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Madras Journal of Co-operation

EACH FOR ALL AND ALL FOR EACH

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Thought for the Month

The whole of human history shows that a Co-operative spirit is not only natural to man, but more deeply rooted than any self-seeking tendencies.

From 'Statement on Race' published by UNESCO. This passage is quoted by E. M. Hough in 'The Co-operative Movement in India,' III Edition.

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Editorial Notes

The Problems of Milk Co-operatives

We have published elsewhere the proceedings of the Silver Jubilee Celebrations of the Madras Co-operative Milk Supply Union. The Madras Co-operative Milk Supply Union is an inspiring example of what Co-operation can achieve in the field of Milk Supply. Its triumphs are the triumphs of the Co-operative Technique, which according to Sri J. C. Ryan, Registrar of Co-operative Societies is superior both to Government and capitalistic enterprise.

Origin and History of the Madras Milk Supply Union

The Union was started in the year 1927 by that 'Doyen of Co-operation', Sri K. Deivasigamani Mudaliar, who with his unrivalled knowledge of the rural life and his tremendous administrative ability laid the foundations of the Union on a strong and firm basis. The Union started on its eventful career in 1927-28, with 13 feeder societies and a share capital of Rs. 242. The Union has now expanded its activities in manifold directions and has on its rolls 150 feeder societies with a paid-up share capital of Rs. 1,61,623. During the year 1952-53, the Union sold 97.26 lakhs lbs. of milk for Rs. 30.62 lakhs. The Union has a Pastuerising Plant and runs a Salvage Farm at Vattambedu. The Union was formed by the Founder with 'a view to provide additional income to the farmers and to supply good and wholesome milk to the citizens.' True to that objective, the Union has so far advanced Rs. 40 lakhs for purchase of milch cattle, with funds secured from the Government, Co-operative Banks and its own resources. Thanks to the Union, 10,000 rural families are blessed with a supplementary source of farm-income. The Union supplies daily 32,000 lbs. of good, hygienically produced pasteurised milk, roughly a fifth of the City's milk requirements. This is in short, the story of what Co-operation can achieve both for small producers as well as consumers. Co-operation blesseth him that produces and him that consumes.

The Madras Co-operative Milk Supply Union, like every other human enterprise had to face its own trials and tribulations during its career of a quarter century. In the year 1929, the Union had to break the monopoly ring formed by the private contractors, by offering a price of 7 annas 6 pies, when the contractors quoted Re. 1

EDITORIAL NOTES

per Madras Measure. During the days of Evacuation, the Union manfully tackled the problem of the City's Milk Supply. That shows that the Union has taken deep roots in the economic life of the City and its environs and has grown into manhood.

The Milk Co-operatives, not only in the City but also throughout the State have come to stay. During 1952-53, there were 41 Milk Supply Unions and 740 Milk Supply Societies in the State. 'After the Andhra partition, there are 20 Unions and 517 Milk Supply Societies.'

But these Milk Co-operatives are faced with a number of problems, some of which are discussed here.

Exemption from the Sales Tax

The Sales Tax had always been an irksome burden on the Milk Co-operatives. 'It has been found that the Sales Tax has an adverse effect on Co-operative Milk Supply Movement, not only from the financial point of view of the Milk Co-operatives, but also from that of the Consumers, who are anxious to get milk at as cheap a rate as possible. The levy of the Sales Tax, compels the Co-operatives to enhance the sale price, with the result that they lose the market for milk.' Moreover, it is an accepted principle that a favourable climate should be created for the development of Milk Co-operatives by State assistance in the form of subsidies and loans as well as a preferential treatment in the matter of Taxes and Rates. This principle has been accepted by the F.A.O. Committee on Technical Co-operation. This Committee has expressed the view that Taxation Laws should not discourage individuals from joining or keeping together in a Co-operative Society.

Realising this, the Government of Madras were pleased to exempt Milk Co-operatives from the Sales Tax during the years 1946-48. In 1952, the Government exempted all Co-operative Milk Supply Societies and Unions formed on or after the 1st July 1946 from the payment of the Sales Tax for a period of three years from the date of their starting. They have now withdrawn this concession and have ordered that in the case of sales of milk by Co-operative Milk Supply Unions and Societies, Sales Tax should be levied at a single point viz. at the stage of sale to the actual Consumer. The incidence of the Sales Tax at one stage, though a welcome relief is not liberal enough. The Sales Tax works out to 1.56 per cent of the total turn-

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over i.e. the total sale value of milk and milk products to the Consumers. This is obviously very regressive.

Moreover, the budgetary policy as revised in 1954-55 provided for exemption from the Sales Tax on Eggs, Meat, Flower, Fish etc. on the ground that they are perishables. Milk, is perhaps, the most perishable of all perishable commodities. *The claim of Milk Co-operatives for exemption from the Sales Tax becomes irresistible on that one principle alone.* The fact that the recent Bombay Sales Tax Act exempts milk from the list of assessable commodities, reinforces the claim.

And there is another factor, to be reckoned with in the matter of taxing milk sales. The Sales Tax is payable only, if the annual turnover of the assessee exceeds Rs. 10,000. It is common knowledge that no average individual producer has a turnover of more than Rs. 10,000 per annum. He is not, therefore, liable to pay the tax. But for the organisation of the Milk Co-operatives, the milk trade would be largely a disorganised one and the Tax Collecting Authorities cannot get even a trickle as Sales Tax from the individual milkmen.

Thus we are on firm grounds when we plead that the Milk Co-operatives should be exempted from Sales Tax. The earlier the relief from the Sales Tax is given, the better for Milk Co-operatives.

Milk Supply to Public Institutions

The Milk Co-operatives are experiencing several problems in the supply of milk to Public Institutions. The policy of the Government is to encourage the Milk Co-operatives to take up contracts for the supply of milk to Hospitals, Jails, etc. by offering them concessions. In fact, the Milk Co-operatives were exempted from depositing earnest money, while making tenders for the supply of milk to Government Hospitals and Jails. They were also exempted from the payment of security deposit, varying between 5 to 10 percent of the total value of articles tendered on the recommendation of the Registrar. It was no doubt true, that on account of these concessions Milk Co-operatives increased their transactions with Public Institutions; for instance they sold to Public Institutions like Hospitals, Jails, Childwelfare centres etc. Rs. 48.48 lakhs worth of Milk during 1952-53. But several difficulties are experienced by Milk Co-operatives, especially in the matter of supply of milk to Muffasil Hospitals. For we are told, that *the Government have permitted payment*

for supplies of milk made by Co-operatives to Hospitals, Jails, etc., at rates above the ordinary market price provided that the excess is not more than 5 percent of the market rate; and this excess may be increased in individual cases, recommended by the Registrar. It appears that the interpretation of the term 'market rate' in a trade, which is not by any means organised, tends to be regressive and eats away the very small margin of profit available to the Milk Co-operatives. Besides, the restrictive provisions of a tender with the Hospitals, namely milking at the Hospital premises, revision of supply schedules at very short notice, irksome regulations for direct supply and supply through sealed cans, etc., create immense hardships to the Milk Co-operatives. Realising these difficulties, a suggestion was put forward the other day to abolish the Tender System at present in vogue for supply of milk to Hospitals and to fix the rate by mutual discussion and negotiation. The suggestion is eminently practical for in the supply of so important an article of diet as milk it is not the 'price' but the 'quality' that counts.

Surplus Milk

The problem of surplus milk is a perennial one and is one of grave concern to the Milk Co-operatives. During the surplus season, the Milk Co-operatives are not able to dispose of the entire quantity of milk and often incur losses on account of conversion of milk into by-products like curd and butter. It is profitable only to sell milk as fluid milk, since conversion of milk into any other product except *khova* and *ice-cream* results in a loss. Of course, pasteurisation is one way of solving this problem. But it is costly. Costlier still is the manufacture of milk-powder. We would suggest that the Government should subsidise this project, if its finance should permit. But we have no hesitation in recommending a complete ban on imports of Milk-powder from abroad.

Milk Colony

From time to time, proposals for evacuation of the milch cattle in the city numbering about 10,000 to a rural area have been put forward. Sri A. B. Shetty has referred to the proposal of the Madras Corporation to start a Milk-men's Colony at Erukencheri, with 100 milk men and 1000 milch cattle. The scheme is expected to cost Rs. 12 lakhs. Whatever the merits of the Plan, the Corporation's finances are not by any means enviable and they must needs look up to the Government for assistance. The scheme is likely to cost a good

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deal more. The Aarey Milk Colony of Bombay is a standing example, with a huge capital investment of Rs. 200 lakhs. It is a big Government-cum-Capitalistic Organisation for the supply of milk to that Great City. As the Minister pointed out, we in Madras have to be content with a modest scheme. "Perhaps for Madras, which has a fine record for co-operative effort in our country, the organisation of City Milk-men outside the City limits in a Co-operative Milk Men's Colony will be more fruitful and beneficial and less costly from the point of view of the State's Exchequer."

Cheap Milk —the Need of the Hour

We shall not forget our 'Buying Dictator' the Consumer of Milk. When all is said and done, the price of milk has not come down, though it is true, that the Milk Co-operatives have held the price-line steady for the past five or six years. The Madras Co-operative Milk Supply Union purchases at Rs. 1-2-6 and sells at Rs. 1-4-8 per Madras Measure of milk. We do hope that when the Milk Co-operatives are exempted from the Sales Tax, the price of milk may be go down a little. However we feel that Government should take the initiative in the matter and try to bring down the price, by subsidising the consumption of Milk. In Denmark, the Government pays 15 per cent of the total sale value of milk to the Union, which in return passes on the benefit by reduction in price to the Consumers. The Government may examine this idea and subsidise the Milk Co-operatives at least to the tune of 2 annas per Madras Measure of Milk sold. This may be of great assistance to the Consumer and may indirectly increase the *per capita* consumption of milk in this State, which is at present as low as 3.7 ounces.

The flame of co-operation eternally flares through the night of despair and enough sparks from it ignite the cumbustible material to prove that there is nothing wrong with the theory of co-operation, but rather with its application.

—International Planning Team, Ford Foundation.

Gleanings

REPORT OF THE INTERNATIONAL PLANNING TEAM, THE FORD FOUNDATION, ON SMALL INDUSTRIES IN INDIA.

Summary of Recommendations on Co-operatives.

India has a long history of original co-operative effort in the fields of agriculture, industry and finance, and is basically inclined towards co-operative effort. Although the team found resentment against co-operatives as apparent parasites of the Government, to imagine an Industrial India without Co-operation as an important factor is to ignore the basic facts of the present era. Where co-operatives can serve best is the major problem. The many good and successful co-operatives already operating in India can help to show what can be done.

