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Tenth Tamil Nadu Co-operative Conference, Vellore

PROGRAMME

3rd October 1954

9 a.m. to 12 Noon :

Prayer.

Flag Hoisting by: Shri K. Sitarama Reddy, B.A., B.L., President, South Arcot Co-operative Central Bank Limited.

Welcome Address by: Sri B. Bhakthavatsalu Naidu, M.L.A., President, The Co operative Central Bank Limited, Vellore.

Inauguration of the Conference by: Shri Panjabrao Deshmukh, Minister for Agriculture, Goverment of India.

Opening of the Exhibition by: Shri K. Kamaraj Nadar, Chief Minister to the Government of Madras.

Presidential Address by: Shri A. Krishnaswamy Vandayar, President, Tanjore Co-operative Central Bank.

Opening of the Portraits of:

1. Dr. Rajendra Prasad, President, Indian Republic by Sri A. B. Shetty, Minister for Co-operation, Madras.
2. Late Sri N. R. Samiappa Mudaliar, by Sri J. C. Ryan, M.A., I.A.S., Registrar of Co-operative Societies, Madras.

Presentation of shields to the 14 Co-operative Central Banks for the services rendered to the Movement by the Tamil Nadu Co-operative Federation in commemoration of its Silver Jubilee, by the President of the Conference.

2 p.m to 4 p.m.
Conference of the Secretaries.

3 p m.
General Body meeting of the Tamil Nadu Co-operative Federation.

4-30 p.m. to 6 p.m.
Subjects Committee.

6 p.m.
Entertainment

4th October 1954

9 a.m. to 12 Noon.
Resolutions—Open Session

2 p.m. 4 p.m.
Resolutions—Open Session.

5 p.m.
Vote of Thanks.

THE

Madras Journal of Co-operation

EACH FOR ALL AND ALL FOR EACH

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Thought for the Month

Co-operatives do more than build up the material foundation of Co-operators. They build men.

—Bishop A. J. Muench, Fargo, N. Dakota.

Editorial Notes

MEET THIS NEW CHALLENGE

A Thought-Provoking Speech

On the eve of the Golden Jubilee Celebrations of the Co-operative Movement in India, Co-operators all over India have been regaled with alluring reports of the triumphs of Co-operation over half-a-century in this country. However, well-intentioned they may be, they have caused a certain amount of smug self-complacency amidst the Co-operators. As if to break down the calm in the Co-operative front, Dr. P. S. Deshmukh, India's Agriculture Minister has come out with a challenging and thought-provoking speech, when he inaugurated the Executive Committee of the All India Co-operative Union. He said:

> "Despite its numerical strength and outward manifestations of growth, the Co-operative Movement would not become a force to be reckoned with, unless it forged its own sanctions by virtue of its inherent strength and capacity to inspire confidence.
>
> If in spite of the favourable economic and social atmosphere created by the growing progress of development plans and encouragement of democratic institutions and active Government support, the Movement failed to push ahead, it would be, indeed, an unfortunate situation.
>
> Now that a Democratic Government, obedient to the will of the people is there, the tendency of self-help institutions to demand privileged treatment, as a matter of right has been on the increase. If such an attitude is allowed to continue, the Movement will only stultify itself and will in its attempts to gain an empire, only end in losing its own soul. Self-reliance, arising from collective membership strength is the very essence of co-operation and when that is lost, all other gains become illusory,"

These are indeed challenging thoughts and deserve to be seriously considered and discussed by co-operators. The Reserve Bank of India publication—'The Statistical Statements relating

to the Co-operative Movement in India for 1951-1952,' reveals certain very disturbing trends of the Co-operative Movement.

Apparent Progress

No doubt, the report showed that there were 185,650 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 progress looks apparently imposing enough, when we look at these figures, so much so a leading daily remarked that Co operation has well-nigh become a Big Business. But the actual analysis of figures showed a state of affairs, which did not give room for complacency and should, in fact cause considerable concern.

Disturbing Trends

After half-a-century of growth the Movement had succeeded in covering not more than one-fifth of the population, taking one member to represent a family of five. It actually lost a little ground in 1951-52, compared with the previous year. While in 1950-51, it served 19 per cent of the population, in 1951-52, its coverage declined to 18.8 per cent.

While there was a slight increase in the number of agricultural non credit societies, the membership registered a fall from 33.65 lakhs to 28.04 lakhs. Overdues of primary societies during the same period rose from 11 per cent of the outstandings to 13.5 per cent.

The ratio of deposits to working capital in agricultural credit societies has steadily declined from 14.4 per cent in 46.47 to 9.7 per cent in 51-52, while the proportion of owned funds to working capital has not shown any appreciable increase. This is indeed a sad commentary on the part played by thrift in the Movement.

The net profit of all types of societies have fallen from about Rs. 697 lakhs in 50-51 to Rs. 529.96 lakhs in 51–52. The sharp fall in profits by Rs. 167.33 lakhs is due to the loss sustained by the non-credit societies, which is an unerring index of the diminishing vitality of these war-babies.

Omnious Portents

These facts are the omnious portents of the basic weakness of the Co-operative Movement in India. After fifty years of careful nurturing, if the co-operative institution should exhibit such haplessness and should look upon State aid on every conceivable occasion, that shows the Movement has not taken firm roots in the economic soil of India. Government spoon-feeding seems to be the main stay of Co-operation. Borrowings of the Movement, particularly from the Government and the Reserve Bank (20.97 crores in 1951-52) have increased considerably in the past few years. This cannot be merely attributed to intensified activity. "Taken in conjunction with less than proportionate increase in owned funds, declining deposits and mounting overdues, the situation is not without elements of danger."

Moral Qualities Missing

Nor is this all. These are merely the economic indicators of the inherent weakness of the Co-operative Movement. But even more serious is the grim warning of the Registrar of Co-operative Societies, Sri J. C. Ryan, who deplored the lack of honesty and integrity in the Co-operative Movement now-a-days. He said:

> " If I were only to tell you the figures of cases of dishonesty and of prosecutions, it would be something startling. There are about 200 prosecutions on date against office bearers of Co-operative Societies, some supervisors and more unfortunately against even one or two Departmental Inspectors ".

This is indeed shocking comment on the moral decadence of our times. It is rather unfortunate that Dishonesty, 'this strange disease of modern mind' should eat like a canker into the very vitals of the Co-operative movement. But we have to meet this challenge. A Movement which draws its sustenance from mutality and faith should not be allowed to languish for want of these basic moral requirements.

Ethical Basis

The chief attraction of the Co-operative idea lies in its moral and ethical emphasis. 'The fact that human beings meet together on equal terms to combine for the satisfaction of a common need affords opportunity for the development of an unselfish spirit, which leads to higher things than material advantages, so that to many, co-operation is a faith. It stands out for moral uplift, for honesty and for the homely virtues, that count for so much in the daily lives of the people. It possesses the peculiar faculty of

making virtue pay. All human beings are continually striving after the satisfaction of some material need. Co-operation holds out the prospect of success in this effort, provided the persons concerned possess certain moral qualification, without these failure is inevitable. Through Co-operation, morality is taken out of the copybook maxim and placed in the forefront of human action as absolutely essential to success in the most ordinary affairs of life. Moreover, the morals of the individual cease to be a purely private matter for his own conscience, they become of importance to the whole community to which he belongs.'*

It is this moral and educational value of the movement that attracts the patriotic and the public-spirited. If this life-giving principle is cast to the winds, the future of Co-operation is indeed bleak. But can we afford to look askance at these moral abberations, and keep quiet? Surely, Co-operators must be up and doing, and try to direct the Movement on proper lines, weeding out the unscrupulous and the anti-social elements. It is high time, that we revaluate the entire Movement and reconstruct it, by reaffirming our faith in the fundamental principles.

Official Stimulus

If the Co-operative system is to flourish, it presupposes the growth and development of a real co-operative spirit. Ever since its inception, this co-operative spirit was conspicuous by its absence in India. It is important to remember that the first Co-operative Societies Act of 1904 was passed before there was any Indian experience to guide the Legislature. The Co-operative Movement in India is a movement from above and not from below. It was a measure imposed on the people by an alien Government, as a part of an extensive policy of 'enlightened autocracy.'

Progressive Withdrawal

" Considering the lack of spontaneity, the Movement in India was stigmatized by the late Sir Horace Plunkett as 'not so much a Movement as a Governmental Policy."† This remains true even to day. Therefore, if the strength and self-reliance of the Co-operative Movement should improve, the policy of and approach of the Govercment to Co operatives should undergo a basic

*H. Calvert : 'The Law and the Principles of Co-operation'
† Dr. E. M. Hough : 'The Co-operative Movement in India.'

change. As the International Planning Team on Small Scale Industries in India observed,

" The Government should withdraw from a paternalistic and functional attitude towards Co-operatives and from direct organisation of them. While Government could and should encourage them, the Term strongly emphasises that Co-operatives were after all a people's movement and must evolve out of the felt needs o. the people themselves."

Multipurpose Co-operatives–Not a Live Force

The story of the Milti-purpose Co-operatives reveals the fact that they have not been evolved from the felt needs of the members. Due to the Governmental drive, a number of rural credit societies have been reorganised into multipurpose co-operatives, by effecting suitable changes in the by-laws. It is no doubt true, that in the Madras State there were 11.391 multi-purpose societies doing non-credit business amounting to Rs: 81.88 lakhs during 1952-53. But an analysis will show that there has been landslide in the value of non-credit business done, for in the year1951-52, 11,106 societies did non-credit business to the value of Rs. 204.65 lakhs Thus it appears that multipurpose societies have not become a live force in the village economy. The Reserve Bank of India, in its report on the Banking Union at Kodinar was shrewd enough to emphasise this evolutionary aspect of the multipurpose work.

'It is not necessary that society should be started with too big a programme, which it may not find it possible to carry out. At its inception, a society may take up only one phase of the problem like credit, or sale or purchase or better living, but as it gains experience of that work and wins the confidence and the goodwill of its members, it must gradually take up the other activities, which make for a better and a fuller life for its members and give them a surplus income."

A good deal of Hustling

" There has been a great deal of hustling going on in the field of Co-operative Movement, resulting in inadequate attention being paid to character and efficiency.' Planning Commission has considered Co-operation 'as an indispensable instrument of planned economic action in Democracy.' This has obviously resulted in an urge to expand Co-operation to every village. It is a good

ideal, no doubt but very difficult to achieve, unless proper choice of membership is made. The membership of a co-operative society is a privilege and it is not a birth right. Co operative organisation, being essentially a business undertaking, must ensure that the members would be loyal, honest and hardworking and thus its membership should be essentially selective. As F. R. Hemmingway I.C.S. puts it, ' it is possible therefore for a society to limit admission to honest, hard working men, who can be relied upon to keep their word and not to decieve the society.' This is a wholesome principle, which should be strictly adhered to by all those interested in Co operation. We agree with the Registrar Sri J. C. Ryan, "that only a third of the earning members of a village would be having the requisite character and repaying capacity and the rest did not simply have them." Even the few, who possess character and repaying capacity do not have the necessary co operative training to manage the institutions properly. We know from experience that the Executives of Co-operative Societies do not have the elementary knowledge to prepare a loan application and to forward it to the central financing agency for sanction. They look forward to the visiting Supervisor to do this job. This is indeed a sad commentary on the intellectual and moral preparedness of the members of the Co-operatives.

Co-operation sprouts in the Hearts of Men

Thus, in essence, all the problems, which confront the Co-operative Movement boil down to this one basic drawback-namely, the members of the co-operatives do not have the necessary mental and moral equipment to carry on the management in a prudent and efficient way. There is no purpose in executing further plans of expansion of the Movement, without remedying this fundamental weakness. Without a proper ideological and intellectual foundation, the imposing edifice of Co-operation would crumble down like a pack of cards. For "Co-operation," as Mr. F.L. Brayne says, "is not merely a matter of registers and entrance fees. It begins in the heart and until it begins there, it can never hope to be a success." What is it that we have to do to implant the idea of Co-operation in human breasts?

Total Co-operative Education Programme—The Prime Need

A comprehensive educative programme on co-operative principles and methods should be drafted and executed within a period of five years. This educational effort should be directed toward training men and women in co-operation, so that they may on their own accord, organise and manage co operative institutions successfully. For in the field of Co-operation, "education is not propaganda. The latter changes the attitude of people; from being indifferent to Co operation, they begin to support it. Education goes further and makes active militants out of mere supporters."* Co-operative education instils in the members the willingness and the desire to sink individual opinions and interests to such an extent, that a group of men can work together for common interest. When this spirit is developed to a high degree, it means a sort of loyalty and patriotism, that leads men even to sacrifice, if necessary. That is the missionary fervour, with which co-operative educative work should be done. Frankness in propaganda and thoroughness in co-operative education are important factors for success. In the education of all workers in the Movement, the paid workers in the co operative societies must not be overlooked. They need more than mere technical efficiency; they need to be imbued with the co-operative ideals. The Reserve Bank of India and the Government of India have jointly constituted a Central Committee for Co-operative Training, for formulating plans and for organising and directing arrangements in regard to training of personnel in Co-operative Departments and Co-operative Institutions in every State at all levels. The Reserve Bank of India has undertaken the responsibility in regard to the training of higher and intermediate personnel, while the Government of India have undertaken the responsibility for reorganising and strengthening the training facilities available for subordinate personnel. Expenditure in this connection is to be met out of the provision of Rs. 10 lakhs, earmarked for Co-operation in the Five Year Plan. The problem of training co-operative officials has been tackled boldly and properly, too, and its solution, therefore, may not be very difficult.

Member Training – A Baffling Problem.

But the problem of training the 138 lakhs of members of co-operative societies is indeed formidable, and baffles even the sturdiest of co-operators. Added to the colossal nature of the problem, is the vast and groping illiteracy of the country side. The problem cannot be shelved any further and it needs urgent

*George Lassere.

attention. A determined effort have to be made both by the Government and the people. Dr. E. M. Hough has given a practical guide in this regard.

"The standards of such instruction of members should not be made so high that illiterate members of ordinary intelligence cannot follow it. The principles of Co-operation are not so difficult that they cannot be simply conveyed."

