lay out a nursery at the factory premises for growing of medicinal plants. Declaring open the factory the Deputy Minister said that it was not only an auspicious day for the hill people but for the whole of Uttar Pradesh that a factory on Co-operative lines had come into being. At this factory he said, both allopathic and ayurvedic, medicines would be manufactured to meet the demand of U.P. and also other parts of the country, as far as possible.

He said that it was his desire that such ventures should be launched all over U.P. where conditions permit, as it would result in building sound economy of the people of our country.

He said that the factory would produce between Rs. 8 to 10 lakhs worth of medicines annually but efforts should be made to increase the output substantially.

The factory produced nearly Rs. 4,000 worth of medicines during the two days following a trial of the plant.

BIRTH OF A FILM CO-OPERATIVE

An unusual type of Co-operative Society, called THE CINE CO. OPERATIVE LTD., has recently been registered in India. Its members are a number of technicians, artists, writers and musicians dedicated to the object of producing a film that will be at once honest, realistic and aesthetically moving.

The ideal subject for the film was not difficult to find, for one of the group was veteran writer Rajindar Singh Bedi for whose classic short story "Garam Coat" many large and tempting offers had been made by private film producers. Bedi had refused all these, for he was anxious to see his story filmed with an honesty of purpose that he felt private producers would not show.

Finance, however, was a far more difficult matter than the choice of a story. The total assets of all the society members would by no means cover production costs and numerous approaches to

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financiers proved in vain. The project of the group appeared hopeless. Then suddenly a way was revealed; a financier said he would be prepared to invest money in the production if the members of the group invested their labour—if they worked without drawing any salary during the period of the production. Everyone agreed. The Registrar of Co-operative Societies was acquainted with the plan and registered the Society.

The arrangement is working perfectly. Location shooting has been done in Delhi, and "Garam Coat" is now on the floor at Mohan Studios. The principal characters in the film are all played by society members.

A rare gesture from Lata Mangeshkar, the most popular female singer in India during the last decade, marked the end of the recording of the first two songs in the film. So moved was she by the music that she refused to accept any fees. "Yours is a co-operative venture," she said. "Let my singing be my contribution."

CREDIT UNIONS VOTE AID TO ASIAN COUNTRIES

At the recent Annual Meeting of the Credit Union National Association "CUNA", held at Madison, Wisc., the Credit Unions of the Western hemisphere voted to finance the establishment of Credit Unions abroad, chiefly in the underdeveloped areas of Asia where for centuries the people have known nothing but poverty and suffering at the hands of usurers.

CUNA which has a membership of 9 millions, organised in 18,000 Credit Unions, will train native representatives from Asian countries to enable them to organise and operate Credit Unions on their return to their respective countries. It will work in close relation with United Nations Organisations, such as UNESCO and non-governmental self-help organisations such as CARE (Co-operative Association for Remittances Everywhere).

CANADA

Marketing Co-operatives-Income-Tax Position Clarified

In response to an inquiry of the Co-operative Union of Canada, the Taxation Department of National Revenue has issued the following statement regarding the Income Tax status of Marketing Co-operatives which act as agents for their members:

"Where it is clearly established that a Co-operative acts as an agent in the marketing of the products of its members, the cardinal

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principle to keep in mind is that no part of the proceeds from the sale of products belongs to the Co-operative and thus no part is income of the Co-operative regardless of whether a portion is transferred to a statutory or general reserve, left unallocated or used to meet operating expenses related to its agency operations. Of course, if the Co-operative is entitled to remuneration for acting as agent, such portion of the proceeds which it is authorised to retain for that purpose, less applicable expenses, is income to it.

All revenue from transactions not on an agency basis is income of the Co-operative, from which may be deducted applicable expenses and patronage dividends. In so far as the members are concerned, the full amount of the net revenue from agency operations is income of the members. This includes amounts credited to the members transferred to statutory or general reserves or left unallocated.

SRI J. C. RYAN, REGISTRAR OF CO-OP. SOCIETIES, MADRAS— JOINS THE RESERVE BANK OF INDIA

The services of Mr. J. C. Ryan M.A., I.A.S., Registrar of Co-operative Societies, are placed at the disposal of the Reserve Bank for appointment as Chief of the Agricultural Credit Department according to a Government notification. Mr. A. Palaniappa Mudaliar, Joint Registrar of Co-operative Societies is to act temporarily as Registrar of Co-operative Societies.

(Indian Express dated 9-11-1954.)

NEW REGISTRAR OF CO-OP. SOCIETIES, MADRAS— SRI A. PALANIAPPA MUDALIAR APPOINTED.

Sri A. Palaniappa Mudaliar M.A., whose appointment as Registrar of Co-operative Societies, Madras was announced had taken charge of his new office on 10th November 1954. (R. C. 142753/54, D-1. dated 10-11-1954.)

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(Ingr R. S.) CHENNIMALAI P. O. (Coimbatore Dt.)

CHENNIYALAI P. O.

(Coimbatore Dt.)

**Attractive terms to Co-operative Institutions
and Exporters.**

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

GRAM : COPCENBANK".
(THE PREMIER CENTRAL BANK TO BE REGISTERED IN THE
STATE IN 1909.)

	Rs.
Authorized Capital	15,00,000
Paid up Capital	7,29,000
Reserve Fund	5,77,783
Other Reserves	5,29,473
Working Capital	99,93,251
Loan Transactions	65,38,297
Overdraft Transactions	122,47,402

Deposits are accepted at the following rates :--

Fixed Deposits :—	1 %	4 years & above.	3 1/2 %
6 months	2 1/2 "	5 years & above	
1 year	2 1/2 "	for deposits of	
2 years	3 1/2 "	Ra. 5,000 and above	4 1/2 "
3 years			
Savings Deposits and Thrift Deposits	1 1/2 %		
Current Deposits	1 1/2 "		
Provident Deposits	3 "		

**An Ideal Co-operative Bank for safe investments.
All Banking business transacted.**

D. KRISHNAMURTHY GOUNDER. M.L.A.,

P. KARUNAKARA MENON, B.A.,
Executive Officer,

P. MANICKAM, B.A.,
C.A.I.I.B., D. COM. (I.M.O.),
Secretary.

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