There are certain basic principles about Co-operation and its functions that can be profitably studied and followed. One of these principles is that co-operatives can serve many purposes, and perform many services which individuals cannot perform alone. As a rule however, no attempt should be made to associate co-operators in an act of production as members. They may help in the procurement of raw materials, and the marketing of finished products. The co-operatives should be used for dispensing credit although with a minimum assistance from Government. Mobile co-operative banking units, for example, may be a partial answer to helping small village industries obtain credit for modernization. Co-operatives should be of a limited liability type.

A major conclusion reached is that co-operatives should stand on their own feet. For the Government to subsidise and spoon-feed them is usually the kiss of death. The policy and approach to co-operatives needs basic change. The Government should withdraw from a paternalistic and functional attitude toward co-operatives and from direct organisation of them. While Government can and should encourage them, the team strongly emphasizes that co-operatives are after all a people's movement, and must evolve out of the felt needs of the people themselves.

Further, the team feels that the first essential is the education of the public and of co-operators on the contribution that co-operatives

can make toward solving economic problems. This educational effort should be directed toward training men and women in Co-operation so that they, of their own accord, can then organize and man co-operatives successfully. In this field Government can be of great assistance.

With these basic principles in mind, the study team makes the following recommendations:

- (1) that Government should withdraw gradually from direct organisation of co-operatives; shifting its efforts towards education of co-operators which will lead to formation of co-operatives by the people themselves;
- (2) that a public relations programme for co-operatives be initiated to inform the thinking public, spur them on to Co-operation and overcome present disillusionments and resentments;
- (3) that seminars and short-term schools for co-operators be organised in every State in the land, and within a year, a programme for education on co-operatives be established in each State;
- (4) that the present training programmes for co-operators, as those now being undertaken by the Reserve Bank, should be expanded, to include an even larger number of executives of co-operatives and persons in the Government concerned with Co-operation;
- (5) that a Research and Service Department for co-operatives be organised within the appropriate Ministry or Government Agency to conduct studies and promote knowledge of co-operative practices and principles.

[Extract from the All India Co-operative Review, July 1954 pages 217, 218].

The strength of the Co-operative Movement depends ultimately on its self-reliance and independence from Government. Its glory rests upon building up thrift and economic independence among its members.

—Sri J.C. Ryan, M.A., I.A.S.,
Registrar of Co-operative Societies, Madras.

FOOTPRINTS ON THE SANDS OF TIME

Horace Plunkett—A Centenary of a Co-operative Pioneer*

Youth and Training.

Horace Plunkett, the pioneer of Agricultural Co-operation in Ireland and throughout the British Isles, whose influence was felt as far away as India and the United States, was born a hundred years ago on October 26, 1854. The son of an Irish land-owner, he was educated in England, studying at the University of Oxford at a time when Ruskin, Mill and others had stirred the conscience of thinking men and the crude capitalism of the early 19th century was beginning to be modified by political, industrial and social reforms. Ill health drove him from the damp climate of Ireland and he spent ten years farming in the United States, running his own cattle ranch in the mountains of Wyoming, an experience which taught him much about men and gave him an understanding of what would be the effect in the old world of the great resources and new ideas of the American continent.

Irish Land Reforms—Plunkett's New Ideas.

When family affairs called Plunkett back to Ireland in 1889, an important land reform had just been accomplished. For the first time the Irish peasant enjoyed security of tenure, a fair rent in money and compensation for any improvements he might make. In the course of less than twenty years this was to be converted into peasant ownership and tenancy abolished altogether. Plunkett was perhaps the only man to see that it was not enough to give the peasant the land if, in the face of competition from the chief products of the new world, he was to go on farming by primitive methods, selling small quantities of inferior produce and above all leaving the business side of farming to the merchant money-lender, who often had the farmer completely in his power.

Early Experiments in Co-operation.

In the year he left the University, Plunkett had founded a small consumers' co-operative on his father's estate. Now he started a campaign for a consumers' store in every village. But he soon recognised that he had not chosen the best line of approach. The farmer did not understand shopkeeping and the shopkeepers were roused to violent opposition. Plunkett changed his tactics and

*Source.—A Press Note from the Horace Plunkett Foundation, dated July 9 1954.

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advocated instead the co-operative creamery, manufacturing butter, which was one of Ireland's largest exports. The co-operative creameries were a great success. The movement soon got beyond Plunkett's power to direct single-handed and his next step was to set up the Irish Agricultural Organisation Society, a federation of creameries and other co-operatives with some individual members, which took over the duty of promoting, guiding and representing the growing co-operative movement.

Better Farming, Better Business, Better Living.

Plunkett never meant co-operation to stand alone. He summed up his work in a phrase "Better Farming, Better Business, Better Living". Better business was the work of the co-operatives. For better farming he looked to scientific research, education and the guidance of a sympathetic government. He entered Parliament and secured the establishment of a Department of Agriculture and Technical Instruction for Ireland, of which he became the first head. The Department touched also on better living, through its education of the farm women, but this was supplemented by the work of a voluntary organisation of country-women aiming at a higher standard of care for home and children, the management of small animals and the revival of country crafts.

His Influence Spreads.

The reputation of Plunkett's achievement spread to other parts of the British Isles and his Agricultural Organisation Society was copied in England, Scotland and Wales, where it gave rise to what have become flourishing agricultural co-operative movements. His influence extended to the United States, where he was for many years a friend and sometimes an adviser of President Theodore Roosevelt. His book, the Rural Life Problem in the United States, was widely read and a United States Agricultural Organisation Society, later superseded by other national organisations, did much to bring together the scattered American co-operatives of the early years of this century.

An Exponent of Self-Government.

In the course of his life Plunkett did much public service which was not co-operative. He strove for many years and in many ways to secure self-government for Ireland in a form, which would not mean a complete break with the British Commonwealth. He worked hard for good relations in peace and war between the

HORACE PLUNKETT—A CENTENARY OF A CO-OPERATIVE PIONEER

Commonwealth and the United States. Up till his death in 1932, he remained deeply interested in social reform and scientific discovery, as well as in the progress towards self-government of India and the Colonial peoples. As a young man he had loved hunting; at 77 he learnt to pilot an aeroplane.

Acme of a Life, dedicated to Co-operation.

But chiefly he will be remembered as a pioneer of co-operation and of an integrated philosophy of rural life. In old age he gave the greater part of the fortune he had made in his youth in America, as a trust fund to be used for the continuation of his life's work. His friends decided to form the Horace Plunkett Foundation as "a clearing house of information" on co-operation "in the English speaking world". Soon even that limitation was abandoned and before Plunkett died links had been established with all the countries, in which co-operation was making its contribution to the better business and better living of rural people.

Useful Books for your Library

Agricultural Finance In India

(with special reference to Co-operative Movement)

By D. K. RANGNEKAR, M.Com.,

Former Professor of Commerce.

Foreword by Prof. D. R. GADGIL.

Pages 245, Cloth Bound.

Price Rs. 15

Agricultural Marketing In India

(with special reference to Co-operative Marketing)

By Prof. K. R. KULKARNI, M.A.,

Professor of Co-operation, Co-op. Training College, Poona.

Introduction by Dr. V. K. R. V. RAO.

A Note of observations by Dr. T. G. Shirname, Agricultural Marketing Adviser to the Government of India. Foreword by Dewan Bahadur Prof.

H. L. Kaji, President, Indian Co-operative Union.

Pages 512, Cloth Bound.

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Commodity Exchanges In India

(with special reference to Bombay)

By P. G. SALVI, M.A.

Foreword by Dr. B. R. AMBEDKAR.

Pages 237, Cloth Bound.

Price Rs. 15

THE CO-OPERATORS' BOOK DEPOT,
9, Bakehouse Lane, Fort, BOMBAY.

Milk Supply in the City of Madras.*

By SRI K. NACHINARKINIYASIVAM,

President, The Madras Co-operative Milk Supply Union Ltd.,
Ayanacaram, Madras.

Milk—the Perfect Diet.

Of all the food products known to man, milk ranks high in its nutritive value. It is well a balanced natural food, the most perfect diet for a child, adult and the old alike, necessary both in health and disease.

Much of the sickness and disability associated with child bearing, and the high mortality rate among expectant mothers and the new born babes can be substantially reduced by improved feeding with milk. During pregnancy and lactation the mother has to be supplied with all the nutritious food necessary for her health, because she has to provide for the essential sustenance and the development of the growing foetus.

Many of the diseases, which result from deficient diet in childhood can be remedied by adequate provision of milk in their food though some of these defects are not only serious but irreparable.

Milk—its Constituents.

The high nutritive value of milk is due to its constituents. Milk contains proteins, fat, carbohydrates, minerals, salts, vitamins and enzymes.

Proteins are the body-builders and the main constituents of body tissues. 3.5 per cent of proteins is found in Milk. Casein constitutes 85 per cent of milk and is the main source of protein for vegetarians. Milk sugar is found as lactose in milk and is a great source of energy to the body. The milk fat known as Butter Fat constitutes 4 to 5 per cent in cow's milk and 6 to 8 per cent in buffalo's milk. Besides supplying energy, butter fat is the carrier of soluble fat vitamin in milk, the most important being vitamin 'A'. Much of the nutritive value of milk is due to the presence of minerals in sufficient quantities. It has got a special value to children as a source of calcium and phosphorus, the two good bone-builders. Vitamins A, B, C, D and E are present in sufficient quantities in milk. The enzymes help in digestion. Thus milk is the nearest approach to

Note:—Reproduced from his Radio Talk on A. I. R. Madras dated 23-7-1954, with the kind permission of the A. I. R.

MILK SUPPLY IN THE CITY OF MADRAS

complete food, a sustainer during illness and a balancer in the daily diet. So the vulnerable section of the population viz: the expectant and nursing mothers, infants and growing children should have the first claim on milk. It is for this reason that the public and Government all the world over have given high priority and utmost attention to the supply of pure and hygienically produced milk to the citizens. We shall now consider how the City of Madras draws its supply of milk.

Milk Supply and its Problems.

The problems of milk supply to cities have gained added importance because of its relation to public health. Cities generally get their supply (1) produced within the City limits and (2) from villages situated around the city. At present, the trade is unorganised and distribution is costly and difficult. Adequate facilities for long distance transport like air conditioned railway milk-wagons and motor vans are not available for transport of milk to every city. The warm climate is detrimental to maintaining quality and the shabby method of handling the rural supply by intermediaries has encouraged the production of milk on the spot in urban areas. This, in turn, creates congested cowsheds in the city and city's health gets deteriorated.

The Co-operative Way.