A sound practical programme has to be evolved along the lines of the Folk schools of Denmark. "Instead of formal co-operative education, Denmark has its Folk schools. These schools strengthened the followship of Danish life. They live together in the same democratic spirit at the Folk schools, where for some months they enjoy a liberal education in literature, history and social economy. These Schools have supplied the enthusiasm for Co-operation, which the English Movement derived from Robert Owen."* Such a comprehensive and all-out co-operative educational effort is bound to strengthen the sense of duty of members. 'Ultimately the social and economic emancipation of the poor involves, along with other factors, the strengthening of their own sense of duty. The sense of real human solidarity lies at the root of the elevation of the race and member loyalty, like official probity depends on no small measure on the inculcating the higher and nobler conceptions of public as well as private duties, which lie at the root of material development.'

Co-operative Education—Its Sad Neglect

But is it not surprising that so cardinal and pivotal activity as Co-operative education and Propaganda, which is the motive power behind the Co-operative Movement should be so lamentably neglected in the past in the schemes of Co-operative development in this Country? Small wonder then that the progress of Co operation should be so fitful and halting. There were in all 19 Co-operative Provincial Unions in 1951-52 all over India, with a total income of Rs. 8,31,798 out of which Rs. 3,81,584 were Government grants (43 4%.) The total income of these Co-operative Educational bodies in terms of the total working capital of the All India Co-operative Movement works out to .027 per cent and the ratio it bears to the total net profits of the Movement is indeed very small *i.e.* 1.5 per cent. Evidently, the outlay on

* C. R. Fay: 'Co-operation at Home and Abroad.'

Co-operative education has been very niggardly all these years and unless copious finance is avail able for this essential service, the prospects of the genuine growth of Co-operation will be far remote.

A Plan of Action

The State Co-operative Institutes should be knit together into one great National Grid of Co-operative Education and Propaganda to radiate Co-operative effulgence throughout the country. The State can aid these energising units and enable them to blaze forth new trails like the Education Department, Co-operative Union Ltd., Manchester. The mature and stable Co-operatives, too can contribute from out of their net profits to the finance of these educational institutions. The legal requirement in Bombay for regular contributions out of the net profits of societies, which declare a dividend of 4 per cent and more, for Co-operative education is a step in the right direction. Thus replenished with finance, these Institutes may well become the transmitting centres of Co-operative enthusiasm to the Co-operative folk, both in the City and in the country side. The State Institutes may also organise a Service and Research Department for Co-operatives, to conduct field studies and achievement audits and thus promote the knowledge of co operative principles and practice. Let us hope that in future, Co-operative Spirit, rid of the official rigidity shall venture into 'fresh fields and pastures anew' and bring material and moral regeneration to the millions of small farmers and artisans in our land. 'Without such a moral change, Co-operation is open to the attritions, divisions, and dissipations resulting from the impulses it seeks to supplant; acquisitiveness and worldly self-seeking.

Towards this consummation, we have to make a big effort in a big way. Are we prepared to meet this new challenge?

Adavikodiumbedu: The Profile of a Rural Economy

SRI C. M. JANARTHANAM, B.A., B.COM.

Sweet Auburn! loveliest village of the plain,
Where health and plenty cheered the labouring swain,
Where smiling spring its earliest visit paid,
And parting summer's lingering bloom delay'd.

—Goldsmith, *in The Deserted Village.*

Adavikodiumbedu* is a picturesque village on the banks of Araniar, just 5 or 6 miles from Nagalapuram. It is connected by a village road to Baitakodiumbedu, which is a wayside village on the Madras-Uthukotai-Nagalapuram-road. There is a road connecting Nagalapuram and Tiruvellore, the taluk headquarters. Pennalurpet, the headquarters of Kachinad Estate Manager is about 6 miles from Adavikodiumbedu and the nearest post office to Adavikodiumbedu is located at Pennalurpet. Nagari on the Madras-Bombay route, is the nearest railway station. It is situated at a distance of 15 miles from the village. Pulikunram, which is at a distance of one mile from the village is connected to Madras by a Bus-route.

Demographic Trends

The population of Adavikodiumbedu was 1261 in 1941 and 1295 in 1951. There has been only a very slight increase in the population during one decade. There are 664 men, 631 women and 140 children in the village. Out of 140 children, 40 boys and 20 girls attend the Board School in the village. The pressure of population on land is very heavy. The net per capita area sown *viz.*, $\frac{\text{Net area Sown}}{\text{Total Population}} = \frac{360.83}{1295}$ is 0.28 acre. This is indeed very low when compared with the all-India average *i.e.* 0.72 acre. According to Dr. O. E. Baker, the per capita requirement in respect of cultivated area for an Emergency Restricted Diet is 1.2 acres. The falling ratio of cultivated land to the total population has a significance much beyond the mere inadequacy of food production. "The diminishing ratio of land to population shows further that available land for cultivation is not keeping pace with increase in population."†

*Adavikodiumbedu is in the Tiruvellore Taluk of the Chengleput District.

†Indian Population By D. G. Karve page 18.

Socio-Economic Set up

1. *General Condition*

The general living condition in the village is fair. The houses are built in an orderly and regular fashion. There are 50 tiled houses, 20 terraced houses, and 80 huts in this village.

2. *The Caste-pattern*

The following table shows the distribution of the population—caste wise.

Brahmins	3	Pot makers (Kuyavas)	20
Visva Brahmins	105	Kamma Naidus	576
Rayas	35	Washermen	14
Vysias	10	Barbers	12
Vanniyars	75	Harijans	315
Palaiyakars	75	Irulas	20
Yadhavas	15		

The Kammas, the Rayas the Brahmins and Palaikars talk Telugu, while Vanniyas, Harijans, Washermen, barbers, etc. talk Tamil and thus the village, which is near the borders of Chittoor is bilingual in character. The Telugu speaking people in the village appear to be emigrants from the Chittoor district.

3. *Sociological Trends*

Overt faction in the village is absent, but there is a new social tension between the Harijans and the upper class cultivators due to the growing consiousness of the Harijans as a class. At the time, when I visited the village and addressed them regarding the scope of the survey, some of the Harijans were rudely disappointed, for they were imagining that some radical left wingers were going to address them and re-distribute the land in the village to them; with such fond hopes, it is but natural that they look upon the land lords with suspicion. But since they have to work under them and earn their livelihood, they are apparently submissive. Kammas are the dominating group in the village and they own considerable extent of land. All other castes are in one way or other, subordinate to them and are controlled by them.

4. *Standard of Literacy*

The standard of literacy is very low, for the peasant families are primarily interested in land and they have not sent their children to school in the past. But, of late, there has been an appreciable increase in the strength of the schools as well as the standard of

literacy among the younger generation. There is one High School at Uthukotai, where the school going boys and girls attend.

There is a village school, where 40 boys and 20 girls attend. There is only one graduate in the whole village. The village Karnam is an experienced man and he is the only connecting link of the officialdom in the village. The Village Munsiff, who is himself a cultivator with 10 acres, is very co-operative and he is verily a leader commanding good influence in the village.

5. *Rural Health*

There is no hospital or rural dispensary. Rural Medical dispensaries are at Satyavedu and Nagalapuram. There are a few village Vaidyas. Since the village is on the river bed, the wells have good springs and there is no difficulty in obtaining perenniel water supply for drinking purposes.

6. *Agricultural Situation*

There are 1022.01 acres of land in the village, of which 360.83 acres are cultivated holdings. The chief crop of the village is paddy, which accounts for 145.92 acres.

The village is well-served with good wells, numbering about 45. 240.60 acres., nearly 66⅔% of the net area sown—are under well-irrigation.

The war-time boom has inflated the land values in the village. One acre of wet land is valued at Rs. 2,500, while the value of an acre of dry land hovers about Rs. 1,000.

There are 154 cultivating families (60 per cent) and 104 non-cultivating families (40 per cent) in the village. (Total 258 families).

The total number of pattas in the village is 204, of which 145 are single pattas, 59 joint pattas.

7. *Rents*

The village belongs to the Kachinad estate and prior to the Government taking over the estate, the rents have been reduced for class I wet land from Rs. 14 and Rs. 13 to Rs. 8 and 7 respectively. Similar rent reductions have been made in respect of manavari and dry land, to the levels obtaining in the ryotwari villages.

The total land revenue collected from the village for the fasli 1360 is Rs. 1,200. The incidence of land revenue works out Rs. 3-5-4 per cultivated acre and Rs. 8 per cultivating family.

8. Money-lenders—the Main Agency of Credit

There are about 5 persons, who have lent amounts to the tune of Rs. 2,000 and more to others; but only two are habitual money lenders, who charge interest for the advances made.

Land Utilization

The area is under Kachinad Estate. It is a surveyed village. The following particulars of land utilization are furnished.

Fasli 1360	Acres.	Cents.
Total area	1022	01
Wet land	146	85
Dry land	286	26
Area under forests	298	96
Poromboke	289	94
Permanent fallows	72	28
Current fallows	72	28
Total cultivated dry land	215	23
Total cultivated wet land	145	60
Total double-cropped wet land	32	15
Area irrigated and sown under wells	240	60
Area irrigated and sown under tanks	Nil	
Area irrigated and sown by other sources	Nil	

Cropwar Classification.

	Acres.		Outturn.		
Paddy	165	92	0	8	0
Ragi	82	96	0	8	0
Cumbu	30	32	0	8	0

Besides the above, chillies, gram, groundnut and vegetables are also sown to a small extent, for consumption purposes. One note-worthy feature in the village is that it is an intensively cultivated area and the ryot does not keep even a cent of cultivated land idle, since sufficient irrigation facilities are available.

Crop Planning

After the Samba Crop (long term crop), the ryots either take up Navarai cultivation or ragi cultivation; chillies are sown in small plots in the month of Margazhi (December-January) and harvested in Vaigasi (May-June) or even earlier.

In general, food crops predominate in the pattern of crop-production and account for nearly 80 per cent of the total cropped area. Since the post-war prices of paddy, ragi and other food crops are definitely attractive and since food crops find a ready market in an era of scarcity and high prices the peasants are devoting their entire attention to the cultivation of food crops. This phenomenon perhaps explains the high ratio of food crops to cash crops in the village. In fine, Adavikodiumbedu is chiefly a paddy-growing village.

Factors of Production

(i) Livestock

The following table shows the livestock position in the village.

	Number.	Value.
Bullocks	150	Rs. 100 to 150 each
Cows	160	Rs. 50 to 60 each
Buffaloes	90	Rs. 60 to 80 each
Sheep	500	Rs. 15 to 20 each

(ii) Implements

There are 90 wooden ploughs, 26 carts, 12 harrows in the village. There are about 11 pump sets in the village, capable of irrigating 6 acres each. Only one cultivator has got a Government loan of Rs. 3,800 for the purchase of a pump set.

(iii) Labour

There are about 315 Harijans and 75 vanniyas, who are mainly agricultural abourers. Very few of them own lands, sufficient to maintain themselves by cultivation. Hence, the bulk of these people constitute the agriculture labour force in the village. They are paid 2 M.M. in kind for each day of harvest or threshing etc. On other occasions like ploughing, transplanting, harrowing, etc. the following wages per diem are paid.

	Ploughing	Harrowing	Transplanting	Weeding
Men	Rs. 3 to 4 per half day	Rs. 1 to 2	0-8-0 to 0-12-0	0-8-0 to 0-12-0
			(with kanjee, valued at 5 annas).	
Women	—	—	0-5-0 to 0-6-0	0-5-0 to 0- 6-0
			(with kanjee, valued at 5 annas)	

Besides the temporary farm servants, there are also 'attached employees' for each of the big land-lord households. They are paid 8 M.M. of paddy or ragi per month and are also fed three times a day. The living conditions of such farm servants are much better off.

(iv) Manures

Oil cake and farm yard manure are universally applied; but of late, the tendency to use chemical fertiliser has been on the increase. Green manure is available in plenty from the jungles nearby. There are also good facilities for pasturage in these shrub forests.

(v) Improved Method of Cultivation

The lands belonging to a ryot of the village was reclaimed recently by Government bulldozers. But the lands are situated in Baitakodumbedu, a neighbouring village.

(vi) Land Improvements

During one year, 154 cultivating families have spent Rs. 62,227 *i.e.* Rs. 180 per cultivated acreage, towards agricultural investment purposes; even granting that 60 per cent of the amount have been utilised for the purchase of livestock, atleast 40 per cent of the above amount should have been expended for agricultural investment purposes like the reclamation of land, purchase of oil engine or deepening a well etc.

(vii) Size of Holdings

The biggest holding in the village is 37 acres; the smallest 0.10 acres: The average cultivated holding is 2.24 acres. This is worked out as follows:

$$\frac{\text{Total cultivated holdings: 346.30 acres}}{\text{Total cultivating families: 154.}} = 2.24 \text{ acres.}$$

The distribution of these holdings under different classes are shown below:

Size of holdings	No. of families
10 acres and upto 40	6
5 acres and upto 10	7
4 acres and upto 5	10
3 acres and upto 4	14
2 acres and upto 3	19
1 acre and upto 2	46
50 cents and upto 1 acre	19
Under 50 cents	33
Total cultivating families	154

The above table shows that 46 families nearly, a third of the cultivating families, cultivate 1 to 2 acres of land; while only 13 families have cultivated holdings above 5 acres and upto 40 acres. The Harijans and Vanniyas and a few Palaikars own less than 50 cents. They are 33 in number i.e., 20 per cent of the cultivating families. Therefore, these families have to supplement their farm-income by earning agricultural wages.

Agricultural Credit

Of the three main agencies of credit, the Government have recently started issuing loans to the villagers; for till recently, this village was under the control of Kachinad Estate. Even now, the process of taking over has not yet been completed. So, the Government have not advanced many loans to the villagers. Only one agriculturist has recently got a loan of Rs. 3,800 for the purchase of an oil engine. There are one or two new well-subsidy loans. During the year fasli 1360, no well subsidy loan was issued. There is a great demand for Government loans in the village. The village is not served by any co-operative society.

The bulk of agricultural finance required for the village is supplied by agricultural moneylenders and pawnbrokers. The Harijans and others go to Satyavedu, Tiruvellore, Uttukottai and other urban centres and pledge their small valuables and obtain credit, whenever there is a dire need for money. Alternatively they borrow from the richer peasants, paying moderate rates of interest ranging between 9 to 15 per cent. The tenants, sometimes, obtain credit from their landlords at the same rates. There are five Kamma Naidus whose outstandings exceed Rs. 2,000 each as revealed by the enquiry. But only one or two of them admit that they have something to do with moneylending. Those two have been enquired. But the total debts of 258 families during the year 1952 amount to Rs. 61,525 i.e., Rs. 234 per family per annum. Their repayments amount to Rs. 15,415 i.e., Rs. 60 per family per annum. Their total indebtedness amount to Rs. 414 per family per annum. But the total amount of outstanding dues of the well-to-do-ryots (59 families) in the village amount to Rs. 40,975 i.e., Rs. 694 per each creditor family. Conversly, each indebted family in the village may be deemed to have obtained a credit of Rs. 159, i.e., roughly 40 per cent of the total outstanding indebtedness of each family from the well-to-do farmers in the village. Thus it is clear that a good deal of interlending takes place between the ryots in the village itself and that source of credit satisfies the credit demand of the village to an appreciable extent.

Marketing

There are about 13 rich peasants, who have some marketable surplus. A peculiar feature of marketing practice in the village deserves detailed narration. The marketable surplus is pooled and a price is fixed. The pooled produce is sold off at an auction. The highest bidder knocks down the auction sale. It is the duty of the highest bidder to market the produce. He gets a commission. The surplus in the auction sale goes to the village common fund, which is utilised for socio-religious purposes.

The other common method of marketing is as follows. The ryot takes his marketable surplus to Nagalapuram, Uttukotai or even Tiruvellore, incurring costs of transportation (0-8-0 per mile of bullock cart load) and sell them in shandies and bazars. Prior to Food Control, the wholesaler or commission agent will purchase the produce from the ryot, deducting a commission at 0-0-3 per rupee and also collecting certain merchandising charges at ½ M.M. per bag. Yet another method which has become popular with the advent of food controls is as follows: The visiting trader or agent of a wholesaler at Madras or Tiruvellore goes over to the village at harvest seasons, transacts with the ryot or ryots, fixes a price, pays the amount in cash and takes away the produce, bearing costs of transportation and other incidental charges. This method is even now in vogue and may be so, as long as the 'sellers market' in paddy and cereals holds sway.

Cottage Industry

There is no cottage industry worth the name except sheep rearing and other pastural avocations. There are a few families of Yadhavas in the village, who attend to this work. There are about 150 bullocks, 160 cows, 500 sheep and 90 buffaloes in the village. The pasturage is provided by the forests bordering the Nagalapuram hillocks. Almost every land owner owns a few cows and sheep. Pastoral avocation, perhaps, is another source of supplementing the farm-income to these families.

Peep into the future

The road connecting Adavikodiumbedu with Baitakodiumbedu is not quite good. One has to march about one furlong across the

Araniar. During the rainy season, when the river is flooded, the approach road is rendered impassable. Only ferries can ply. But the river Araniar is seldom in spate. It would be a rare phenomenon. If necessary, a cause-way may be constructed to link the village with the Madras–Nagalapuram Road.

There is a very real need for a post office either at Adavikodiumedu or Baitakodiumbedu. The post office at Pennalurpet is 6 miles away and the post man comes only once in a week. Increased communication and increased postal facility may usher in increased prosperity to the village.

In Co-operation lies the best hope of Adavikodiumbedu. The peasants of the village should knit themselves into a Co-operative Society. A properly organised and well-directed Multi-Purpose Co-operative is bound to be a powerful instrument of economic progress to this self-contained village community.

3

How the Cess Fund Aids the Handloom Industry*

The importance of the handloom industry has at last been justly realised. There are about 28 lakhs handlooms in the country and the Madras State leads with 5 6 lakhs looms. Periodical attempts have been made for the past 15 years to understand and solve the problems connected with this industry. A Three man Fact Finding Committee was constituted by the Government of India in 1941, to examine the conditions facing the industry.

As a result of its recommendations, the Government of India constituted an All-India Handloom Board in 1945 representing various interests in the country. This Board ceased to function in 1947 and in 1948 the Government of India created a new body called the Standing Handloom Committee under the Cottage Industries Board to look after the interests of the handloom weavers. This Committee was reconstituted in July 1950 and in 1952 it was superseded by the present All-India Handloom Board.

Slump of 1952

The year 1952 is memorable in the history of the handloom industry alike for the intensity and gravity of the slump which overtook the industry and threw out of employment three lakhs of handloom weavers and for the anxiety and concern evinced by the Government of India and the Government of Madras to combat the effect of such a slump. Both the Governments decided to take steps to relieve the distress among the handloom weavers as an immediate measure and to plan for rehabilitation of the industry on a permanent basis. The Prime Minister of India, when he visited the Madras State Handloom Weavers' Society on 2nd October 1953, observed that the Government of India were particularly conscious of the importance of the industry and that we might rest assured that fullest attention would be given to the needs of the weavers.

The Minister for Commerce and Industry expressed his views in the matter in the following words on 8th February 1954 when he opened the Andhra Co-operative Spinning Mills: "For years even after we attained freedom we neglected the cause of handloom weavers. Now during the last 18 months we have been faced with a problem which looked to us almost insoluble. We are definitely committed to providing necessary financial help to handloom weavers. I do hope that the handloom weavers will believe me that their future is not in jeopardy."

* With the kind permission of the A.I.R., Tiruchirapalli.

Mill Output Restricted

Many important measures have been undertaken by the Government of India and the Government of Madras. The Government of India have constituted a Textile Enquiry Committee to go into the question of the steps to be taken with a view to ensuring that the three different sectors of the textile industry, *viz.*, mills, powerlooms and handlooms, take their proper place in the economy of the country from the point of view of the greatest economic and social benefit to the people.

They had imposed a restriction on the production of dhoties by mills to 60 per cent of their output of this variety during the twelve months ending March 1952 and prohibited piece dyeing of sarees by mills with a view to providing an assured market for the products of the handloom industry. They have sanctioned several other schemes which shall be described presently. The Government of Madras also launched a scheme of temporary relief to unemployed weavers to provide continuous employment and subsistence wages.

Relief Measures in Madras

The assistance rendered to the handloom industry by the Government of India in the past was meagre and did not go far enough to help the industry to solve its outstanding problems. As far as the Madras State was concerned, the Government of India sanctioned by way of subsidy a sum of about Rs. 9.75 lakhs during the years 1935—1937. These amounts were utilised by the Madras State Handloom Weavers' Society for meeting its establishment and other charges and those of the primary weavers' co operative societies; for converting throw-shuttle looms into fly-shuttle looms, for paying bonus to weavers, workers and winders in the experimental factories; for purchasing reeds etc., for distribution to societies; for training select weavers and for installing and demonstrating pedal looms.

The Standing Handloom Committee (of the Cottage Industries Board) approved several schemes submitted by the various State Governments and the Government of India sanctioned Rs. 14.09 lakhs to the various States. The Madras State was given Rs. 4,83,700 for implementing three schemes. One scheme related to the erection of a bleaching, finishing and calendering plant by the Madras State Handloom Weavers' Co-operative Society. Another was the grant of Rs. 1.68 lakhs to meet the import duty on machinery ordered from foreign countries for erecting a co-operative spinning plant at Guntakkal.

The third was for the purchase of 250 semi-automatic looms for distribution to select weavers' co-operative societies. The erection of the calendering plant is in progress in Erode. The distribution of semi-automatic looms is under the consideration of Government.

Cess Fund

The most important measure on which the attention of the handloom interests is focussed at present is the Handloom Development Fund, or the Cess Fund as it is popularly known, created by the Government of India. Never before has an attempt been made so boldly to tackle all the aspects of the handloom industry with a view to ensuring a permanent solution to the several problems facing that industry. The fund is constituted out of the levy of an additional excise duty at the rate of Rs. 0-0-3 per yard of mill cloth (except cloth exported) produced in the country. The cess yielded over Rs. 5.56 crores in 1953.

The Government of Madras recommended five main schemes to be implemented by the State costing Rs. 101.86 lakhs. The Government of India have so far sanctioned Rs. 90.56 lakhs out of a ceiling share of Rs. 98.39 lakhs allocated to the Madras Residuary State. The progress made in implementing these schemes is briefly indicated here.

Interest-free Loans

According to Scheme No. 1 to be financed by the Handloom Development Fund, 33,100 weavers should be enlisted as members of existing weavers' co-operative societies or new weavers' societies to be formed. Each deserving weaver admitted into a new society will be given an interest-free loan by Government up to Rs. 18-12-0. The balance of Rs. 6-4-0 should be met from his own resources so that the minimum share capital of Rs. 25 might be deposited on his behalf in the new society. A weaver admitted into an existing society will have nothing to pay for admission, as the Government have sanctioned an interest-free advance of Rs. 25 for the weaver to enable him to become a member. 12,393 looms have been admitted into the co-operative fold up to 31st May 1954, and interest-free loans amounting to Rs. 1.52 lakhs have been disbursed to them.

These loans will be recovered from them in easy instalments out of the wages within 24 months. The Government of India have also sanctioned Rs. 26,48,000 to provide weavers' societies with working capital, on account of the increase in the number of looms and transactions that will result by the enlistment of these 33,100

looms. Out this amount, Rs. 12,50,000 have been disbursed to the Madras State Co-operative Bank for financing the societies through the Co-operative Central Banks. Government have sanctioned the appointment of 53 Senior Inspectors for work connected with the organisation of new weavers' societies.

Expansion of the State Handloom Co-operative

Scheme No. II relates to the expansion of the Madras State Handloom Weavers' Society. A sum of Rs. 9.9 lakhs has been sanctioned for the purpose. The Madras State Handloom Weavers' Co-operative Society was started in 1935 as a State institution. Five hundred and fifty primary weavers' co-operative societies are now affiliated to it. They look up to it for the supply of their yarn requirements and for the marketing of a part of their production. Technical assistance is also provided by the State Society to its affiliated primaries. The State Handloom Society contemplates the opening of 175 new depots in the various places, urban, semi-urban and rural, under the scheme before 31st March 1955.

Including the new depots opened under the scheme, there were 123 selling units on 30th April 1954. The State has been divided into six regions for purposes of procurement of goods from the primary weavers' co-operative societies. Each region is in charge of a Marketing Officer. The cost of four of these Marketing Officers and of four Central Depots where the goods procured will be stocked before distribution to the selling units, will be met from the Handloom Development Fund.

The Madras State Handloom Weavers' Co-operative Society has opened 11 depots outside the Madras State. Three more depots, one each in Bombay, Delhi and Vijayavada will also be opened shortly. The State Handloom Society has also proposed to put on the road six motor vans to serve as publicity-*cum*-selling media so that they may carry handloom goods to the interior places for propaganda and sale.

Research and Technique

Scheme No. III relates to research and technique in the handloom industry. A sum of Rs. 3.05 lakhs has been set apart for constitution of standardisation committees, supply of standard reeds to members of select weavers' societies, supply of devices to regulate picks to select weavers, supply of warping machines to weavers' societies and appointment of technical assistants for stamping cloth produced by weavers' societies. Some weavers' societies will also be given dyers to enable them to open dyeing factories so that they may produce coloured yarn to the extent required by them.

Sanction of Subsidy

The most important scheme which relates directly to the general public is the scheme for the sanction of subsidy to recoup the rebate allowed by co-operative institutions on sale of handloom cloth to consumers. A sum of Rs. 33.10 lakhs has been sanctioned by the Government of India for the purpose. Rs. 16 lakhs have been placed at the disposal of the Registrar of Co-operative Societies for sanctioning subsidies to co-operative institutions which allow rebate on retail sales. Periodical clearance sales are held from time to time with reference to the stocks accumulated in co-operative institutions.

Weavers' co-operative societies, the Madras State Handloom Weavers' Co-operative Society and its selling units, primary stores societies, cottage industrial societies, employees' societies and multipurpose societies took part in the clearance sales. A rebate of Re. 0-1-6 per rupee on retail sales ranging from Rs. 5 to Rs. 50 to a consumer per day is allowed. The first clearance sale commenced on the eve of Pongal in January of this year and was on till 28th February 1954.

The second clearance sale was conducted during the All-India Handloom Week from 7th March 1954 to 13th March 1954. The third clearance sale was on from 14th March to 5th May 1954. A sum of Rs. 5 lakhs has been disbursed so far as subsidy to co-operative institutions which have allowed a rebate of a like sum to consumers. In other words, consumers were enabled to purchase their requirements of handloom cloth paying only Re. 0-14-6 for every rupee of purchase made by them. They need not pay sales-tax. The fourth clearance sale was in force from 15th June till 30th August 1954.

We appeal to the people to go to the nearest co-operative institution, which sells handloom cloth under the scheme and take their full quota of cloth requirements from it so that on the one hand, they may get their requirements at less cost and on the other, help the poor handloom weaver, who will be assured of employment.

Co-operative Spinning Mill

The cost of handloom cloth depends on several factors such as cost of yarn, rates of wages, cost of bleaching, etc. In order that weavers' co-operative societies might be enabled to get yarn at cheap

price and reduce their cost of production of cloth, a co-operative spinning mill has been registered in the Madras State. The weavers' co-operative societies and the Madras State Handloom Weavers' Co-operative Society are members of this mill. It has got a paid-up share capital of about 32 lakhs of rupees.

The Government of India have sanctioned a loan of Rs. 10 lakhs from the Handloom Development Fund to help this institution. The yarn produced by this mill will be supplied at a favourable rate to the weavers' societies who are its members. It is hoped that a part of the yarn requirement of these societies will be met by this mill.

Marketing Handloom Goods

A scheme for the marketing of Indian handloom cloth in the Middle and Far Eastern countries is also under execution. This scheme contemplates the appointment of four Handloom Cloth Marketing Officers and the establishment of seven emporia in different places outside India. It is expected to cost Rs. 3·5 lakhs. Two Handloom Cloth Marketing Officers have already joined at Colombo and Baghdad and they are investigating the market conditions there.

Helping the Weavers

It will be seen from what has been stated that the Government of Madras and the Government of India are keen on helping the millions of handloom weavers to find their feet to get a subsistence wage. All political parties have recognised the importance of the handloom industry and expressed their sympathies with the handloom weavers during the All-India Handloom Week celebrated in March last. The National leaders are anxious to help these handloom weavers.

It is recognised on all hands that the salvation of the handloom weavers lies in organising them on a co-operative basis. It is up to us-the people-consumers—to understand the plight of this important section of the community and help them by purchasing handloom cloth. Handloom goods are of varied designs, capable of satisfying the most fastidious consumer. Incessant efforts are being made to improve the quality of the products of the handloom industry.