There can be no standard solution to solve this problem in all cities, as each city's needs and environments are different. But it seems to me that evacuating the city milk-men and their cattle to outside the city limits, providing them with quarters and sheds for housing the animals, collecting the milk and distributing it to the citizens by a local body or Government, like the Aarey Colony in Bombay, will no doubt improve the sanitation of the city and health of its citizens, but will require huge capital and organisation. The small milk-man who earns his livelihood by his trade will go out of his business and will have to be provided with alternate means of livelihood. Hence arrangements have to be made to produce clean milk from suburban villages and transport the milk through trains and vans for distribution in the city, without disturbing the existing trade channels. If this is done in a co-operative way, it will be twice-blessed; it blesseth him that produces and him that consumes.

Sources of Milk Supply.

It is estimated that Madras city consumes, about 2 lakhs pounds of milk per day. It draws this milk principally from four sources.

The first and most important source is from the city milk men who maintain their animals within the city limits and milk the animals directly at the door of the consumer. The second source is the Madras Co-operative Milk Supply Union, which maintains a few milking yards in the city for the benefit of the city Hospitals and the milk men traditionally carrying on the milk trade within the city, who have joined the Milk Supply Union as members. By far the major portion of the milk distributed by the Milk Supply Union is drawn from 150 village milk supply societies covering about 600 villages in Chingleput district, within a radius of 45 miles from Madras. The third source of supply is the private milk vendor, who buys milk in the villages, transports it by train and sells it mainly in bulk to hotels and restaurants and other establishments. The fourth source of supply is the Government, which sells re-constituted milk, prepared in its Milk Factory. The bulk of Government's supply goes to Government Hospitals, only a fraction being purchased by the public. The quantity distributed by the Milk Supply Union is about 32,000 lbs. per day and by the Government 8,000 lbs. per day making a total of 40,000 lbs. per day. Of the balance of 1,60,000 lbs. per day, except for a small quantity brought from the villages by middle men, the bulk is produced and sold by the city milk men directly to the consumers.

How the Milk Supply Union does it.

I shall now explain the organisation of the City's milk supply by the Milk Supply Union and the efforts it is making to supply pure, unadulterated and hygienically produced milk to the city. A milk supply co-operative society is formed for three or four contiguous villages. Agriculturists owning at least one milch animal and agreeing to milk the animal at the common milking yard under the direct supervision of the authorities of the society become members and supply milk. At these milking yards the animals are washed before milking. The person who milks has to wash his hands in lotion before milking. The milk is weighed and poured in to steam sterilised cans supplied by the Milk Supply Union, sealed and brought to Madras by motor lorries owned by the Union. Before accepting the milk, it is tested in the Union's well equipped laboratory for its freshness, purity (i.e., adulteration), fat content and bacteriological content and pasteurised. The Union has a pasteurisation plant, which can pasteurise 440 gals. or 4,400 lbs. of milk per hour. Pasteurisation consists of heating the milk to 165°F and

suddenly cooling it to 40°F. The pasteurised milk is gathered in steam sterilised milk cans, sealed and stored in the cold storage which maintains a temperature of 35°F.

Check ups at every Stage.

Early in the morning and at about 2 p.m. in the evening the stored milk is loaded into motor vans, which carry them to the main centres of City. From these centres milk is sold either through licensed milk depots of the Union or through its delivery boys who deliver milk direct to the customers. The Union maintains a large establishment to check adulteration of milk at every stage, at the time of milking, during transport, before pasteurisation and during distribution to the consumer. The Government of Madras also maintains a special staff for checking adulteration at every stage and ensuring supply of wholesome milk.

Natural Milk from Natural Setting.

By this method the Milk Supply Union is striving to supply wholesome milk produced under natural conditions in villages. The cattle have the freedom to move about in village lands and get enough exercise while grazing. By this vantage procedure, the money spent on purchase of high concentrates necessary for animals to yield more milk is minimised. Such milk obtained from feeding high concentrates from natural grazing is considered highly nutritious.

Additional Source of Farm Income.

The supply of milk to the citizens of Madras through the Co-operative Milk Supply Union provides an additional source of income to about 10,000 families spread over about 600 villages in the Chingleput district.

Supply line—its Maintenance and Augmentation.

It is important that drawing away of milk from villages to the city should not deprive the villager of his quota of milk. It is for this purpose that the Union advances to its members about 7 lakhs of rupees per year exclusively for the purchase of milch animals to be repaid in monthly instalments during the period of lactation. To maintain the milch cattle during the dry period, the Union runs a salvage farm about 40 miles from the city, where dry animals of members are fed and taken care of for a small fee and returned to the members after calving. A District Veterinary Officer attached to the Union looks after the health of the animals of its members. In some of the village centres pedigree bulls are kept to improve the breed of milch cattle. Thus a concerted attempt is made by the

Union to continuously produce wholesome milk for the benefit of the citizens of Madras. But for the around care and interest taken in the welfare and improvement of milch cattle it would have become necessary to increase the price of milk to the citizens. I may in passing mention that the price of milk in Madras city has been constant for the last 7 years, whereas many other articles of food have registered steep increases in prices.

A Co-operative Milk Colony.

As I have said previously the bulk of the milk consumed in the city is supplied by professional milk men who keep their animals within the city. From time to time Government have proposed to shift all the cattle to outside the city limits, so that the sanitation and health of the city may improve and the animals may move about in natural surroundings. Such schemes had to be dropped on financial grounds and the human factor involved. In Bombay such a scheme has been put into force and the milk supply to City is made from outside the city limits. The Government is the major supplier of milk to that city from its milking colony called the Aarey Colony, where private capitalists maintain milch animals and supply milk to the Government, which pasteurises and supplies it to the citizens of Bombay. Perhaps for Madras, which has fine record for Co operative effort in our country, the organisation of the city milkmen outside the city limits in a Co-operative milkmen Colony will be more fruitful and beneficial and less costly from the point of view of the State-Exchequer. It is a matter in the womb of the future and I shall not speculate on it.

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The Mechanism of Moneylenders' Finance in Chingleput District

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

He rails

On me, my bargains' and well-won thrift
Which he calls interest. Cursed be my tribe,
If I forgive him!

—Shylock in 'The Merchant of Venice'

Moneylending—an Ancient Business.

From time immemorial Moneylending had a social stigma about it. Yet the moneylenders have been persisting all through the ages. Shylock perhaps argued the case of his tribe in forceful terms. He tried to put a moral interpretation to the moneylenders' job. 'Sufferance is the badge of all our tribe.' Whether moral or a moral moneylending has now become an indispensable agency of rural credit and it has taken firm roots in the rural life of the country. An attempt has been made in this essay to study the mechanism of moneylenders' finance and analyse the weakness as well as the strength of this institution. This field study was done in June 1952 and was confined to the Chingleput district. The statistics used in this essay relate to the year 1950-51. Hence no attempt has been made to study the effect of the Madras Indebted Agriculturists (Temporary Relief) Act, 1954 and of the recent fall in agricultural prices.

Sources of Private Finance.

Private finance may be broadly classified into four categories :—
(1) Moneylenders and indigenous Bankers (2) Commercial Banks
(3) Chit funds (4) finance available through brokers, commission agents, wholesalers etc.

Of these, the moneylenders and indigenous bankers play a significant part in the scheme of rural finance. So far as Chingleput District is concerned, there are only two indigenous bankers at Alandur. The moneylenders may be broadly classified into two categories, the Sowcar moneylenders and the agricultural money lenders, who are mostly rich peasants wielding some influence in the locality.

Structure, Organisation, and Working of Sowcar Moneylenders.

Sowcar moneylenders are mostly drawn from the Sowcar Community and moneylending to them is an hereditary profession. Among these Sowcars, the indigenous bankers have got ample funds and they finance the pawnbrokers, who are scattered throughout Chingleput district in the several 'rurban' centres. There are about 250 registered pawnbrokers, under Madras Pawnbrokers Act in Chingleput District and more than 60% of them would be the Sowcar pawn-brokers. The Sowcar indigenous bankers raise their finance from the Banks like Kanara Bank, South India Bank, Mysore Bank, etc. by getting their hundis rediscounted. These offer good jewel or real estate security, if required. The indigenous moneylenders at Madras, Alandur and Vellore are the main sources of finance to the Sowcar pawnbrokers and they lend at rates varying between $7\frac{1}{2}$ annas per cent per mensem to 1 Rupee 6 annas per cent per mensem. They, sometimes, insist on jewel security; more often, if the mufasal pawn-broker happens to be a near relative or one who has traditional business connections, they are content with personal security. The easy and ready credit facility afforded by these Sowcar indigenous bankers or big professional moneylenders to their kinsmen at the rural centres enable the pawnbrokers to operate in the rural sector effectively and profitably too. In fact, sowcar moneylending is a well integrated and closely-knit organisation, capable of effectively coping up with the credit requirements of the villagers, though their cost of servicing is prohibitive.

The apparatus is surprisingly flexible and is perhaps the only credit agency within the reach of even the uninfluential and sub-marginal farmer. The Sowcar moneylenders usually maintain their accounts in Hindi; but due to the regulation, laid down in the Pawn Brokers Act, the pawn brokers are maintaining three sets of account books, one in Tamil, the other in Hindi, an exact copy of the Tamil accounts, a third in Hindi, which is the only authentic account book, portraying the real transactions. It will be not surprising to know, that they keep these accounts outside the purview of official inspection and generally, such account books are maintained, in the residential quarters of the pawnbroker in absolute secrecy. The pawn broker maintains their accounts for one year i. e. Deepavali to Deepavali.

THE MECHANISM OF MONEYLENDERS' FINANCE IN CHINGLEPUT DT.

Interest rates.

The sowcar moneylenders charge exorbitant rates of interest. The schedule of rates generally charged by the sowcar moneylenders are shown below:—

Amount	Security	Rate of interest.
For amounts less than Rs. 25	Jewel (Gold and Silver)	6 pies per rupee per month i. e. $37\frac{1}{2}\%$ per annum.
	Brass vessels	1 anna per Rupee per month i.e. 75%
For amounts less than Rs. 100 and greater than Rs. 25.	Jewel (Gold & Silver only) 1 Sovereign = 40 rupees (maximum credit limit) 1 Tola silver = 0-12-0 (maximum credit limit)	4.8 pies per rupee per month i.e. 30% per annum.
For amounts between Rs. 100 to Rs. 1000.	Jewels (Gold and Silver) maximum credit limit same as above. (Prior to March 52, the maximum credit limit for one sovereign was Rs. 50).	3.84 pies per rupee per month i.e. 24% per annum.
For amounts exceeding Rs. 1000.	Jewels (Gold and Silver) (Maximum credit limit same as above).	2.88 pies per rupee per month i.e. 18% per annum.