Every pie spent towards helping this industry will bring food to the hungry weavers. Let us take a pledge today that at least hereafter we will purchase and wear only handloom cloth.

JL

Co-operative Movement Records Good Prcgress during 1951-52*

The Agricultural Credit Department of the Reserve Bank of India has recently published "The Statistical Statements relating to the Co-operative Movement in India for the year 1951–52". The statistics have been compiled in the forms devised by the Sub-Committee appointed by the Government of India on the recommendation of the Fifteenth Registrars' Conference and are intended to provide a comprehensive statistical picture of the co-operative movement in all States of the Indian Union. Several pictorial and graphical illustrations add to the usefulness of the publication. The position in 1951–52 in respect of the number of societies, membership, working capital and loan transactions of the Movement as a whole is given in the Abstract Tables I to IV, while the General Statements A to E-II give detailed statistics for different types of co-operative institutions in all the constituent States of the Indian Union. A statement for societies under liquidation has also been provided at General Statement F.

Expansion of the Movement

It will be seen from the Abstract Tables that the year 1951–52 witnessed considerable expansion in the activities of the co-operative movement. At the end of 1951–52 there were 1,85,650 co-operative societies of all types in India having a membership of 13·8 million and an aggregate working capital of Rs. 303·34 crores. This compares favonrably with 1,81,189 societies commanding a membership of 13·7 million and a working capital of Rs. 275·85 crores a year before. The rise in the total working capital of all types of societies is, probably, due to increasing financial assistance from Governments and the Reserve Bank of India.

Credit Co-operatives

It will be observed that although there was a perceptible increase in the number of non-credit societies, the credit side of the movement continued to be predominant, credit societies constituting 68.7 per cent of the total number of all types of primary societies and 76,9 per cent of the total number of agricultural societies. Taking the average size of an Indian family as five, it may roughly be estimated that 68·9 million or 18·8 per cent of the population has been brought within the fold of the movement.

* *Source* :—Press communique issued by the Reserve Bank of India.

Short-term Credit

The detailed statements also confirm the satisfactory progress recorded in the various sectors of the co-operative structure. It is primarily in the sphere of short-term credit structure that the co-operative movement has recorded the most substantial success, It will be seen that at the end of 1951-52, there were 16 apex banks, which advanced loans to the extent of Rs. 55.3 crores as against their total deposits of Rs. 21.2 crores. A welcome feature in the loans portfolio of the apex banks was a decrease in the volume of loans advanced to individuals from Rs, 7.72 crores in 1950-51 to Rs, 6.86 crores in 1951-52. Central banks, which numbered 509 at the end of 1951-52 and had a working capital of Rs, 60.11 crores and loan transactions to the extent of Rs, 105.64 crores, also showed a fairly good progress during the year under review. The upward trend in fresh advances by all types of primary societies, which was in evidence during the previous years, has been maintained during 1951-52, the amount of fresh loans made by them having increased from Rs. 86,57 crores in 1950-51 to Rs, 97,95 crores in 1951-52. The number of agricultural credit societies which constitute the base of the co-operative credit structure in the country stood at 1,07,925 in 1951-52 as against 1,04.998 at the end of 1950 -51. These societies had a membership of 47.77 lakhs and a working capital of Rs, 45,22 crores, Fresh advances made by the societies amounted to Rs. 24,21 crores. It is, however, significant to observe that Madras and Bombay accounted between them for as much as 63·8 per cent of the total advances, It may be mentioned that unlike in the previous publications wherein statistics for grain banks and agricultural credit societies were clubbed together, in the present publication the operations of grain banks have been compiled separately for the first time.

Non-Agricultural Credit Co-operatives

The non-agricultural credit societies also recorded a rise in their number, membership and financial operations, the respective figures as on 30th June 1952, being 7,962, 32,36 lakhs and Rs. 50.97 crores as compared to 7,810, 21.78 lakhs and Rs. 47.29 crores on the corresponding date a year earlier.

Non-Credit Structure

Considerable progress has also been registered in the non-credit structure, Provincial non-credit organisations which numbered 35 at the end of 1951-52 had a business turnover of Rs. 27.84 crores. The central non-credit societies had also in their turn, significant achievements to their credit, their number, membership and business turnover having risen from 2,201 14·33 lakhs and Rs. 86·07 crores respectively at the close of 1950-51 to 2,321, 16.19 lakhs and Rs. 85·59 crores at the end of 1951-52. No less commendable have been the achievements of the agricultural non-credit and non-agricultural non-credit societies. The agricultural non-credit societies, whose number and membership stood at 35,290 and 28.04 lakhs respectively at the end of 1951-52 also did fairly good business, their turnover having risen from Rs. 55.00 crores at the close of 1950-51 to Rs. 57.25 crores on the 30th June 1952. In the case of non-agricultural non-credit societies their number and membership rose from 20,518 and 28.03 lakhs respectively at the end of 1950-51 to 21,649 and 30.13 lakhs at the end of 1951-52. Their turnover during 1951-52 was of the value of Rs. 108.9 crores as against Rs. 100.8 crores at the end of the previous year.

Long Term Credit

In the long-term credit sector, however the co-operative development has been uneven among different States. This may be judged from the fact that at the end of 1951 52 only as few as 6 States had central land mortgage banks and only 10 States jointly accounted for 289 primary land mortgage banks, of which as many as 130 were in Madras alone.

March of the Movement in Madras (1952-53)*

The Co-operative Movement in Madras to-day embraces a variety of interests and enterprises according to the Administration Report for 1952–53.

A Proud Record

During this period, the number of societies which was 17,057 on 30th June 1947 rose to 25,850, 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. The increase is reflected in the agricultural credit societies land mortgage banks, marketing societies, milk supply societies, wholesale stores, weavers' societies and housing societies.

Apex Bank's Progress

In the structure of the Movement in Madras, the State Co-operative Bank is at the apex with 31 Central Co-operative Banks and 160 individuals as its members. The deposits held by it were Rs. 4 64 crores, of which 2.44 crores was from inside the Movement as against Rs. 1.80 crores in the previous year. The Bank rediscounted Rs. 4.17 crores of hundies of the Central Co-operative Banks. The working capital of the Bank was Rs. 964·10 lakhs. The loans advanced to Central Banks were Rs. 802·41 lakhs and to other societies were Rs. 69·08 lakhs. The net profits of the Bank were Rs. 55.4 lakhs.

Central Banks Have Done Well

31 Central Co-operative Banks have 24,471 members. Their share capital was Rs. 162·88 lakhs, the working capital being Rs. 21.25 crores of which a sum of Rs. 11.66 crores represented the deposits of members and non-members. The loans issued during the year were Rs. 3,237 lakhs as against Rs. 4,727 lakhs in the previous year, the fall being due to contractions in operations in controlled foodgrains. The Reserve Bank of India sanctioned credit limits to the Central Banks to be drawn with the second signature of the State Co-operative Bank. The amount outstanding against the limits to the Reserve Bank of India at the end of the year was Rs. 3.74 crores at a rate of interest of 1½ per cent.

In view of this rate of interest, the Central Banks reduced the lending rate to 4½ per cent to their affiliated societies which now lend

*Source: G.O. Ms. 736 Dept of Industries, Labour and Co-operation dated 23rd March 1954.

to the members at 6¼ per cent which is the lowest rate charged by co-operatives in the whole of the Indian Union. On the whole, the Central Banks have worked satisfactorily. The increase in overdues from 11 per cent to 13.73 per cent is attributed to the famine conditions which affected the capacity of repayment, particularly, in the Rayalaseema area.

Rural Co.ops.

The number of agricultural credit societies increased from 16,727 to 17,201, the membership rising from 14.63 lakhs to 15.36 lakhs and the share capital from Rs. 192.22 lakhs to Rs. 209.30 lakhs. The working capital stood at Rs. 13.77 crores against which Rs. 7.09 crores were issued as loans, in the largest part, for productive purposes. While the percentage of overdues on arrears fell, the percentage of overdues under principal rose from 30 to 33.4 per cent. Of the rural credit societies, 11,391 were associated with multipurpose activities, such as supply of agricultural, industrial and domestic requirements and sale of finished products. The total non-credit business done in this manner amounted to Rs. 81.88 lakhs during the year.

The non-agricultural credit societies numbered 1,271, the deposits being Rs. 7.72 crores. During the year, Rs. 10.65 crores were issued as loans.

Long Term Credit

The Madras Co-operative Central Land Mortgage Bank issued loans to the tune of Rs. 105.04 lakhs as against Rs. 82.84 lakhs in the previous year. It obtained in the 48th series of debentures, Rs. 72 lakhs bearing interest of 4¼ per cent. The value of debentures in circulation at the end of the year was Rs. 6.27 crores. The rate of interest was raised from 5 per cent to 5½ per cent consistently with rise in bank rate, the money being made available to the ultimate borrower at 6¼ per cent.

Co-operatives Aid Farming

Co-operatives of different types made valuable contribution to agricultural production. In reclaiming lands, they applied for the lease of 11.61,615 acres of Government land of which 2,960.82 acres were made available. 11,84.88 acres were actually brought under cultivation. In the Co-operative Societies for civilians and ex-servicemen, 18,547.17 acres were reclaimed. Thirtyfive Land Reclamation Societies (in Pudukkottah) taluk reclaimed 4,166 acres while 459 Tenants' Societies secured 49,764 acres from Government on lease.

Twenty four irrigation societies provided facilities for irrigating 9,501 acres. In addition, 117 rural credit societies granted Rs. 2.82 lakhs as loans to their members to purchase pump-sets. Up to the end of the year, the number of pump-sets installed was 861. In addition primary land mortgage banks issued Rs. 10.24 lakhs for construction of wells and installation of pump-sets.

Marketing

Marketing societies supplied seeds worth Rs. 5.51 lakhs. Eight hundred and twelve primary credit societies distributed manure worth Rs. 59.67 lakhs. In addition, implements worth Rs. 50.49 lakhs were distributed. One society has maintained two tractors for use by its *ryot* members.

Producers' Co-ops.

It may be mentioned that Rs. 143.76 lakhs worth of milk. Rs. 19,421 worth of eggs, Rs. 1.73 lakhs worth of vegetables and Rs. 1.20 lakhs worth of sugar and sugarcane were handled by co-operative societies. Etikoppaka Industrial Co-operative Society produced 1,776.41 tons of sugar.

Handloom Co-ops.

In the field of industrial production, 2.11 lakhs of looms, about a third of the total in this State were included in the co-operative organisation. They produced Rs. 4.01 crores worth of handloom cloth and sold Rs. 5.39 crores worth of cloth. The Madras State Handloom Weavers' Co-operative Society supplies yarn and undertakes disposal of finished products to its several selling units. The year was of considerable difficulty to the weavers owing to falling markets. In respect of other industrial goods, the production was of the value of Rs. 15.10 lakhs consisting of metal wares, coir, leather, etc. In repect of agricultural produce, loans were advanced by sale societies on pledge of produce, to the tune of Rs. 148.94 lakhs. The value of produce sold by them as agent during the year amounted to Rs. 192.05 lakhs and on outright basis to Rs. 170.4 lakhs.

The Future of Consumer Movement

In respect of distribution, there was a fall in the volume of food-grains handled on account of the withdrawal of controls. The future line of business of co-operative wholesale stores lies in the purchase of food-grains in the open market and sales to affiliated primary societies.

Co-operation and Rural Development

The co-operative organisation played an important part in the six community project areas inaugurated in the State on 2nd October 1952. Seventeen Senior Inspectors are organising societies in the areas included in Community Projects.

Ameliorative work was continued particularly in the manufacture of plam-gur which provided employment for 1.88 lakhs of ex-toddy tappers producing 96.66 lakhs tons of jaggery which was sold for Rs. 128.89 lakhs.

Firka development continued to receive the support of the Co-operative Movement, 2,833 villages being covered by Co-operative societies. Resettlement of ex-servicemen was continued to be done in 13 land colonization societies, 9 workshops and 13 motor transport societies which provided in all work for 2,927 ex-servicemen.

Co-operative Housing

Co-operative housing maintained its progress, there being 294 urban housing societies, which completed 979 houses during the year and had 1,869 houses under construction. Loans to the extent of Rs. 103.20 lakhs were sanctioned to urban housing societies of which Rs. 70 lakhs were disbursed. Rural housing societies did not show the same progress, only 22 houses being built and 25 being under construction.

Proceedings of the Land Mortgage Co-operatives' Twentyfifth Conference

INAUGURAL ADDRESS

HON'BLE SRI A. B. SHETTY,
Minister for Health and Co-operation, Government of Madras.

It is a great pleasure to come amidst veteran co-operators and have the privilege of participating in this important conference. My first duty is to express on behalf of the Government our appreciation of the valuable services which Sri Venkataratnam, the President of the Central Land Mortgage Bank has done with the co-operation of the Board of Directors to Land Mortgage Banking in this part of the country. The leading place which Madras has come to occupy in the Co-operative Movement in this country is due in no small measure to public spirited non-official workers who have laboured hard with zeal and devotion in the field of co-operation. The officers of the Department also have done their share of the work well and contributed to the high standard of our achievement in increasing the number of our co-operative organisations and the range and variety of their activities. We may look forward with hope to the further expansion and development of Land Mortgage Banking in the near future.

The President, in his address, has referred to the reconstitution of the Central Land Mortgage Bank as a result of the partition of the State. Fifty-five Banks which were in the Andhra area have been affiliated to the new Central Land Mortgage Bank formed for the Andhra State. Two Primary Land Mortgage Banks have gone over to the Mysore State. The assets and liabilities of the Bank have been divided in accordance with an agreed formula. On 31-3-1954 our reconstituted Bank had 73 Primary Land Mortgage Banks and 458 individuals as members and a paid up share capital of Rs 11.94 lakhs. Its borrowings from Government amounted to Rs. 22 lakhs. Its Reserve Fund had gone up to Rs. 13.02 lakhs. It had debentures in circulation to the value of Rs. 379.93 lakhs. The total amount of loans outstanding against Primary Land Mortgage Banks on 31—3—1954 was Rs. 323.71 lakhs. Though the partition had reduced the transactions of the Bank considerably, it has not affected its strength or reputation. We may be confident that the Bank will again attain its former stature quickly, administered as it is by an enthusiastic and capable Board of Directors. The Primary Land Mortgage Banks in the Residuary Madras State had 36.654 members on the rolls with a paid-up share capital of Rs. 24.92 lakhs on 31st March 1954. The loans outstanding against the members on that date amounted to Rs. 330.63 lakhs, and their working capital was Rs. 355.39 lakhs. These figures show that, though the jurisdiction of the Madras Central Co-operative Land Mortgage Bank has been reduced, the transactions relating to the Land Mortgage Banks in the Residuary State stand at a high level.