Modus Operandi.

The Sowcar moneylenders are easily accessible and they do not insist on bankers formalities. No formal loan application need be made. Oral requisitions will suffice. The Sowcars, on scrutiny of the jewel offered as security, agree to give the amount, which they deem sufficient, all within a few minutes. They do not charge any appraising fees. At the time of enquiry, the Sowcars advance up to Rs. 40-0-0 on the security of 1 sovereign worth of Gold and annas twelve on the security of 1 tola of Silver. Prior to the bullion decline of March 1952, the maximum credit limit was as high as Rs. 50-0-0 per sovereign. This is perhaps one of the reasons for their popularity, for the Co-operative Banking Institutions advance only up to Rs. 30 to Rs. 35, on the security of one sovereign worth of gold.

Why evasions?

Ever since the introduction of the Pawnbrokers Act, 1948, the Sowcar pawnbrokers maintain the accounts in both Tamil and Hindi. But they are evading Sec. 6 of the Madras Pawn Brokers Act 1948 almost uniformly, though due care is taken by them to

write up their books of accounts, with punctilious care adhering to the legal requirements. One reason, which was advanced by a spokesman of Sowcar moneylenders, for the universal evasion practised by the pawn brokers in charging higher rates of interest was that the cost of establishment had gone up by 400 per cent. and that the margin allowed too scanty to conduct the business on a profitable basis. He also pointed that, whereas in other trades a margin 12 per cent to 15 per cent was allowed, this was the only business, where the margin was fixed so low. Moreover, in view of the fact, that the pawn brokers dispense more than 70 per cent to 80 per cent of the credit requirements of the villages, due to the paucity and the ineffectiveness of the other agencies like the Government, Co-operative Institutions and Banks, they enjoy almost a monopolistic position and the villagers are obliged to pay higher rates of interest to the pawnbrokers, lest they should be deprived of credit, when a necessity should arise.

Pro-Note Loans.

The Sowcar money-lenders, prior to the Debt Relief Act, 1939, were advancing money on pro-notes even upto 50 per cent of their transactions. With the enactment of the above legislation, they have curtailed their pro-note transactions to 10 per cent and such transactions are confined to the rich land holders, who have substantial credit worthiness. On pro-notes, they charge interest varying between Rs. 1-8-0 per cent per mensem Rs. 3-0-0 per cent per mensem, depending upon the nature and credit worthiness of the clients. It is not unusual for the sowcar moneylenders to write down a higher amount in the pronote than actually disbursed to the client and also to charge compound interest for a few months. But I have reliable information that the Sowcar moneylenders do not disburse a lower amount, than indicated in the pawn ticket in the case of jewel loans, though the other malpractices continue in this type of money lending activity.

A Credit obliging Tribe.

One singular feature about the business methods practised by the Sowcar moneylenders is that they seldom refuse credit, when asked for. I understand that they will borrow by pledging jewels with Banks and will give credit accommodation to the clients in times of credit stringency. And it is not their practise to define the period of loan nor is their custom to insist on repayment. It is surprising to note that they do not even insist on repayment

of interest. In the case of jewel loans, though the Act provides that the pledged article should be redeemed within six months and registered notices should be given to the borrower, the Sowcar moneylenders take action only after the lapse of 10 or 12 months; even then, they do not immediately auction away the article; they wait patiently and there are only a few cases on record, when the pawnbroker has exercised his right to auction off the pawned article, on default of payment by the borrower within the stipulated time. It may be mentioned here that the small pawn brokers accept such articles as brass vessels, cloth, etc. as security and advance small sums ranging between Rs. 5 to Rs. 20, at the rate of 9 pies to 12 pies per rupee per month. These loans can be called *subsistence loans* and are availed of pretty frequently by the Harijans, landless labourers and low paid servants to tide over their daily budget deficits.

No Differentiation of Period of Loans.

The moneylenders do not make any clear cut distinction between short-term, medium-term, and long-term credit. They do not also charge varying rates of interest for these types of credit. Generally it may be understood, that loans for agricultural operations are short-term provided unfavourable seasonal conditions, do not diminish the repaying capacity of the borrower. But loans for social purposes like marriage or other developmental purposes are just medium-term or longer-term loans. The Sowcars do not ask the purpose of the loan, generally. Then it is clear that their main object is not so much quick turnover, but only high rates of interest. The jewel loans are purely short-term loans and there is also a quick turn-over, for the borrowers are keen on redeeming the jewels as quickly as possible, chiefly due to the universal jewel complex of the women folk.

Preference for Small Loans.

The Sowcar moneylender is not very much interested in disbursing loans for amounts exceeding a thousand rupees (Rs. 1,000). In a few cases, the maximum amount lent was as high as Rs. 10,000. But such loans are rarer and fewer. He has always a preference for loans, not exceeding Rs. 100. I am told that such small loans are repaid quickly and the volume of transactions is, therefore, great; obviously, the return on such loans is high. Loans between Rs. 100 to Rs. 500 are also popular with the Sowcar moneylenders.

No overdues — an Index of Efficiency.

Having regard to the number of clients and the quantum of transactions and the nature of security taken by the Sowcar moneylenders, it is indeed surprising to note that they do not have much difficulty in the collection of over dues or arrears of interest. Some of the clients are just strangers and have no previous business relationship with the pawnbrokers. Despite all these, they are in a position to collect the amount advanced very effectively. Their quantum of bad or doubtful debts do not exceed 4 to 5 percent; more often, it hovers about $\frac{1}{2}$ per cent to 1 per cent. They do not rush to the Courts generally; they rely on persuasion. Moreover, the quantum of security taken by them in satisfaction of claims is also very low, when compared to other institutional systems of credit. This may be explained as follows:

(1) the Sowcar money lenders are the main sources of credit in the rural and urban centres.

(2) they advance the amount required and sufficient for a specific purpose. They advance Rs. 50 on one sovereign of gold. They accept silver vessels and brass vessels as security, which no other institution will accept.

(3) They disburse amounts within a few hours of application.

(4) They are easily accessible on any part of the day and they do not insist on bankers' formalities

(5) They operate in a concerted manner and if one debtor defaults or defrauds a particular money lender, that person shall never get credit accommodation from any other moneylender within the area of operation of these moneylenders on any future date. This fear that the sources of ready credit will dry up acts as an incentive for the borrower to pay the amount due to the moneylender without default.

(6) The high rate of interest is another factor; the more the delay, the greater will be the amount, which one has to pay and the borrower knows that the moneylender is not keen on getting back the principal so long as interest is paid to him regularly.

Agricultural Moneylenders—their Business Methods.

The second class of moneylenders who dispense rural credit is the well-to-do peasant, who owns more than 25 acres, of good irrigated land. The big peasants are dispersed in all the villages,

especially in areas, where good irrigational facilities are available. Most of these Agricultural Moneylenders are drawn from the Vellalas, Kamma Naidus, Reddis and a few Venniyakula Kshathriyas. Some of these moneylenders invest their surplus funds in industrial concerns at Madras or in business. Some of them, confine their activities to the village and lend their surplus funds, more as a means of supplementing their farm income, than as a lucrative business. During the survey in the villages, this phenomenon was amply brought to light and it may also be generalised that such classes of agricultural moneylenders constitute a second line of defence, in so far as rural finance in the district is concerned. Agricultural moneylenders do not conduct their business in an overt fashion. Seldom do they obtain license under Pawnbrokers Act and lend money on jewel security. They lend money only to reliable co-ryots and their own tenants; mostly they confine their area of operations to a few villages, where they have some local influence or considerable extent of lands. They issue loans on pronotes and mortgage of land; some of them specialise in long-term loans, on mortgage security of land, in which case, the average amount may exceed Rs. 5,000; others concentrate on short term loans for agricultural and family expenses and medium term loans for agricultural and farm expenses and for purposes of purchase of cattle, oil engine and other farm implements. Since the agricultural moneylenders have a steady annual surplus, in normal seasons they find it convenient to advance medium term and short term credit, the average medium term credit being Rs. 1,000 to Rs. 4,000 and short term credit being below Rs. 1,000. Unlike their sowcar confreres, these moneylenders have a control over the borrower and exercise a watch over the actual utilisation of the loans, since their clients are few and those few are intimately known to them. The average duration of short term loan is one year; medium term one to five years and long term five to ten or more years. The Agricultural Moneylenders do not insist on the repayment of principal within the stipulated time, but they are very meticulous in getting the interest, at least, once in a year, for that fetches a substantial addition to their farm-income. Since the area of operations and the sector of clients are very limited and well-defined, they could easily collect the overdues both in respect of principal and interest without any great difficulty. Despite the unfavourable seasonal conditions for the past five years, their overdues and bad and doubtful debt position is not by any means, unsound. They seldom go to Courts, because of

the prohibitive court and legal costs and because the courts will grant decree only at 5½ per cent interest, with a period of recovery extending over many instalments spread over 12 to 24 months.

Effect of Agriculturists' Debt Relief Act 1939

One noticeable effect of the Act is the reaction of agricultural moneylenders towards usufructuary mortgages. They have almost stopped advancing money on usufructuary mortgages. Instead, they prefer advancing money on mortgage by conditional sale deed. *This method of lending is a powerful instrument in the hands of the usurious agricultural moneylender to dispossess the ryot of his holdings and directly helps the land grabber to advance his interests unscrupulously.* It is stated by the traditional moneylenders that the courts put a very liberal construction on the Act on behalf of the borrowers and grant liberal time-limit, ranging over a period of 12 to 24 months and more for repayments. This trend, they argue, encourage the ryots to go to courts and pay off the debts at 5½ per cent, even though they have agreed to pay 10 to 15 per cent, when they executed the pronotes. The litigant-minded peasants, according to them, take the earliest possible opportunity to go to Courts and this phenomenon, coupled with the growing level of political consciousness and the general talk of expropriation, which rend the air, force them to the necessity of curtailing their transactions with the agriculturists. They prefer to invest their moneys in buildings, industrial concerns and in Banks. But however the attractive level of profits, which they obtain from lending money to agriculturists and the absolute confidence, that the ryot will ultimately repay, are perhaps the encouraging factors, which influence them to continue to perform this useful credit function.

Rate of Interest.

Most of the agricultural moneylenders are honest men, who are natives of the village or villages, in which they operate. Their purpose is to lend their surplus to co-ryots, tenants and the villagers at a moderate rate of 1 rupee per cent per mensem to 2 rupees per cent per mensem. Sometimes, they deduct advance interest for one or two months.

The Usurious Class.