As observed by the Planning Commission, provision of sufficient and timely credit at fair rates of interest is what our farmers need most for developing agricultural production. Co-operatives are admittedly the best agency for meeting the financial requirements of the producers. But the funds available at present on reasonable terms are far from adequate to meet the needs of the agricultural classes. The Reserve Bank of India has to some extent come to the rescue of the Apex Co-operative Banks by advancing money at concession rates. We can never be too grateful to the Reserve Bank for the financial assistance and advice extended to our Central Land Mortgage Bank in recent years.

The increase in the rate of interest charged to the ultimate borrower has been the subject of adverse comment. The Primary Land Mortgage Bank gives loans to the ryot at 6 per cent at present, which is 1½ per cent more than the rate prevailing before November 1951. This is due to the fact that the ultimate lending rate is tagged on to the borrowing rate of the Central Land Mortgage Bank. A margin of 2¼ per cent between the rate at which the Central Land Mortgage Bank floats debentures and the ultimate lending rate has been fixed by Government to be shared by the Primary Land Mortgage Banks and the Central Land Mortgage Bank. The question of reducing the rate of interest to be charged to the ryots can be tackled therefore only if the Central Land Mortgage Bank is able to get funds at cheap rates. The Central Land Mortgage Bank floated its debentures during the past five years at a rate of interest ranging from 3 per cent in 1949 to 4¼ per cent in 1953. The rate of interest charged to the ultimate borrower was consequently stepped up from 5¼ per cent to 6½ per cent during the period. As you know, the Agricultural Finance Sub Committee presided over by Professor Gadgil recommended that Co-operative Land Mortgage Banks should be enabled to give long term loans to

agriculturists at a rate not exceeding 4 per cent. In that case the Central Land Mortgage Bank should be able to get debenture money at 1¾ per cent. In the present state of the money market, we can never hope to attract funds at this low rate of interest. I understand that one suggestion made to meet the situation is that the Reserve Bank of India should take up a special series of debentures floated at a low rate of interest by the Central Land Mortgage Bank to enable the latter to finance at least land improvement loans at a low rate of interest. The Reserve Bank has suggested that debentures might be floated for shorter periods like 10 or 15 years so that they could attract investors at a lower rate of interest and the money realised might be utilised for financing 10 or 15 year loans. These suggestions deserve careful examination and I need hardly say that any proposals made to Government to bring down the rate of interest to the ultimate borrower will receive due consideration.

The figures relating to the issue of loans by the composite Central Land Mortgage Bank during the past 5 years or so indicate the pattern of loan distribution. First, there has been a progressive increase in the number and amount of small loans, that is, loans for sums below Rs. 5,000. This is as it ought to be, as the Land Mortgage Banks should meet the requirements of the small borrowers. In the Residuary Madras State, out of 1249 loans issued for Rs. 30.04 lakhs from 1-10-1953 to 31-3-1954, as many as 1106 loans were for the sums of Rs. 5,000 and below each, involving Rs. 20·16 lakhs.

Secondly, with reference to the purposes for which the loans were issued, the bulk of the loans has been, no doubt, for discharge of prior debts. But in recent years the loans given for productive and land improvement purposes have been on the increase. The loans for land improvement issued during the last four years, that is from 1949-50 to 1952-53, were for Rs. 3.90 lakhs, Rs. 6.75 lakhs, Rs. 9.52 lakhs and Rs. 10.24 lakhs respectively. Even so, the loans for land improvement purposes were only about 10 per cent of the total loans issued. The Reserve Bank of India and the Planning Commission have laid great emphasis on the need for Land Mortgage Banks to switch on to the issue of larger number of loans for productive purpose. The Reserve Bank of India has made several suggestions in this respect. It has suggested that high priority might be given to applications for loans for land improvement, land reclamation and development of land and for the purchase of modern agricultural machinery. It has also said that loans might be given with reference to Community Projects, National Extension Blocks, and areas served by major irrigation projects. It has further suggested that loans might be given in pursuance of a planned scheme of credit for the area which is correlated to the agricultural plan under execution. I am sure that the Central Land Mortgage Bank will consider these suggestions and evolve a definite plan of action in order that the loans provided by the Central Land Mortgage Bank may help to augment agricultural production and improvement.

A common criticism often made in respect of the land mortgage bank movement is about the time taken for the issue of loans. Ordinarily the period taken from the date of receipt of the application to the date of disbursement of the loans to the borrowers ranges from 3 to 6 months. It might be possible to reduce this period. Certain steps have been taken in the past to minimise the delays. It is upto the Conference to suggest any further measures that could be devised to cut down the delay further and I need hardly assure you that your recommendations will be carefully considered by the Registrar and the Government.

Another matter which I may refer to is the scope for the expansion of the Land Mortgage Bank Movement in new areas. Land Mortgage Banks are formed in areas which have been surveyed and settled in order to ensure that the security for the loans issued by them is sound and the title for the mortgaged property can be established clearly. Representations have been received by Government that the ryots in zamindari areas, which were recently taken over by Government have not been benefited by the Central Land Mortgage Bank for the reason that survey and settlement operations are still in progress. In Ramachandrapuram district, for instance, several representations for the formation of Land Mortgage Banks could not be complied with, as survey and settlement operations in respect of zamindari areas had not been completed. The Government are taking steps to expedite these operations and I trust that shortly these areas will also be enabled to enjoy the facility of cheap long term loans.

What changes the contemplated land reforms will bring in regard to agricultural development and prosperity and how far co-operative farming or co-operative finance will meet the needs of the new situation, one cannot venture to say at this moment. There are bound to be new openings for co-operative effort in all aspects of

our economic life in this era of planning in our country. Let me now, with your permission, declare this Conference open with the hope that your deliberations will lead to wise decisions and fruitful results.

PRESIDENTIAL ADDRESS

SRI BHOGARAJU VENKATARATNAM,

President, The Madras Co-operative Central Land Mortgage Bank, Ltd, Madras.

Hon'ble Sri A. B. Shetty and Brother Co-operators,

It gives me great pleasure to welcome you all to this, the 25th Conference of Representatives of Primary Land Mortgage Banks which has been meeting every year since the inception of the Central Land Mortgage Bank. This opportunity has been availed of for reviewing the work done and discussing details connected with the working of the land mortgage banking system in the State. All these years, it has been the practice for a representative of the Government to be invited to inaugurate the Conference, excepting once, when in 1953, Sri B. Venkatappiah I.C.S., Executive Director of the Reserve Bank of India, was invited to inaugurate the Conference. The association of Representatives of Land Mortgage Banks with this Conference has enabled them to understand the view point of the Government and the members of the Government to understand the view point of those who are working the land mortgage banking system in the State. It is, therefore, a matter for gratification that the Hon'ble Sri A. B. Shetty should have acceded to our request to inaugurate this Conference and I take this opportunity to thank him on your behalf as well as on behalf of the Central Land Mortgage Bank.

Since this Conference last met on the 4th of September 1953, the Madras Co-operative Central Land Mortgage Bank, which till then was functioning as the Apex Bank for longterm credit for the entire Composite State of Madras, has been reconstituted; limiting the jurisdiction of the bank to the present State of Madras. With the constitution of the Andhra State on 1st October 1953, comprising the eleven Andhra Districts and the merger of the seven Kannada Taluks of the Bellary District with the Mysore State, it was considered that the jurisdiction of the Bank should be restricted to the Residuary Madras State. The assets and liabilities relating to the Districts in the present Andhra State were transferred to the Andhra Co-operative Central Land Mortgage Bank and the assets and liabilities relating to the seven Kannada Taluks of the Bellary

District were requested to be taken over by the Mysore Central Land Mortgage Bank. The negotiations in respect of the latter are still in progress and the actual transfer has not yet been effected. In the meantime the Madras Co-operative Central Land Mortgage Bank is administering these assets and liabilities. So far as the former is concerned, the transfer has been completed. The division of assets and liabilities has been worked out in a scientific way. The debentures and other liabilities incurred for creating loans and other assets in the respective regions were transferred to the banks of those areas and the assets created from out of the principal collections and other funds were also transferred to the respective areas. The share capital raised from each region was transferred to the bank of that region and the Reserves built up out of profits by the Composite Bank were shared by the Madras, Andhra, and Mysore Land Mortgage Banks in the proportion of 54.6, 44.9 and 0.5 per cent respectively. On its reconstitution the Madras Co-operative Central Land Mortgage Bank retained liabilities for Rs. 420 lakhs, consisting of Paid-up Share Capital about Rs. 14 lakhs, Reserves Rs. 18 lakhs, debentures Rs. 350 lakhs and other liabilities Rs. 38 lakhs. On the assets side, loans to Primary Banks accounted for Rs. 306 lakhs, investments of sinking funds in Government and other securities amounted to Rs. 78 lakhs, other investments amounted to Rs. 29 lakhs and other assets Rs. 7 lakhs making a total of Rs. 420 lakhs. When a bank has made over 45.4 per cent of its assets and liabilities to other institutions, it naturally shrinks in size. Nevertheless, the Madras Co-operative Central Land Mortgage Bank happens to be the largest Central Land Mortgage Bank in India even today. It will be completing its 25 years of working by the 12th December 1954. In the quarter of a century of its working, the bank has seen the agriculturist of the Madras State through one of the worst economic depressions the world has ever seen, as also one of the biggest booms. The organisation of this bank synchronised with the depression and its primary duty then was to advance funds to the agriculturists to refinance their old debts so that they may repay the bank in well-spaced instalments and save the land for the holder. I believe many agriculturist will remember with gratitude the great help to the Government of Madras have rendered them through the Central Land Mortgage Bank and its affiliated primaries in enabling them to keep in tact their ancestral piece of land. During the war, particularly after 1942, the prices of the agricultural commodities rose to phenomenal heights. Many ryots whose memories were still

green with the difficulties they had gone through in the depression period, seized the opportunity and sold bits of their lands and repaid not only their debts to outsiders but also some of their loans to the Land Mortgage Banks. During the year 1942-43 and 1943-44 the collections received in the Central Land Mortgage Bank were much more than the amount of loans issued. Since the year 1945, however, the position has slowly altered and in the last Co-operative Year before reconstitution of the bank, it issued loans to the tune of Rs. 105 lakhs to the agriculturists.

It has been a puzzle as to why the agriculturists are still borrowing so heavily when the prices of agricultural commodities are so high. To some extent it may be true that forgetting the difficulties they had undergone, the agriculturist have been indulging in wasteful expenditure on marriage and other ceremonial occasions and perhaps on luxury spending. I am, however, convinced that such spending alone connot account for large increase in loaning by Primary Land Mortgage Banks. It appears to me that the large increase in borrowing is partly due to the popularity which the Primary Land Mortgage Banks have attained in the countryside, the low rate of interest at which the loans are lent, the easy terms of repayment spread over a period of years and the increasing investment needed for development of land, as such investment is remunerative at the present time. It is, however, a matter for close examination and study by trained economic experts. The Hon'ble Sri P. V. Rajamannar, the Chief Justice of Madras, who inaugurated the Golden Jubilee Celebrations of the Co-operative Movement in Madras referred to the need "for systematic research in Co-operation having regard to the rapidly changing economic and social conditions". The Chief Justice suggested that "there should be a Co-operative Research Institute maintained by the Government at the Centre, the Regional branches all over the country for the study of all problems connected with Co-operation in the light of the recent developments in India and abroad". If a research body were now working in Madras on the lines suggested by the Hon'ble Chief Justice, it would have provided a correct answer as to why Land Mortgage Banks have come to lend larger amounts in a period of high agricultural prices. Perhaps the existing institutions for Co-operative Education and Propaganda can be entrusted with this duty by the Government by making suitable grants. The Indian Co-operative Union at the Centre and the State

Co-operative Unions at the State level are all recognised exponents of Co-operative opinion and they may well be utilised for the study of different subjects of importance embracing the economic aspect of agricultural industry. I request the Hon'ble Sri A. B. Shetty, Minister in charge of Co-operation, to consider the suggestion.

The Reserve Bank of India have been advising the Land Mortgage Banks to reorientate their policies with a view to increasing credit for productive purposes against credit for repayment of debts. Credit for productive purposes, they say, would create the necessary extra income from which the existing indebtedness could be wiped out. There can be no two opinions as to the need for increasing credit for productive purpose. But I wish to say that a good proportion of the debt incurred by agriculturists in the last ten years has been for increasing production from land. Our agriculturist is intelligent enough to take advantage of varying economic situations to better his lot. But his holding and the income therefrom are so small that he does not see the need to maintain accounts as to how every rupee he has spent has actually been spent. An agriculturist borrowing some amount for a short-term agricultural purpose like the agricultural expenses of the season and who comes to the Land Mortgage Bank for a loan for the repayment of the debt cannot necessarily be called an impecunious person, who instead of repaying the debt from the year's harvest has come in for a long-term loan to the Land Mortgage Bank. It may be that he has utilised the year's income not for repayment of the debt incurred for agricultural expenses of the season but for improving his lands like levellings, bunding, sinking of wells, purchase of oil engines and pump sets, etc. *Prima Facie*, it would appear that he is an impecunious agriculturist, whereas in point of fact he has utilised the amount borrowed, though indirectly, for productive purposes. In such cases an analysis of the farmer's income and expenditure for a period of years will show that he has been utilising to the best of his judgment the funds raised on loans from outside for productive purposes.

From the enquiries made by me during my visit to Primary Land Mortgage Banks, I have gathered that persons who have made agriculture their profession have greatly benefited with the increased prices of agricultural commodities in the last decade. Some of them have bought lands and added to their small holdings and repaid such

debts with the help of finance from Land Mortgage Banks. Economists may argue that purchase of land cannot be considered a productive purpose as in such cases land has only changed hands and there is no increased production. In this country where the holding is small, any attempt to increase the holding to make it worthwhile for the agriculturist to stick to his profession is 'productive' whatever the orthodox economists may say. This does not, however, mean that Land Mortgage Banks are to advance funds to big land holders to help buying off smaller holders and drive them out of agriculture. It is meant to help the agriculturist to rise above the subsistance level. It must however, be admitted that in some cases agriculture is not able to support all its dependents and the agriculturist is forced to make adjustments from year to year of his meagre income augmented by loans from other sources and postpone the evil day when he has necessarily to surrender his small holding and get out of the village in search of employment elsewhere. As things stand at present, I do not see how any Government or Government-sponsored institution like the Central Land Mortgage Bank can refuse to accommodate such agriculturists with long-term credit. It may be that during the course of a few years, he may be able to gather funds and keep his land and it is our duty to help him to retain the land than deny him credit and hasten his departure from the land.