But there are also the usurious class, who will not be content even with 3 rupees per cent per month, besides writing pronotes for

amounts greater than was actually disbursed and deducting advance interest for 6 or more months. The usurious class adopt numerous tactics, until they finally dispossess the ryot of his ancestral land. Strikingly enough, the usurious class of moneylenders are very careful in not advancing money in the village, they reside. It is also a very difficult job for the Investigator to obtain any reliable information from them, for they are not prepared to admit that they do money lending business, lest their sinister operations should come to light. It is learnt that these usurious Agricultural Moneylenders are even more harsh, exacting and unscrupulous in their methods than their sowcar confrere. They shall not demand repayment, until such time that the borrower has sound repayment capacity. They harass and take coercive action, only when they are sure that agriculturists' repaying capacity has been exhausted or diminished. Their rates of interest are sky rocketing. They charge a continuing rate of interest of 1 bag of paddy (Rs. 30 to Rs. 32 in 1951-52) per each *kanthayam* (Crop harvest), specially if the loan is for a land improvement purpose. They enhance these rates according to the nature of the clients and the purpose of the loan. Agricultural moneylenders also specialise in grain loans, which are known from time immemorial and which carry 25 per cent interest. No regular accounts by agricultural moneylenders are kept, excepting by a few, who are subject to Income Tax.

Evasions practised by the Sowcar and Agricultural Moneylenders.

1. Sowcar Moneylenders.

The agricultural moneylenders in the villages and the pawn-brokers in the towns both lend substantially to the agriculturists. The Pawnbrokers are regulated by the Madras Pawn Brokers Act; the agricultural moneylenders are controlled by the Agriculturists Debt Relief Act. Both class of moneylenders are subject to the operation of Usurious Loans Act; both practice evasions of the respective Acts.

The pawn broker deliberately and uniformly evades Sec. 6 of the Madras Pawnbrokers Act. Usually the rates charged by him vary between 18 per cent to 37½ per cent. But, he takes care to maintain account, in accordance with the provisions of the law. The Police Department which has been entrusted with the control and working of the Act, are perhaps, preoccupied with maintenance of Law and Order and have taken no tangible action to control the evasion; Not

infrequently do they allow this *enmasse* evasion go unchecked by taking no notice of it. The pawnbrokers charge compound interest in the case of pronote loans. Prior to 1946, I am told, some of these pawnbrokers had been advancing loans to the agriculturists on the security of lands. The borrower will agree to hand over 1/3 of the produce raised in the land pledged to the Sowcar. In order to collect the interest effectively, the pawnbroker will insist that the agricultural labourer should also be paid 1/3 of the produce. By this method, the borrower will be controlled by both the pawnbroker and the agricultural labourer, who will be the collecting agent of the pawnbroker. With the advent of food controls, the practice has become obsolete.

2. Agricultural Moneylenders.

The agricultural moneylender is by no means more honest and straight forward than his sowcar confrere. The agricultural moneylender also deducts a few months interest in advance; he writes a greater amount than is actually disbursed. He charges an interest of 2 Rupees per cent per month to 3-8-0 per cent per month or a continuing interest of 1 bag of paddy (64. M. M.) per each *kandayam* for every 100 Rs. lent for agricultural purposes, especially so if it happens to be an investment purpose. He also charges compound interest. Another very common evasion noticed is the practice of advancing loans on mortgage by conditional sale deed. It appears that the property on the security of which the loan is advanced will be sold outright for the sum specified in the sale deed. Usually the borrower may actually receive a smaller sum. It is a convention that if the borrower repays the whole principal and interest thereof before a target date, the sale deed will be returned to the borrower. Otherwise, the sale deed will be given effect to. The above method has replaced usufructuary mortgages and is a potent weapon in the hands of the usurious land grabber to dispossess the ryot of his ancestral land.

Summing up.

To sum up, it may be said that the bulk of agricultural credit is being dispensed with by (1) Sowcar moneylenders. (2) Agricultural moneylenders. Of these, the former class operate in a closely knit organised manner, with some business principles and methods, keeping regular accounts. The latter class conduct their operations not in an overt fashion. There is no organisation or rules of procedure.

controlling their activities. It is all done with considerable local variations and also in a haphazard manner. Both classes of moneylenders do not make any distinction between production credit, investment credit, development or mortgage credit, marketing credit and medium term credit. The one type of credit, eventually coalesces with the other, depending on the repaying capacity of the borrower. The sowcar moneylenders are subject to the operation of the Madras Pawn Brokers Act, 1946; the agriculturist moneylenders are regulated by the Agriculturists Debt Relief Act, 1938. Both are controlled by the Usurious Loan Act, 1918. Both classes of moneylenders evade laws but both operate effectively in the respective sectors.

An Estimate of the Role played by the Sowcar and Agricultural Moneylenders during 1950-51 in the Scheme of Rural Credit.

The task of estimating the total credit requirements of the agriculturists, indeed bristles with difficulties, both procedural and statistical. In his *Rural Problems in Madras* Sri S. V. Krishnaswami I. C. S. adopts the following formula.

	Rs.	A.	P.
(a) The credit requirements for crop-production purposes per each acre of irrigated ... land	...	30	0 0
(b) The credit requirements for crop-production purposes per each acre of dry land ...	...	15	0 0
Allowing for a net increase of 33 1/3 per cent in the credit requirements from 1947 to 1951 on account of the unfavourable seasonal conditions, the following formula may be adopted.			
(i) The credit requirements for cropproduction purposes per each acre of unirrigated land.	...	40	0 0
(ii) The credit requirements for crop-production purposes per each acre of unirrigated land	...	20	0 0

On the basis of this formula, the total credit requirements for agriculturists for crop-production purposes in the district of Chingleput for the year 1950-51 (Fasli 1360) is as follows:

THE MADRAS JOURNAL OF CO-OPERATION

	Area in acres.	Credit Require- ment in Rupees.
The total cropped area irrigated :	4,31,540	1,72,61,600
The total cropped area unirrigated :	2,06,582	41,31,640
Total	6,38,122	2,13,93,240

Allowing for the credit requirements for land improvement and discharge of prior debt purposes, the total requirements of the agriculturists in Chingleput District may be estimated to be of the order of Rs. 3 crores.

But during the year 1950-51, the three main credit agencies dispensed the following quantum of credit :—

Source of Finance.	Amount issued in 1950-51. Rs.
1. Government (Thakkavi loans) ...	12.50 lakhs.
2. Co-operative Agricultural Credit Societies (731 Societies as per the classification adopted by the Co-operative Department.) ...	10.14 lakhs.
3. Land Mortgage Banks (6 banks) ...	2.86 lakhs.
Total ...	25.50 lakhs.

The above table clearly indicates the meagre proportion of Government, Co-operative and other Institutional finance, as against the total credit needs of the agriculturists (i.e. 8 per cent).

The sowcar moneylenders and agricultural moneylenders may cater to 70 per cent to 80 per cent of the credit requirements of the villagers. This clearly demonstrates that the role played by them in the credit structure is something very significant and because these moneylenders have taken a deep root in soil, any attempt to cause any violent disturbance may scare away these indispensable credit agents. During the course of the survey, it was observed that a suggestion of them were quite unwilling to accept even the slightest majority of liking them with any scheme of Government Agricultural Finance though of course, the enterprising few laid down several conditions.

THE MECHANISM OF MONEYLENDERS' FINANCE IN CHINGLEPUT DT.

The Phantom of Rural Indebtedness.

Despite the major role played by the Sowcar indigenous bankers and agricultural moneylenders, there have been some deficits in the total credit supply, ranging between 10 per cent to 12 per cent especially during the past four years. For the money which had been ploughed into the agricultural sector had lost much of its liquidity due to the diminishing repaying capacity of the agriculturist, on account of the consecutive failure of monsoons. Conversely the effect of this has been the rising trend of rural indebtedness, despite the rise in agricultural prices. One noticeable trend was the mounting quantum of rural indebtedness of the families investigated, which shows that the rise in agricultural prices have been more than off set by the rising costs. Hence the illusory ryots' surplus has been fast dwindling during the past five years and the phantom of rural indebtedness is raising its ugly head once again.

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1 year 3% 4 years 3½%
2 years 3½% 5 years 4%

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Sri K.P. Ramunni Menon, B.A.,
Deputy Registrar and Secretary.

R. Nagulusami Naidu,
President.

Silver Jubilee Supplement of
The Madras Co-operative Milk Supply Union, Ltd.,
Ayanavaram, Madras.
1st August 1954.

1. INTRODUCTION :
2. WELCOME ADDRESS :
Rao Sahib. Dr. Guruswamy Mudaliar, President, Silver Jubilee Committee.
3. INAUGURAL ADDRESS :
Sri A. B. Shetty, Minister for Health and Co-operation, Government of Madras.
4. PRESIDENTIAL ADDRESS :
H. E. Shri Sri Prakasa, Governor of Madras.
5. SILVER JUBILEE ADDRESS :
Sri K. Nachinarkinyasivam, President, The Madras Co-operative Milk Supply Union, Ltd.
6. AN ADDRESS ON THE PRESENTATION OF THE PORTRAIT OF THE FOUNDER :
Rao Bahadur Dr. Guruswamy Mudaliar, President, Kilacheri Deivasikamani Mudaliar Memorial Committee.
7. AN ADDRESS ON THE UNVEILING OF THE PORTRAIT OF THE FOUNDER :
Sri M. A. Manickavelu Naicker, Minister for Revenue, Government of Madras.
8. REGISTRAR'S ADDRESS :
Sri J. C. Ryan, Registrar of Co-operative Societies, Madras.
9. MESSAGES :
Read by Sri M. Arulanandam, Secretary, The Madras Co-operative Milk Supply Union, Ltd.
10. VOTE OF THANKS :
Sri P. Royappa Naidu, Vice President, The Madras Co-operative Milk Supply Union, Ltd.

Proceedings of the Silver Jubilee Celebrations of the
Madras Co-operative Milk Supply Union,
on 1st August 1954.

The Silver Jubilee of the Madras Co-operative Milk Supply Union, Ayanavaram, Madras was celebrated with great eclat. The Union premises was gaily decorated and a beautiful pandal, specially erected for the purpose housed the distinguished audience. At the outset, the audience were entertained to a sumptuous tea in an imposing Campus.

Tributes to the services rendered by the Madras Co-operative Milk Supply Union Ltd., in supplying, unadulterated milk to the City were paid by the Governor, H. E. Shri Sri Prakasa, when he presided over the Silver Jubilee celebrations. Sri A. B. Shetty inaugurated the proceedings.

Solemn tributes were paid to the memory of the Founder of the Union Sri K. Deivasikamani Mudaliar, when a life-like portrait neatly executed by Sri Chamkur was unveiled by Sri M. A. Manickavelu Naicker. The portrait was presented by Dr. Guruswami Mudaliar on behalf of the Kilacheri Deivasikamani Mudaliar Memorial Committee. Sri J. C. Ryan, movingly told the audience :

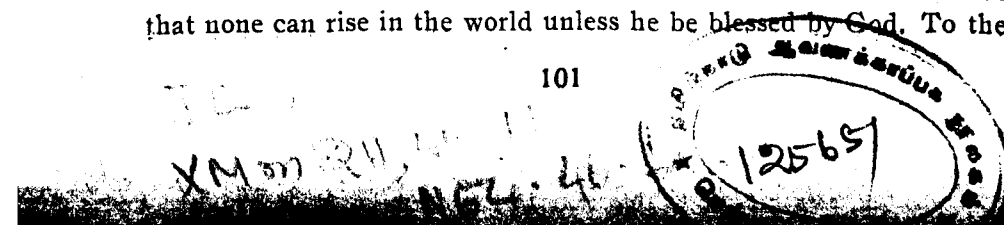
"If today co-operation has come to be recognised as the best Movement here and all over India, it was because of the solid foundations laid by Sri K. Deivasikamani Mudaliar."

Shri. K. Nachinarkiniya Sivam, the President of the Union, was the moving spirit behind the whole celebrations; as appositely remarked by Sri M. A. Manickavelu Naicker, he is verily 'the chip of the old block.' He delivered an inspiring and instructive address on the Origin and History, of the Union. The festivities were pleasantly rounded off by lilting music of Srimathi D. K. Pattammal and lovely dances.

WELCOME ADDRESS

RAO BAHADUR DR. GURUSWAMY MUDALIAR,
Chairman, Silver Jubilee Committee,
The Madras Co-operative Milk Supply Union Ltd.

I am a believer in our ancient traditions of social life. I believe that none can rise in the world unless he be blessed by God. To the



extent of Grace bestowed on him, one becomes a Ruler of men, a Governor, a Minister or a Leader of society. His Excellency is an ideal man. He teaches by his action.

Let us all take a lesson from him and honour our parents as he does. His father Sri Baghavan Das worked heart and soul with Dr. Anni Besant in the Home Rule Movement. When Theosophical movement was running through hard days, he was a great support to Dr. Besant. Probably the Governor inherited his great virtues from his father Sri Bhagavan Doss, who appeared to me as a great Rishi, and as one of the greatest Sanskrit Scholars of the day, who had rendered valuable assistance to Dr. Besant in publishing Bhagavat Gita,

The example set by that illustrious great Rishi deserves to be emulated by all. Gita says :—

"Whatever a great man does, that other men also do. The standard he sets up, by that the people go".

I believe that by inviting such ordained personages, and getting them to enter our premises, we get their magnetic aura to purify our premises and cast off all malific influences. With such ideas and hopes, I welcome His Excellency the Governor and the Ministers of State to grace this Silver Jubilee function with their august presence and to take part in the festivities of this day.

The founder of this society, Dewan Bahadur Sri K. Deivasigamani Mudaliar, of whose activities, I shall be speaking at a later hour, started this institution in the year 1927. His object was to bless the villagers with wealth and the citizens of Madras city with health. The villagers, he knew by personal contact were, hard pressed for comfort by chill penury. The citizens of Madras were to a great extent, denied good, wholesome fresh milk. The fact that both these wants are remedied to a considerable extent by his action shows what a practical idealist he was.

I am certain that those assembled here would wish to hear His Excellency's words of mature wisdom and practical common sense. I shall therefore cut short my speech and welcome most heartily H. E. Shri Sri Prakasa, who has shown his keen interest in the Co-operative Movement by his ready compliance with our invitation to preside over the occasion. My welcome is equally hearty to our Health Minister, Hon'ble Sri A. B. Shetty during whose regime, complicated health problems are finding ready solution and who is

bent upon bringing the Indigenous Medicine and Rural Health to the fore-front and is likely to have his name proudly mentioned as the Minister ministering to the Indian Medicine, which was sinking into oblivion with suitable tonics taken from modern medicine. Not less hearty is my welcome to Hon'ble Sri M. A. Manickavelu Naicker, who has consented, inspite of his many previous engagements, to honour this institution to unveil the portrait of the founder Sri Deivasigamani Mudaliar.

INAUGURAL ADDRESS

By SRI A. B. SHETTY,

Minister for Health and Co-operation, Government of Madras.

A Fine Record of Work.

We must on this occasion remember with gratitude the late Sri K. Deivasigamani Mudaliar, Registrar of Co operative Societies, for the pioneering work done by him in regard to co-operative milk supply in this State. This Union, which was started by him in 1927, is now the premier institution of its kind in this part of the country. It has grown from humble beginnings to its present stature with 150 feeder societies spread over 600 villages in Chingleput district. The Union is now sending on an average 32,000 lbs of pasteurised milk of good quality to this City. The remarkable success of this enterprise has stimulated the mofussil places to take to similar work with the result that we have today 19 milk supply unions and 319 milk societies in our State. The co-operative method is said to have been widely adopted in the West for milk production and marketing. It has been found by experience here that co-operative organisation helps the farmers to purchase cattle, produce more milk, eliminate the intermediaries and get a fair return for their labours. About 10,000 families are now able to earn a supplementary income by the production of milk which they give to this Union. Among the States in India, Madras takes a high rank in co-operative milk supply.

Milk — a Good Food.

Milk is a protective food of great nutritive value, particularly for mothers and children. It is rich in protein, which is essential for the growth of children. Protein malnutrition is widespread among children, who get no milk. Such children suffer and die in large numbers for lack of protein. The per capita consumption of milk in

India is much below the quantity consumed in many other parts of the world and among the States in India, the consumption is low in Madras as compared with States like the Punjab. *Increasing the production of milk, lowering its cost and making it available to larger sections of the people in a pure and wholesome form is a problem of national importance.*

Improved Breeds

The people of the richer countries in Europe and America have fine breeds of well-fed cattle, which give them plentiful supply of milk. We too can improve the quality of our milch cattle by better breeding and feeding. Stud bulls are now kept at certain village centres and artificial insemination work also has been taken up. The breeding work should receive further encouragement in future. Even improved breeding will fail to produce satisfactory results unless proper feeding is done. Milch cattle should have sufficient green fodder and also concentrated feeding stuffs, like oilcakes, cotton seeds and rice bran. The Union members are supplied some concentrates and also "computed cattle feed". If the use of balanced rations is popularised, it will improve the health of the cattle and also increase their milk yield.

Hygienic Method of Production

The system of milking under supervision in a common yard which the Union has introduced ensures the observance of hygienic conditions. The milk when it arrives at the Union premises is tested in its laboratory, pasteurised, put in sterilised cans and then sent for distribution. The Union staff as well as the Government staff test the milk, when it comes to the City for distribution so as to check adulteration. *No 'milk can' which cannot be tampered with has yet been devised.* It is, therefore, difficult to effectively prevent adulteration in spite of the steps taken at present.

Scientific Salvaging

Proper attention to the cattle during the dry period is of great importance. Otherwise, cattle become irregular breeders and the milk yield during the next lactation will be reduced. The Union is running a salvage farm for she-buffaloes at Vattambedu but only 200 animals can be kept there at a time. More adequate salvage farm facilities will have to be provided by our Milk Supply Unions and societies so that milkmen may not be obliged to underfeed their cattle or dispose of them at low prices, when they go dry.

Disposal of Surplus Milk

The disposal of surplus milk which is got during the surplus season seems to be a big problem for this Union and perhaps for other unions and societies also. Condensed milk, butter cheese and milk powder are imported into this country in fairly large quantities. If our surplus milk can be used for manufacturing such products, it will solve the difficulties of our milk societies and also be of economic benefit to the milkmen. This Union is thinking of getting the necessary machinery for conversion of their surplus milk into milk powder for use during the hot season.

Toned Milk

The milk supply to Madras City by this Union and the Government Milk Factory is far from adequate to meet the needs of the people. Adulteration of milk has become a common practice. Milk powder bought by several agencies is used to make up the shortage of milk. The Committee appointed by the Government to consider the question of the need for continuing the Government Milk Factory in the City has recommended that the Factory should be kept going but the present method of preparing reconstituted milk should be improved. What is called "toned milk" with better nutritive value can be made by using buffalo's milk with an equal quantity of water and adding to it a proper proportion of skim milk powder. The Committee has pointed out the need for Government control over the milk powder sold in the market, because milk powder tends to deteriorate rapidly, unless it is kept under conditions of controlled temperature in sealed cans.

Milk Colony for Madras

The bulk of the milk supply to the City is made by milkmen who keep their cattle in the congested localities of the City. There are said to be about 10,000 milch animals within the limits of Madras City. The evacuation of these cattle to outside areas will improve the sanitation of the City and also the health of the cattle of the men residing in the neighbourhood. The Bombay Government has shifted from Bombay City several thousands of cattle belonging to private milkmen and colonised them on an area of 3,500 acres at a huge cost. This colonisation scheme is a unique effort, almost without a parallel. Madras must be content with a more modest scheme. The Madras Corporation has just approved a scheme for the establishment of a colony for 100 milkmen and 1000 milch animals to begin with at Erukanjeri. This will be an adjunct to the sewage farm,

which the Corporation is putting up and this farm will provide grass and fodder crops for feeding the cattle. The cost of this colonisation scheme is estimated at Rs. 12 lakhs.

Government Aids to Milk Co-ops.

Government are giving help and encouragement in various ways to Co-operative milk supply work. Part of the finance needed for giving loans to members for the purchase of milch animals is provided by Government. Subsidy is given towards the purchase of stud bulls. Government have sanctioned Co-operative staff, Veterinary staff and staff for dairy development work. A Three Year Plan for dairy development work which was sanctioned in October 1948 has been extended upto October this year. Government hospitals and jails purchase milk from the Union and societies, even though the rates may be a little above the market rate. Only a small portion of the milk trade has so far come under the co-operative agency. There is need for extending Co-operative milk supply work. The Milk Supply Unions want loans for purchasing motor trucks, so that they may tap larger areas for milk supply. Pasteurisation plants have to be set up in bigger cities like Madurai, Coimbatore and Tiruchirapalli. Co-operatives will develop rural sources of milk supply and make milk production a side line of agriculture to ryots. They will help to provide cheap and pure supply of milk and milk products, in an increasing measure and improve the nutrition of the people. The growth and development of the work of this Union and similar Co-operative enterprise all over the State deserves, therefore, the support and co-operation of the Government as well as the people.