As has been stated above, there can be no two opinions about the need for increased productive loaning to the agriculturists. In fact for many years, the Central Land Mortgage Bank has been anxious to increase its loaning under this head and it has done everything in its power to advance more for this purpose. It has however to be admitted that we are not receiving large number of loan applications for this purpose, as the following figures will show:

Amount of loans issued for Land improvement purposes in the Residuary Madras State:

	Total amount of loans issued.	Loans for land improvement purposes.
1951–52	44,06,600	2,22,300
1952–53	46,81,000	4,12,800
1953–54	46,36,300	3,23,600

In many cases, the agriculturists prefer to undertake the improvement, complete it from funds borrowed from outside and then approach the Land Mortgage Banks for repayment of those debts. The advantage to them by adopting such a procedure is that as per existing rules, they would be eligible for a higher loan on the security of land in its improved state than prior to improvement. So far as the Land Mortgage Banks are concerned, though the advance is shown as loans for repayment of prior debts, it is really a case of advancing funds for improvement which has already taken place and the success of which has been demonstrated. Land Mortgage Banks value lands and advance loans taking into account the then existing state of land and land values prevailing for similar lands in the vicinity in the pre-war years 1936–40 with the addition of 25 per cent thereto. If Land Mortgage Banks are to value the lands taking into account the proposed improvement also, it would mean that they would be taking a risk in the event of the proposed improvement not proving a success. It is for this reason that both the Land Mortgage Banks and the borrowers have adjusted themselves to the practice of taking as security lands which have already been improved by private borrowing and advance funds for repayment of such debts. If, however, there is an approved scheme of agricultural improvement and there is co-ordinated action on the part of the several development departments of Government, the Land Mortgage Banking system can be fully utilised for the issue of loans for improvement purposes. Land Mortgage Banks, I dare say, will be willing to consider how best they could revise their rules to meet the requirements of the agriculturists in such areas. At present there is not that degree of co-ordination of the several development departments of the Government to enable the successful working of any scheme for development of land. I well remember my esteemed friend the late Sri T. A. Ramalingam Chettiar appealing to the Government in the year 1933 from the Presidential Chair of the 20th Provincial Co-operative Conference to co-ordinate the activities of the several development departments of Government to achieve definite results. It is for the Government to consider how best the developmental work can be better co-ordinated for achieving speedier development of our country side.

The Reserve Bank of India have appointed a committee under the Chairmanship of Sri A. D. Gorwala for conducting a Rural Credit Survey of select districts in the country. For each region, trained officers have been deputed to gather facts and figures after making searching and thorough enquiries. The report of the

Committee has not yet been published. Survey of indebtedness in the country has been conducted from time to time. The one conducted by the Reserve Bank of India is, however, comprehensive and more scientific. This report, when published, will therefore, be an authoritative book to which students of agricultural economics can, with confidence, turn to for studying and understanding any problem connected with rural credit. This report is probably due to be published in the next two or three months and great changes are in contemplation in the structure of our agricultural credit system. I hope that the Government of India and the Reserve Bank of India and the State Governments who have been doing their utmost to improve the lot of the agriculturist since the attainment of independence by our country will make greater use of the Co-operative Organisations existing in our country and strengthen the agriculturists through the Co-operative Organisations. I do not suggest that Co-operatives should be given the monopoly of loaning in rural areas. It is not desirable from the Co-operative point of view. From the realistic point of view, the co-operatives as they exist to-day, cannot in my opinion, completely replace the village money-lender without whose aid production in rural areas is bound to suffer a good deal. I would like our co-operative institutions to endear themselves to the people by their service and solicitude for their welfare, educate them to understand the benefits of co-operative enterprise and become members of such worthy organisations and thus bring about a change in the pattern of rural credit structure in our country.

Community Projects have been started in the last two years and at present in our State there are four Community Projects working. National Extension Service Blocks have been recently introduced. It is expected that in the next three or four years, the whole state would be covered by these projects. The underlying idea in these Community Development Projects and National Extension Service Blocks is to initiate a process of transformation of the social and economic life in the villages by making a co-ordinated approach to the village life as a whole, comprehending all spheres of activities of the villager. Such all round improvement in the condition of the villager and his surroundings can be brought about only if a concerted attempt is made by co-ordinated action by all departments including Agriculture, Animal Husbandry, Health, Medical, Public Works, Industries, etc. I do not know how far such co-ordination has been attempted in these areas and with what results. It is however,

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gratifying to find that senior members of the Cabinet are now holding the portfolios of the nation building departments like Agriculture, Health and Co-operation and allied subjects. It is, I take it, symbolic of the importance the Government attach to these subjects and their solicitude for the welfare of the people.

The Government have just completed the Lower Bhavani Project and the Manimuthar and other projects are nearing completion. New Projects will shortly be undertaken. Experience has shown that there is always a time lag between the completion of a project and the utilisation of the waters by the agriculturists. Take the case of the Mettur reservoir. Till a few years ago some of the lands in the Pattukottai Taluk, which were to benefit from the waters of the Mettur reservoir were not reclaimed and made ready to receive the benefit of irrigation from the Reservoir partly because of the high rate of assessment and mostly because the agriculturists were not in possession of necessary funds to reclaim the land for farming purposes. The estimates of income from the Reservoir will always be, therefore, upset, thus causing a loss to the exchequer on the one hand, and loss of production to the country on the other. The agriculturist who is expected to benefit by such projects and improve his economic life can take advantage of the project only when the necessary finance is made available to him for reclamation of land. To remedy such a situation it is necessary that the agricultural department with its trained personnel should visit the villages that benefit from irrigation from new sources, advise the ryots the improvements they should undertake and arrange with the Co-operative Department and Land Mortgage Banks the financing of such improvements. Such co-ordinated action is bound to prove beneficial both to the agriculturists as well as the country and the Government. In the Community Project areas, the authorities have a programme of intensive agricultural development with a view to increasing production. Such development can take place only when enough funds have been loaned out to the agriculturists for the purpose. I am aware that the Government have placed at the disposal of the Project Authorities large sums of money for the purpose. But if we take into account the amount of loans that have been actually issued for the purpose, I am sure they would not have come any where near the targets fixed. Loaning and that too for productive purposes requires considerable experience in the line. There should be adequate machinery to supervise whether the amount has been

actually utilised for the productive purpose for which the loan is sanctioned. Land Mortgage Banks which have been working for a quarter of a century in the State are fully equipped for the purpose. Their present methods no doubt involve some delay in actual loaning, because of the time taken for scrutiny. But with co-ordinated action from all departments, such delays can be cut to the minimum and funds made available for development work. In a Democracy, whether we like it or not, there is apt to be an amount of political influence when the Government has undertaken a financial scheme. Experience has shown that in the matter of Takkavi loans and at times of stress, postponement of instalments and writing off of debts have taken place not after examination of each case on its merits, but as a matter of general policy. While it is necessary that in times of stress, people should be helped by relief measures, it is desirable that problems relating to finance are settled without reference to any other consideration. We can build up a strong and healthy nation only if we make the people learn the importance of standing on their own legs with as little help from Government as possible. In this view it is desirable that Government should entrust the financing of the agriculturists even in Community Project areas to Co-operative Societies including Land Mortgage Banks. Such a procedure will eliminate duplication of machinery for the same purpose and help strengthening the existing organisations. I appeal to the Government through the Hon'ble Minister for Co-operation to consider how far the financing of agriculturists at persent done by the Government through the Revenue Department can be handed over to the short-term and long-term Co-operative Institutions in the State.

With the increasing restrictions that are being placed on contractual obligations by passage of laws on agricultural indebtedness and declaration of Moratorium etc. private money-lending has been greatly curtailed. Instances are not wanting where the laws are circumvented by adopting measures which are calculated to affect the borrower adversely though apparently the laws' requirements are complied with. I should say that the spirit of the law is thus defeated. Unless there is adequate provision of credit to the agriculturists through organised institutions like Land Mortgage Banks and Co-operative Credit Societies, agriculture and the agriculturists will be adversely affected. In some of the former Zamindari areas, Land Mortgage Banks are unable to lend even today because such lands have not been surveyed and settled. For the whole of Ramnad District, there is only one Land Mortgage Bank at Srivilliputhur serving the Srivilliputhur and Sattur taluks. The other taluks of Ramnad District comprising the former Zamindari estates are not served by any Land Mortgage Bank as the lands in those villages have not yet been surveyed and settled. In the Salem District there are several mittas which have not been surveyed and settled. Such unsurveyed villages exist in Chingleput and other districts also. Unless these villages are surveyed and settled, Land Mortgage Banks cannot advance funds to ryots in those areas. It is nearly six years since the Zamindari Abolition Act has been passed and Zamindaries have been taken over, but the survey of these lands has not been completed. I request that Government may be pleased to complete the survey and settlement work speedily to enable the ryots of those areas to have the benefit of institutional credit.

I have taken already much of your time. Sri A. B. Shetty is known for his firmness and administrative ability. Perhaps he has served the longest as a Minister since the attainment of independence by our country. The future well-being of Co-operation is assured in his hands. We are really grateful to him for accepting our invitation. I now request him to inaugurate the Conference.

Sri G. Janakiram Chetty proposed a vote of thanks.

RESOLUTIONS

Resolutions passed at the 25th Conference of Land Mortgage Banks held on 24—7—'54

1. **Loans for Land Improvement**: This conference resolves to request the Government to relax the conditions laid down in G. O. No. 4854 dated 2—11—'51 in order to enable Land Mortgage Banks to issue loans for over Rs. 10,000 for discharge of prior debts incurred for land improvement purposes as envisaged in the Circular of the Reserve Bank of India dated 12—1—'54. Passed unanimously.

2. **Security : Early Surveying and Settlement of Zemin-Lands taken over by Government**: This Conference resolves to request the Government to take early steps to have Zamin lands surveyed and supply the concerned Primary Land Mortgage Banks with the field maps and settlement registers so as to enable the banks to issue loans to the members having lands in such villages—Passed unanimously.

3. **Valuation** : Resolved to request the Registrar to suggest a G. O. fixing the valuation of rain fed dry lands proposed to be

converted as wet lands by the Lower Bhavani Project Canals at a rate fixed for 3rd class wet lands or 1st class garden lands—Passed unanimously.

4. The existing valuation of lands in the Nilgiris as fixed by the C. L. M. Bank is very low. The C. L. M. Bank and the Registrar of Co-operative Societies are requested to enhance the valuation suitably.—Requested the Board to re-examine the case and urge reconsideration on the Government.

5. Considering the abnormal rise in the land values it is resolved to request the Government through the Registrar to enhance the percentage of valuation from 25 per cent to 50 per cent over and above the prewar values.—Passed unanimously.

6. Resolved that the Committee constituted by the C.L.M. Bank for the purpose of reconsidering the valuation of the lands in Malabar be requested to examine the effect of the working of the method of valuation prescribed by them last year on the banks in Malabar and to apply their minds to the question of valuation in the light of the passing of the Amended Malabar Tenancy Act and also in the light of the experience of the primary banks in Malabar during the past one year—Await the result of the report.

7. **Issue of Loans on Inam Lands**: Since the Revenue authorities do not effect patta transfers in the case of lands where the inamdar has the right to collect the quit rent in the case of inam lands the General Body unanimously requests that the C.L.M. Bank may agree to sanction loans on the security of these inam Kalais even though the patta does not stand in the names of applicant.—Passed unanimously.

8. Resolved that loans be advanced to the owners of Rubber Estates on the security of their plantations at the rate of Rs. 100 per acre of fully planted garden—The Board will examine.

9. **Disposal of Loan Applications**: Resolved to request the Registrar to direct the C. S. Rs. not to insist upon the verification of the village accounts, when there is latest chitta extract in the loan file itself—The Board will revise the instructions suitably.

10. **In valueing the rainfed dry lands, 40 per cent of the value** of systematically cultivated dry lands is adopted only when the copies of adangal extracts for the past five years of faslies are filed. As the karnams are not having adangal registers for the required period,

copies of extracts will have to be obtained from taluk offices concerned on filing applications by applicants. This process takes much time and the applicants feel much difficulty in obtaining the extracts. Resolved to request the C.L.M. Bank and the Registrar not to insist the production of adangal extracts for the last 5 faslies and a statement obtained from the village officers to the effect that the hypotheca lands are being systematically cultivated for the last 5 faslies may be accepted—Board to examine.

11. **Second and Third Loans :** Resolved that the Central Land Mortgage Bank and the Registrar be requested not to impose any restrictions in the matter of issuing of 2nd loans provided that they are bonafide applications and that the applicants satisfy the test of adequacy of security and repaying capacity.

12. This Conference resolves to request the Central Land Mortgage Bank and the Registrar to waive the condition of an interval of one year from the date of closure of the prior loan for the entertainment of a loan application.

13. Resolved to request the Registrar not to insist strictly the operation of Registrar's circular No. R.C. 80628/51. J. dated 4-2-'54 communicated in C. L. M. B.'s Circular No. 29/53-54 dated 17-2.'54 which requires that the applicant who applies for loan in the P. L. M. Bs. for purchase of oil engines, electric motors, pumpsets, etc. should give an undertaking that he agrees to the supply of machinery by the Co-operative Central or Wholesale stores operating in the area and an authorisation to the P. L. M. Bs. concerned to pay the said institutions concerned the cost of machinery from the loan amount sanctioned to him debiting his loan account as the strict enforcement of this Circular will affect considerably the incoming of the loan applications for land improvement purposes.

14. **Margin :** In view of the increase in Establishment charges the Conference resolves to request the Central Land Mortgage Bank to share the margin of interest in the ratio of 1 : 1.

15. **Staff :** Resolved to request the Government through the Registrar to permit amendment to by-laws providing the payment of bonus to staff of Land Mortgage Banks out of the net profits not exceeding a month's salary by relaxing the existing conditions in by-law 56.