PRESIDENTIAL ADDRESS

H. E. SHRI SRI PRAKASA,
Governor of Madras.

In the course of his Presidential Address, the Governor, at the outset, expressed his great satisfaction to associate himself with the celebration of the Silver Jubilee of their Union, which had been doing yeoman service to the citizens of Madras. He said that it was a matter of satisfaction to those in Madras, that Institutions here, once founded, tended to live and continued to do good work. He said that even the ancients had realised the food-content in milk and the vegetarians particularly depended upon milk greatly for their food. Milk had all the ingredients that science required as

SILVER JUBILEE SNAPSHOTS The Madras Co-operative Milk Supply Union Ltd., Aynavaram, Madras.



H. E. Shri Sri Prakasa, Governor of Madras delivers the Presidential Address.

SILVER JUBILEE SNAPSHOTS
The Madras Co-operative Milk Supply Union Ltd.,
Aynavaram, Madras.



H. E. Sri Sri Prakasa laughs under the caressing weight of the Flower Garland.
 Sri K. Nachinarkiniya Sivam enjoys the Governor's Jubilation.

SILVER JUBILEE ADDRESS—SRI K. NACHINARKINIA SIVAM

essentials for keeping good health. He paid tributes to late Mr. K. Deivasikamani Mudaliar, founder of the Union, for the pioneer work done by him in regard to co-operative milk supply in the State. "Unlike others who retire after a certain age, Mr. Mudaliar took a great interest in the progress of Co-operative Movement in the State even after his retirement," the Governor added.

The main object of the Union the Governor observed was to supply good and unadulterated milk to the citizens. But unfortunately, milk, like all other things in the world, was subject to great adulteration. It was the duty of all good men and women that such adulteration in milk was avoided as far as possible. It was the intention of the late Mr. Mudaliar when he founded the Union that some supplemental income to the agriculturists should be provided in the supply of 'good milk' to the citizens. "I think this is a very important factor in the history of this Union to which I am personally attracted," the Governor observed.

In Bombay, where a large milk supply union was being run, the Government and wealthy people had helped it. In this Union humble folk had, during the last 25 years, pooled their resources. What a single man, however rich, could not do, a large number of humble people pooling their resources could accomplish. Madras had taught a great lesson that co-operation was good and that it promoted character and self-respect. *Honesty was one of the problems in such a venture.* If only every human being was honest, the world would be a different place to live in.

Stressing the need for honesty, the Governor said that he was pained to think that in the world of to-day, however high the prestige of India was in the political sphere, our commercial standards were going down. "Let us therefore make humble beginnings and let this Union and all those who are connected with it take a pledge that no drop of milk that is produced here will be in any way adulterated."

SILVER JUBILEE ADDRESS

SRI K. NACHCHINARKINIA SIVAM

President, The Madras Co-operative Milk Supply Union, Ltd.

On behalf of the Board of Directors of the Madras Co-operative Milk Supply Union, I have great pleasure in welcoming you all gracing the occasion of the celebration of the Silver Jubilee of the

Union. We are particularly beholden to H. E. Shri Sri Prakasa, our popular Governor for accepting our invitation to preside over this function. It is, I take it, an indication of His Excellency's abiding interest in the welfare of the poor agriculturists and milkmen and a gesture of his goodwill to the Milk Supply Union, which has been striving these 27 years to demonstrate how a co-operative producers' organisation can serve the Public and the Government. We are grateful to His Excellency for the honour he has done us in coming here and presiding over these celebrations.

Debt of Gratitude

To me this is a unique occasion as the Union was organised by my father Late Dewan Bahadur K. Deivasikhamani Mudaliar, who gave his best to its development, right from its inception till his death in 1943, both as an official of the Co-operative Department, as well as a non official co-operator after his retirement. I consider it a proud privilege and a sacred duty to carry on the work initiated by my revered father. I am thankful to God and the generous members of the Union for honouring me with their confidence and entrusting me with this duty.

Origin of the Madras Milk Supply Union

With a view to providing additional income to the poor agriculturists of Chingleput District the idea of organising supply of milk of the villagers and distributing it in the City of Madras was taken up and a few milk supply societies were organised in the Poonamallee area of Chingleput District. Even before the organisation of the societies, milk was bought by middlemen in the villages round about the City of Madras, brought to the City by bus and sold to hotels and other establishments. But the price, that the agriculturist producer got from the middlemen was hardly 50 per cent of the price paid by the consumers. At that rate it was not a paying proposition for the producer, but the trade still went on as it gave some additional cash income to the poor men of the village. In order to benefit the producers to the utmost, milk supply societies were organised, where members pooled the milk and brought to Madras and sold through depots, established in more than one centre. The problem of transport of milk soon loomed large, as the passenger buses plying in the mofussil routes could not always be relied upon, on account of delays and breakdowns. The need for a Central Organisation to arrange for joint transport and sale of the milk produced

by members of the several societies was keenly felt and the *Madras Co-operative Milk Supply Union* was organised and started on its working on 26th December 1927 with 13 milk supply societies affiliated to it. The Government of Madras placed at the disposal of the Union an old motor van for transporting milk from the villages. For selling the milk to the City centres for distribution by about 5 a.m. and 3 p.m. the milch animals had to be milked at the unnatural hours of 2 a.m. and 12 noon. Many small, but difficult, irritating and some times baffling problems cropped up from day to day in actual administration. Still the pioneers of the Milk Supply Union under the inspiring guidance of the founder Sri K. Deivasikhamani Mudaliar toiled hard to overcome the difficulties and work the Union satisfactorily. The names of Janab Khader Batcha Saheb, Sri P. Ramanatha Mudaliar, Rao Saheb S. Venugopala Chetty, Janab Abdul Gaffoor Saheb, Sri Balasundara Naicker and Sri K. S. Chellappa Mudaliar are to be remembered with gratitude by the members of the Union for their unceasing efforts in this behalf in the early years, when the Union was trying to establish itself.

Hospital Supply— a New Enterprise

Within two years of the starting of the Union, at the instance of the then Accountant General, the Government of Madras enquired whether the Milk Supply Union could undertake the supply of milk to State hospitals at the market rate of Rs. 0 8-0 per measure, while the contractors were supplying them at Rs. 0-14-0 per measure. The Union agreed to the proposal and organised some of the milkmen of the City into five societies for the purpose of supplying five State hospitals.

The Crisis Develops

Till the Union was entrusted with the contract for supply of milk, Government were paying the contractors 0-14-0 per measure, though the actual producer got only 4 to 5 annas. The Government of Madras stood to benefit by the entry of the Union for supply to the State hospitals by about Rs. 50,000 for that short period. The contractors, who were adversely affected by this action of the Government naturally took steps to paralyse the Union and brought about a strike of the milkmen, who were the principal beneficiaries of the scheme. The Union was paying them 7 annas per measure in the place of 4 to 5 annas that was paid by the contractors. In spite of this demonstrable benefit derived by them, if the poor milk men could be induced to strike against their own interests, it only shows

how gullible and easily misled they are, and how difficult it is for co-operative institutions to organise these small producers and keep their loyalty. The strike was successful and the Government had to terminate the contract to the Milk Supply Union and levy damages against the Union to the tune of Rs. 10,000. This however brought the milkmen to their senses as they soon learnt that the Government were paying the contractors 0-14-0 per measure, while they paid them only 0-7-0 per measure.

Normalcy Restored

They therefore turned to Union and requested resumption of milk supply to the hospitals promising their unstinted loyalty. Within two months of the termination of the contract, the Union was again entrusted with the supply, which I am happy to say, has been undertaking the work from year to year undisturbed till the present day.

A Plea to Abolish Tender System

Gradually the Government were pleased to give the contract for supply of milk to eight State hospitals in the city and the Union is at present the sole purveyor of milk to all the State hospitals in the City. The Milk Supply Union is grateful to the Government for the confidence thus reposed in them and renewing the contract from year to year. I may in this connection take legitimate pride in the fact that by the work the Union has undertaken the State's exchequer has gained several lakhs of rupees in all these years. *In view of the long and loyal service rendered by the Union I appeal to the Government to abolish the tender system at present in vogue for supply of milk to hospital and fix the rate by mutual discussion and negotiation as the lowest rate is not always the only criterion as the ability and sincerity of purpose plays a most important part in the supply of unadulterated and wholesome milk to sick patients in the hospitals.*

Quick Recovery

The efforts made by the Union to keep to its contract in the strike days and the damages levied by the Government for failure to keep up to the contract completely upset the financial position of the Union and its collapse became almost a settled fact. It was at this juncture, that at the instance of the Founder, a few of his personal friends Sri Arunachala Mudaliar, Zamindar of Chunampet, Sri P. V. Nataraja Mudaliar and Sri P. Thiruvengada Mudaliar helped with substantial deposits in the Union, to revive its working

after the strike debacle. It is therefore befitting that on this happy occasion, the Union should remember with gratitude the timely help rendered by these gentlemen, who when they gave the deposits never thought that they would get their amounts back. Some of the milkmen under the leadership of Sri A.R. Narasimhalu Chettiar, stood firmly and loyally by the Union both during the strike and thereafter and helped the Founder to weather through the strikes and in stabilising the Union. He has been a Director of the Union all these years and particularly advises the Board on its relations with the member producers. His portrait has been installed in the Union and serves as an inspiration to the younger generation of milkmen, who look to the Union for their economic betterment. The services of Sri S. P. Perumal Pillai, Sri C. Thirunavukkarasu, Sri P. Radhakantham and Sri R. Adishesha Naidu of the Department during those days cannot be forgotten. With the financial help received from the gentlemen mentioned above and the loyal co-operation extended by the milkmen the Union survived the shock and took root and began discharging its function, without any further crisis.

The Second Phase of Progress

The second phase in the development of the Union began with the retirement of Sri K. Deivasikhamai Mudaliar as Registrar of Co-operative Societies in 1936. On the very day of his retirement he was elected the President of the Milk Supply Union. Immediately on assumption of his new office he gave thought to the problem of pasteurising milk, as he considered that milking the animals at unnatural hours was inhuman and cruel to those animals. He sought the help of twenty of his wealthy friends like Raja Sir Annamalai Chettiar of Chettinad, Sir R. K. Shanmugam Chetty, Sri Diwan Bahadur C. S. Ratnasabapathy Mudaliar and requested them to contribute Rs. 1,000 each to the share capital of the Union, which they gladly did. From out of the profits of the Union during the years 1936 to 1939 a Pasteurisation Plant and Building Fund totalling about Rs. 30,000 was accumulated and the Government sanctioned a loan of Rs. 25,000 repayable in 10 years. With the funds thus raised the present site of the Union measuring eleven acres was acquired and the main block of office and factory buildings, milking yard, model cattle sheds for housing the animals, motor garages and an extra building for by-products and sale of cattle feed to members were constructed and a Pasteurisation Plant with a capacity of 220

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gallons per hour with the ancillary machinery and cold storage room were installed in the year 1939. The foundation stone for the buildings was laid by Sri V. V. Giri, the then minister for Co-operation in 1938 and the buildings were formally opened by Dr. T. S. S. Rajan, Minister for Public Health at a function presided over by the then Premier of Madras Sri C. Rajagopalachari in Feb. 1939. The Union is grateful to the Government and the twenty gentlemen who contributed Rs. 20,000 to the share capital and thus helped the Union in taking a decisive step in its development. Before the war and till the year 1943 the milk handled by the Union aggregated to about 12,000 lbs. per day. Milk was being supplied through house delivery boys to the customers at their doors and also through depots.