16. In view of the increase in Establishment charges and the unsteady advance repayments, the conference resolves to request

the Government through the Registrar to amend the Rule XXVII A and enhance the limit from 4 lakhs to 5 lakhs. If the limit is not enhanced the bank will not be in a position financially to appoint a qualified B. Com. as Secretary and to declare dividend to their members.

17. **Miscellaneous :** Resolved to request the Government through the Registrar to permit amendment to by-laws for allotting 10 per cent of the net profits to the building fund—Removing the restrictions now existing in by-law 56 to enable the P.L.M. Banks to own buildings for their offices.

18. In order to facilitate easy collection of overdues it is resolved to request the Government to issue orders to the Revenue authorities asking them to give suitable instructions to the village officers to render necessary and all possible help to the sale officer and bank officials during the time of attachment and sale of standing crops under Sec. 9 and sale of immovable properties under Sec. 13 of Land Mortgage Banks Act.

19. Resolved to request the C.L.M. Bank to raise the maximum limit of the loan to Rs. 15,000 in the case of Tea, Coffee estates and potato fields to a single borrower offering suitable acreage as security.—Referred to Board.

20. This Conference requests the Registrar and the Madras Co-operative Central Land Morgage Bank to minimise the period for the refund of the share capital after the date of the complete discharge of the loans from five years to two or three years in the registration of the by-law No. 11 of the Model by-laws of the primary Land Mortgage Banks.

Proceedings of the Silver Jubilee Celebrations of The Tamil Nadu Co-operative Federation.

[The Silver Jubilee Celebrations of the Tamil Nadu Co-operative Federation—the only language federation in the Madras State figures as an unique event in the Co-operative activities of this State during the month. The Federation which started on its eventful career on 17-1-'29 had done a fine job during the past quarter of a century in spreading the principles of co-operation in the rural Tamil Nad. Its house-organ 'Kootturavu' with a circulation of 2500 copies had been both an inspirer of Co-operative ideas and an unfailing practical guide. The Federation has so far conducted nine Conferences, which had brought home the message of Co-operation to the millions and had galvanised public opinion in favour of the Co-operative method. Blessed by that 'Doyen of Co-operation' Sri T. A. Ramalingam Chettiar and nourished by the master spirits like N. R. Samiappa Mudaliar, L. N. Paramasivam Pillai and K. A. Nachiappa Gounder, the Federation is bound to render yeoman service to the cause of co-operation in future—either by itself or in combination with the State Union—*Edr.*]

On 29th August 1954, Coimbatore, the Manchester of Tamil Nad, put on an atmosphere of gaiety to receive the Co-operators of Tamil Nad, who had gathered there to attend the Silver Jubilee Celebrations of the Tamil Nadu Co-operative Federation.

Sri D. Krishnamurthi Gounder, M.L.A, the President of the Federation in his Welcome Address traced the history of the Federation and said "Co-operation steers clear of the self-seeking tendencies of capitalism and the aggrandising propensities of Communism and is therefore, best fitted to uplift the millions of humble workers and farmers of the land." He appealed to the Co-operators to make Tamil Nad, an Elysium of Co-operation.

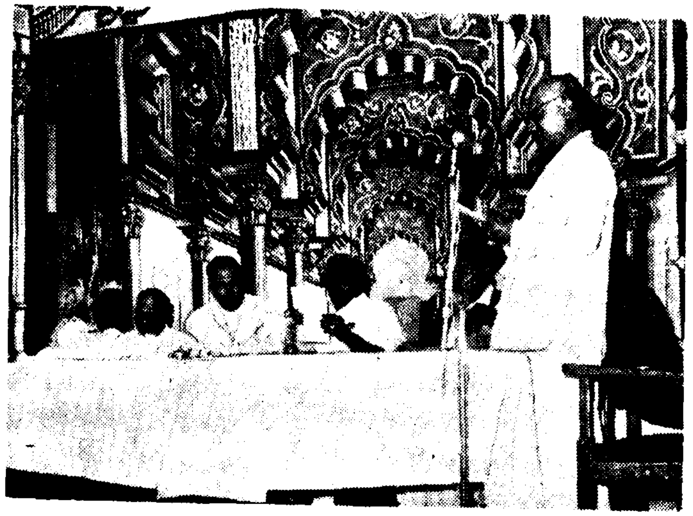
Sri M. S. Palaniappa Mudaliar, Joint Secretary of the Tamil Nadu Co-operative Federation presented a report, reviewing the work done by the Federation for the last 25 years.

Sri A. Palaniappa Mudaliar, Joint Registrar of Co-operative Societies, Madras, delivering the Silver Jubilee Address said that he hoped that this Federation will unite with the Madras State Co-operative Union and by their combined effort promote the cause of Co-operation. Co-operation, no doubt, has registered a striking

SILVER JUBILEE SNAPSHOTS

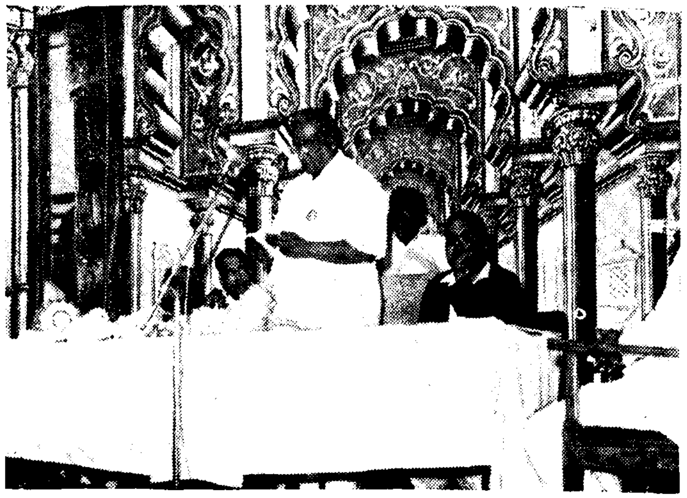
TAMIL NADU CO-OPERATIVE FEDERATION

Sri D. Krishnamurthy Gounder, welcomes the distinguished Co-operators

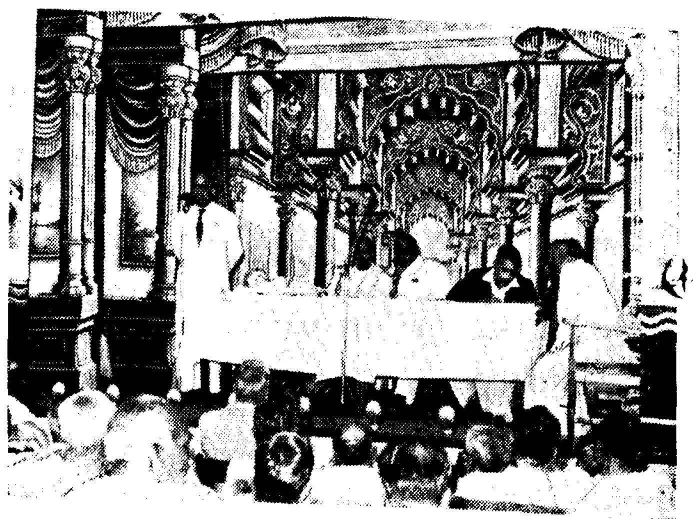


Sri M. S. Palaniappa Mudaliar, (*Joint Secretary*) Tamil Nadu Co-operative Federation presents The Silver Jubilee Report

Sri A. Palaniappa Mudaliar, Joint Registrar of Co-operative Societies elivers the Silver Jubilee Address



Sri Medai Dalavai Kumaraswami Mudaliar,
President,
The Madras State Co-op. Bank,
delivers the Presidential Address



Dr. P. Natesan,
General Secretary,
The Madras State Co-op. Union
addresses the gathering

The President presents a Shield to The Coimbatore Co-operative Printing Works Ltd., in token of the services rendered by the Press, which has been printing Kooturavu for the past two decades. Sri M. Karuppanan, Editor, Kooturavu was also a recipient of a Silver Jubilee present

progress in Tamil Nad. Its expansion is phenomenal. Dr. A. Lakshmanaswami Mudaliar suggested that a Committee on Co-operation be constituted in order to see that Co-operation permeats every activity of the common man, while Sri P. V. Rajamannar pleaded for the establishment of a Research Institute. He further hoped that Co-operative technique will in future embrace a variety of enterprises like Hospitals, Schools and Farms.

The success of Co-operative movement depended upon its members and therefore, honesty and hard work should be ingrained in them. Therefore, he said that there was a proposal to give Co-operative training to Panchayatdars in almost all the districts. He said, if Co-operative Union members also took interest and worked in association with Panchayatdars it would help to spread co-operative movement in every village. In the Five Year Plan, great stress was laid on the spread of co-operative movement.

Sri Medai Dalavai Kumaraswami Mudaliar, in his presidential address said that it had been reiterated by economists and politicians in our Country that only through Co-operation lay the salvation for our agriculturists and small artisans. Sri Kumaraswami Mudaliar added that "any business to thrive requires propaganda and publicity. Co-operation is a business venture and co-operative institutions must make full use of publicity vehicles like 'Kootturavu'."

Messages were received wishing the function success among others from Sri P. S. Kumaraswami Raja, Governor of Orissa and Sri M. Bhakthavatsalam, Madras Minister for Agriculture.

Dr. P. Natesan, T. S. Muthukumaraswami Pillai, T. K. Navalar, K. S. Subramania Gounder and others addressed the gathering.

In appreciation of the services rendered to the Federation, a Silver Shield was presented to the Coimbatore Co-operative Printing Works Ltd. and silver articles were presented to Sri A. Ponnuswami Pillai, N. Lakshmana Mudaliar and Sri M. Karuppannan, the present Editor of '*Kooturavu*' and five others.

A New Home for Virudhunagar Milk Co-operatives

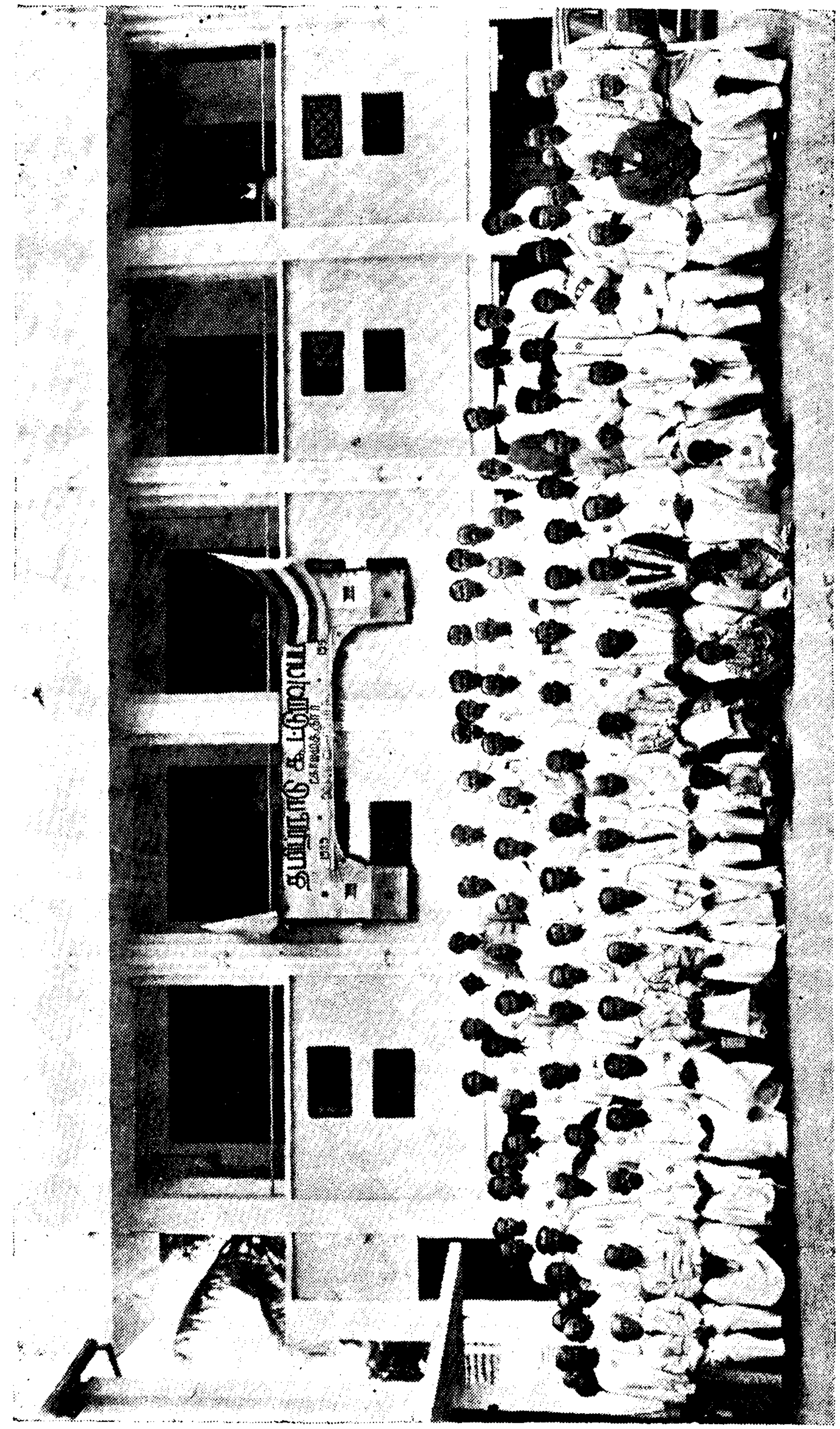
The New Home of the Virudhunagar Co-operative Milk Supply Society was declared open by Sri K. Kamaraja Nadar, Chief Minister of Madras on 21st August 1954. Sri V. Balasundaram, I.A.S, District Collector, Ramanathapuram District and a large distinguished gathering of officials and non-officials were present. A portrait of Mahatma Ghandi was also unveiled on the occasion by the Chief Minister.

Sri V. V. Ramaswami, M.L.C. President of the Society thanked the Chief Minister for accepting his inivitation to declare the new building open. In his welcome address, he traced the history of the milk supply society and also explained the good work done by the society in the distribution of pure and hygienic milk to the citizens. He expressed the view that Co-operative Milk Supply work had great possibilities of expansion. It could even meet the Madras City's needs, provided storage and transportation facilities were given.

After unveiling the portrait of Mahatmaji, the Chief Minister Sri K. Kamaraj Nadar declared the new building open. In his address, the Chief Minister congratulated Sri V. V. Ramaswami, President of the Milk Supply Society on his efforts to promote co-operation in Virudhunagar. He emphasised the importance of salvage farms, stationing of milch animals outside the town limits, the improvement of milk stock by better breeding and the starting of Co-operative dairy farms. He said that the Government were assisting co-operative societies in various ways, so that they may improve the lot of the common man.

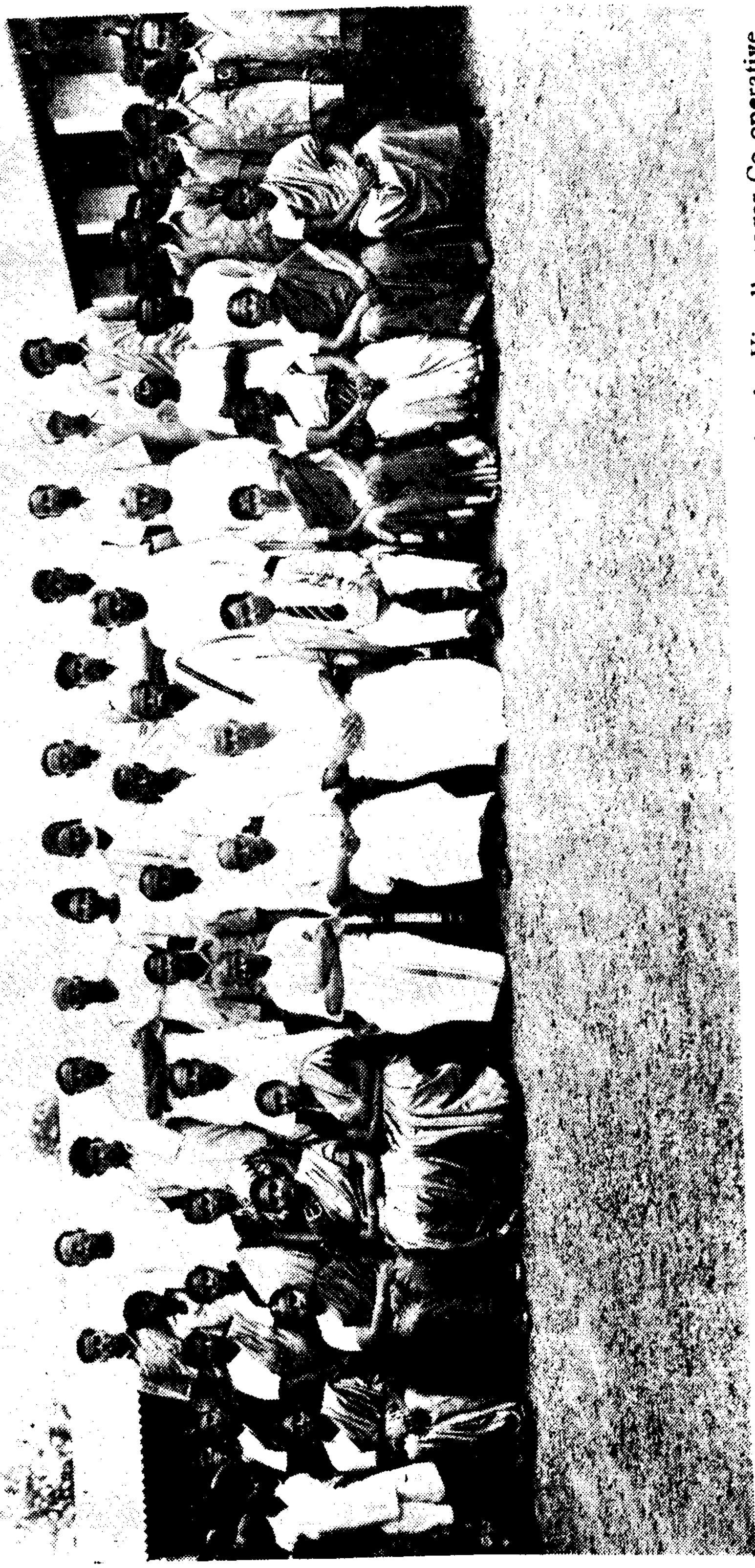
SILVER JUBILEE SNAPSHOTS

Tamil Nadu Co-operative Federation



A Group Photo taken on the occasion of the Silver Jubilee Celebrations.

A New Home for the Virudhunagar Milk Co-operative



Sri K Kamaraj Nadar, Chief Minister of Madras, declared open a new home on 21-8-54 for the Virudhunagar Co-operative Milk Supply Society, Ltd. Sri V. V. Ramaswamy Nadar, President of the Society is seated next to the Chief Minister.
This group photo was taken on that occasion.

Proceedings of the Inaugural Meeting of the Trainees' Association, Central Co-operative Institute, Madras on 22nd September 1954.

Two Qualities Missing

Addressing the trainees of the Central Co-operative Institute, yesterday, Mr. J. C. Ryan, Registrar of Co-operative Societies, deplored the lack of uprightness, and integrity in the Co-operative Movement now-a-days, and advised them to preserve the two basic principles of character and integrity in building up sound co-operative institutions.

The occasion was the inaugural address to the Association by Sri V. Govindan Nair, Principal, Regional Co-operative Training Centre.

After tea, Sri A. P. Balasubramaniam, Principal and President of the Association, welcomed the guests.

Sri V. Govindan Nair advised trainees to spread the gospel of co-operation, the importance of which could not be exaggerated. He emphasised the need for a change of outlook on the part of officers in their dealings with the public, particularly so in the co-operative department, whose contact was mostly with the village population. At the present time, more than ever before, they had to strive hard to preserve the two basic principles of honesty and integrity.

"The co-operative movement," said Sri Govindan Nair, "has suffered much on account of the absence of those two qualities."

Mr. J. C. Ryan, who presided, was glad that Sri Nair had stressed the importance of character and integrity in the co-operative movement.

"If I were only to tell you the figures of cases of dishonesty and of prosecutions, it is something startling. There are about 200 prosecutions on date against office bearers of co-operative societies, some supervisors and more unfortunately against even one or two Departmental Inspectors," Mr. Ryan said.

Glamour for Societies

For the proper development of the movement, the supreme need was honesty at every stage and he hoped the trainees would carry that conviction with them. He traced the progress of the movement during the past 50 years in Madras State and referring to the growing glamour for societies said very often some of those who ask for a co-operative society have the idea at the back of their mind that one day they can make money out of it." (Laughter.)

He advised trainees to be careful in admitting members to a society. The Planning Commission wanted a society for every village, with every householder as a member. It was an ideal, no doubt, but difficult to achieve, unless proper choice of membership was made. The membership of a society was not a fundamental right: It was a privilege. The point deserved emphasis. He had told the Vice-President Sri V. T. Krishnamachari, that "so far as our reckoning goes, only a third of the earning members of a village would be having character, and repaying capacity and the rest did not simply have them."

"Mr. Ryan said that the National Extension Service Scheme and the Community Projects were anxious to have an extension of the Co-operative Movement, "and there is a great deal of hustling going on resulting in attention to character and efficiency not being paid."

He asked the trainees to take sufficient care to see that they organised societies, which could work on a sound basis.

Sri S. Ponraj proposed a vote of thanks. The members staged a Tamil drama entitled 'Devanan—The unemployed.'

News and Notes

Research Projects in Agricultural Economics

Twenty four projects for research in the field of agricultural economics in India have been recommended by two American Experts, who came to India recently at the invitation of the Union Ministry of Food and Agriculture. In their report submitted to the Government, Prof. Black and Dr. Steward have stated that the situation in India presents a great challenge to economists, because it gives an opportunity to make a contribution far exceeding that in countries like the U.S.A. with much larger resources and more recently occupied. In India, they observe, every development move in the field of agriculture needs to be carefully analysed to determine its contribution to economic progress,

The Projects recommended by them fall under six main groups: (1) production and land-use economics of the familly; (2) consumption economics of the family; (3) marketing and prices of farm products; (4) rural credit; (5) land tenure; and (6) the nation as an economic unit.

The object of some of the projects is to determine ways and means of increasing returns and income from farms. Research is proposed to be conducted through studies of certain model forms.

Community Project And National Extension Work.

Community Project and National Extension work are in progress in 471 Blocks, covering about 48,750 villages and a population of 38.8 million. The allocation now made for the current year brings the coverage to a total of 712 blocks, comprising 72,850 villages and a population of 55.67 million. This is against the Five Year Plan target of 74 million i. e. 25 per cent of the rural population.

Workers Co-operatives

Two factories in Malabar have been selected for organising them into Co-operative Industrial Societies for handloom weavers and running them by workers themselves. These two factories, which are situated near Cannanore and which have been closed down for sometime past, it is gathered, will be taken over on lease or sale and run by the workers on Co-operative basis, with such assistance as may be available from the Government from out of the Cess Fund allotted to this State by the Central Government. The proposal is to organise Co-operative Industrial Societies by making the workers members. The experiment is feasible, because the workers have agreed to pay a share capital of Rs. 50 each. Of this sum, Rs. 10 will be paid initially in cash and the rest will be taken as loan from the Cess Fund to be paid in 20 months by each worker out of his earnings in the Society. It is expected that 125 handloom weavers will find employment when the two Industrial Co-operative Societies are registered. The Government will provide the necessary working capital for the Societies from the Cess Fund.

The Societies will be managed by a Committee composed of the workers' representatives. The Society will purchase yarn for the manufacture of handloom goods, which will be sold by the Society itself or through the Madras State Handloom Weavers' Society. The sales will be promoted by subsidy from the Cess Fund. The profits of the Society will be divided as in every other Society. One chief attraction of the scheme lies in the fact that bonus will be distributed on the basis of wages earned by each worker during the year.

An apprehension, however, seems to exist that Societies will be handicapped by the operation of Labour-Laws. The Registrar of Co-operative Societies, Madras has recommended to the Government that the Societies should be given exemption from the operation of labour laws, on the ground that in a Co-operative industrial society, the employer is eliminated.

Small Scale Industries

In a letter to State Government, the Planning Commission have expressed the view that there are many fields, other than large scale Industries, which should have prior claim on the resources of State Government. The Commission are of the opinion that with their knowledge of local raw material resources and markets, the State Government could make a vital contribution to national development by devoting their resources and personnel to small scale and cottage industries.

The Executives of Housing Co-operatives Meet the Chief Minister.

A deputation lead by Sri M. V. Kuttalam, Convenor of the Sub-Committee of the Co-operative Housing Societies in the City of Madras, met Sri K. Kamaraj Nadar, Chief Minister of Madras at the Secretariat on 20th August 1954. The deputationists have urged

that the individual credit limit should be raised to its original level of Rs. 12,000 from the present limit of Rs. 3,000 in order to alleviate the sufferings of middle class in the matter of housing. The Chief Minister promised to consider the request sympathetically.

North Arcot Supervisors' Conference.

The Conference of Supervisors for the first half year was held on 24th and 25th July 1954 in the premises of the District Co-operative Central Bank, Ltd., Vellore. Sri B. Bakthavatsalu Naidu, M.L.A., President of the Bank, presided over the Conference. He hoped that the overdues of the Bank *i.e.*, Rs. 9,04,918 will be collected in full during the year, as there was a favourable monsoon this year. He pointed out that the loans outstanding against Societies are only Rs. 36,87,526 on 30-6-1954 as against Rs. 50,06,137 on 30-6-1953 and exhorted the Supervisors to work with new vigour and improve the transactions of the Bank this year by submitting short-term loan applications for deserving cases. Sri K. S. Krishnaswamy, Executive Officer of the Bank, urged them to adhere to the programme of work drawn up.

Sri V. Basappa, Deputy Registrar of Co-operative Societies' Vellore, North Circle told the Supervisors that the practice of adjusting share capital of the loans at the time of final settlement should be abandoned and urged that the share capital position should be strengthened. Sri T. M. Kuttikrishna Nambiar, Deputy Registrar of Co-operative Societies, pointed out that the procedure of locking up considerable sums of money under adjusting heads for years together without adequate steps being taken to wipe them off may lead to misappropriations and other malpractices.

On 25th July 1954, a Conference of representatives of sales Societies and Supervisors was held under the Presidentship of Sri T. Krishnamurthi Gounder, Vice President of the District Co-operative Bank.

South Arcot Supervisors' Conference

Supervisors of South Arcot met in a Conference on the 22nd and 23rd August 1954 at the Central Bank premises. Sri K. Shanmugham, B.A., Secretary of the Bank inaugurated the Conference. Sri K. Sitharama Reddiar, President of the Bank who presided over the Conference said, that efforts should be made to increase the transactions of rural credit societies, since the consumers' co-operatives off-take of Co-operative finance have decreased. It was programmed to collect Rs. 13,79,158 disburse loan of Rs.13,81,640 revive 40 societies and organise 7 societies. It was also programmed to bring in cultivation 152.19 acres of fallow lands under intensive cultivation scheme. He exhorted the supervisors to work hard and achieve the targets. Sri D.N. Doraiswamy Mudaliar, Deputy Registrar of Co-operative Societies, Cuddalore, Sri R. S. Subramanian, Deputy Registrar of Co-operative Societies, Tirukoilur and Sri M. Pachaiyappa Mudaliar, Director of the Bank, addressed the Conference.

A Fine Job

The Co-operative Central Bank, Ltd., Kumbakonam had done a fine job. Despite the heavy storm in 1952 and its repurcussions on the agrarian economy, the Bank had collected the entire demand both under principal and interest, for the year ending 30–6–'54. It may be noted that Sri N. S. Ramalingam is the President of the Bank.

The Tirupattur Town Co-operative Bank Annual General Meeting

The Annual General Meeting of the Tirupattur Town Co-operative Bank, Tirupattur, North Arcot was held on Sunday the 19th September 1954 under the Presidentship of Mr. G. Swami Naidu, B.A., B.L., President of the Bank at 2·30 p.m. The 36th Annual Report of the Bank and the Audit Certificate for the year ending 30th June 1953 were adopted. The Bank has earned a net profit of Rs. 9,004–0–0 for the year. A dividend of 6½ per cent was declared to the Members. The Bank has greatly improved in all respects and the working capital exceeds Rs. 4 lakhs. During the year the Bank has disbursed loans to its members to the extent of Rupees Five lakhs and eighteen thousands. The Bank is classified under "A" class in Departmental Audit.

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