War Fillip

After 1943 when Madras became an important military base, the Army Authorities requested the Union to undertake supply of milk to the Army as they felt that it is best to utilise the service of a well known organisation like the Milk Supply Union for the purpose rather start dairy farms. They offered to finance the Union for purchase of milch cattle by the members and arrange for transport of milk in their own trucks. Sri W. R. S. Sathianathan, I. C. S. and Sri J. C. Ryan, the then Joint Registrar of Co-operative Societies played an important part and helped the Union considerably by personally negotiating with the Government and the Army authorities. The supply of milk to the Army and the increasing needs of the growing City gave a fillip to the production and distribution of milk by the Union which jumped from 12,000 lbs. a day to 24,000 lbs. a day. In order to increase the production, Poonamallee line was revived in addition to Kunnathur and Singaperumal Koil lines newly started. The number of societies had also increased. The Union is grateful to Sri W. R. S. Sathianathan I.C.S. and Sri J. C. Ryan for the help in this connection.

The entire brunt of the work during this period fell on Sri Dewan Bahadur C. Tadulinga Mudaliar the then President and I take this opportunity to pay him my homage.

The cessation of the war brought in its train its own problems to the Union which had to arrange for the sale of the milk that was being supplied to the Army. The military authorities who had to give six months notice persuaded the Madras Government to buy the

SILVER JUBILEE ADDRESS—SRI.K. NACHINARKINIA SIVAM

milk during the notice period, who distributed the same free to the expectant mothers and Corporation School children.

The Union soon reorganised its business and arranged for the sale of the milk to the citizens of Madras. Thus the switch over, of the supply from military to civilian consumption was worked out in a smooth way.

Era of Expansion

The growing population of the City required corresponding increase in the supply of milk. To meet this demand from the City and the persistent requests of villagers in the Chingleput district and at the request of the Union, the Co-operative Department organised in 1946, milk supply societies on the Kilacheri line. Thus a fourth line of societies was organised and the farthest society in this line is 40 miles off the City of Madras. There are at present 154 milk supply societies affiliated to the Union covering about 600 villages in Chingleput District.

Aid to Farmers

These societies which were initially organised for providing the farmer with an additional source of income have become the main stay of the villagers during the drought period. About 10,000 families drew regular income from the sale of milk and sustained themselves. The Union finances the villagers for purchase of milch cattle from its own resources as well as from funds borrowed from Government. The amount thus advanced is recovered from the milk bill within the period of lactation. After meeting the feeding charges and the instalment on the loan, villager is left with about Rs. 10 to 15 per animal milked, and the animal becomes his own at the end of the lactation period. Considered from the purely business point of view and the attendant risks in this calling no Economist would consider it by itself a paying proposition. But as long as it is only subsidiary occupation it helps the villager in augmenting his meagre farm income.

Pasteurisation Plant—Development Programme

The production at present is between 32,000 lbs. and 40,000 lbs. The pasteurisation plant has been replaced by one double its capacity (440 glns. or 1200 Madras measures per hour) at a cost of about Rs. 1 lakh in 1952. The number of motor vans and other necessary accessories have increased.

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The Union has purchased a plot of land measuring about 12 acres on the Arcot Road near Kadambakkam with a view to erect another pasteurisation plant to process the milk for supply to South Madras, whereas the present plant will process the milk for North Madras.

Caution—Our Key Note

There is a persistent demand for organisation of milk supply societies in many other villages. But the Union is anxious to maintain high standards and therefore is cautious in admitting new societies; only after it is satisfied that the new societies, which after serving a period of probation before actual affiliation, will keep up to standards of hygiene and purity, the new societies are affiliated. Milk is a highly perishable article capable of being adulterated very easily, in spite of the great number of precautions taken. So it is that the Union moves cautiously in its programme of expansion. One other factor for consideration in this connection is the policy of the Union that the sale of milk by the villager should not deprive the village of the usual quantity of milk necessary for the village. It is in furtherance of this policy that the Union makes advances to the villagers for purchase of milch cattle. The Government of Madras have been generously helping the Union by loaning the funds for the purpose. From all sources, the Union is now advancing about Rs. 7 lakhs per annum.

Veterinary Aids

To ensure proper care of the milch animals of members the Union maintains First Aid veterinary units in six centres. The Government have been collecting from the Union 50 per cent of the cost of maintenance of these centres. A District Veterinary Officer of the Government supervises these Centres. With the help rendered, I am glad to say that the mortality rate of animals has considerably fallen. I am thankful to the Government though I must say that it is not just that the Milk Supply Union should be made to contribute 50 per cent of the cost of maintaining these Centres, which the Government should in the usual course maintain.

To improve the breed of milch animals the Union has purchased and distributed pedigree stud bulls to village societies. The Union also meets 25 per cent of the cost of two Key Village Farm centres at Kilacheri and Valarpuram, where six pedigree studs are maintained for stud purposes. Artificial insemination is also

SILVER JUBILEE ADDRESS—SRI K. NACHINARKINIA SIVAM

propagated at these centres. These centres are maintained by one Veterinary Assistant Surgeon and three Live Stock Inspectors and have now become very popular and some test tube babies born in these centres are really attractive. The working of this scheme is being closely watched.

Salvage Farm

The Union has organised a Salvage farm for salvaging the animals, when they become dry at Vattambedu in Nellore District, where the Union has taken on long lease about 400 acres of land. This was found necessary to prevent loss of good breed of animals as well as to maintain them in a state of good health at a cheap cost in natural surroundings with scope for grazing and good exercise.

Poultry Rearing

The Government suggested in the year 1952 that the Union may introduce a scheme for poultry rearing by its members to increase the income of the agriculturists. The members were encouraged to rear hens and sell the eggs through the agency of the Union. For up-grading their poultry in 24 select villages the country cockerels were withdrawn and replaced by exotic birds like White-Leg-Horn, Rhode Islands etc. The stock has been improved by mixed breeding and it is hoped that in the next few years the hens in all villages will be of the improved breed. These improved breeds do not brood and so the Union has been supplying incubators to hatch the eggs.

Sales Tax Exemption to Milk Co-operatives

Ever since the Sales Tax Act was passed, the Union as well as the societies came under its purview and for one and the same sale the Union and the society were made to pay a tax of nearly a lakh of rupees a year. During the years 1943 to 1946 the milk supply co-operative were exempted from payment of Sales Tax. Thereafter it was reimposed. The Union made several representations that the Government should not tax twice where there was really one sale as the Society and Union were really one institution. I am glad to say that the Government saw the reasonableness of our demand and ordered collection of tax only from the Union and exempted the societies from payment of tax. The Union now pays a Sales Tax of about Rs. 60,000 a year. We are grateful to the Government for acceding to our just demand. I may in this connection add that, but

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for organising the sale of milk on co-operative lines, the Government will never be in position to tax milk as it is always an unorganised trade. The Government are, I am told, benefiting to the extent of Rs. 5 lakhs per annum on account of Sales Tax from milk Co-operatives in the State. During 1954-1955 the Government have exempted from Sales Tax on eggs, fish and flower etc. as perishable articles and the Government should consider very sympathetically and exempt milk also from the Sales Tax. This will help the agriculturists to increase their income by joining co-operative institutions.

Co-operative Milk Colony

The bulk of the milk consumed in the City is supplied by professional milkmen who keep their animals in the City. From time to time Government have proposed to shift all the animals to outside the city limits, so that the sanitation and the health of city may improve and the animals may move about in natural surroundings. Such schemes had to be dropped on financial grounds and the human factor involved. In Bombay such a scheme has been put into force and the Milk Supply in the City is made from the outside of city limits. The Government is the major supplier of the City from its milking colony called Aarey Colony, where private capitalists maintain milch animals and supply milk to the Government which pasteurise and supply to the citizens of Bombay. *Perhaps for Madras which has a fine record for co-operative effort in our country, the organisation of the city milkmen outside the city limits in a co-operative milkmen colony will be more fruitful and beneficial and less costly from the point of view of the State's Exchequer. It is a matter in the womb of the future and I shall not speculate on it.*

I once again thank His Excellency, the Hon'ble Mr. Shetty and the Hon'ble Mr. Manickavelu Naicker for coming here and encouraging us with their presence. I thank you all ladies and gentlemen once again and conclude with the pledge that the Union will strive its utmost not only to improve the economic position of its poor members but also supply hygienically produced unadulterated pasteurised milk to the citizens of Madras at a competitive price. I take this opportunity to thank all the members and milk supply societies, who have been supporting the Union in all its activities.

JAI HIND

AN ADDRESS ON THE PRESENTATION OF THE PORTRAIT OF THE FOUNDER

RAO BAHADUR DR. GURUSWAMY MUDALIAR,

President, Kilacheri Deivasigamani Mudaliar Memorial Committee.

Your Excellency, Distinguished Guests,

It is my proud privilege to-day as the President of Dewan Bahadur Sri Kilacheri Deivasigamani Mudaliar Memorial Committee and as one who was associated with him during his life time, to say a few words about his life and work on the occasion of presenting his portrait.

Youth and Training

Sri Kilacheri Deivasigamani Mudaliar came from a respectable cultured middle class Vellala family of Kilacheri in Tiruvellore Taluk, Chingleput District. The family held the hereditary Village Munsiff's post, and its chief occupation was agriculture. Education in the English language soon attracted the members of this family even in those early days. Two of Mr. Mudaliar's uncles held high offices in the Registration Department. He was educated at the Pachaiappa's High School and College. During this period he came under the influence of his paternal uncle Sri Rao Sahib K. Mariappa Mudaliar, B. A., who was then a Gazetted Officer in the Registration Department, and was noted for his integrity, straight forwardness, and high character. These characteristics of the family were ingrained in Mr. Mudaliar and developed when he was living with his uncle. While in the F. A. class due to ill health Mr. Mudaliar had to discontinue his studies and retire to the village, where he took over charge of the post of Village Munsiff from his father. His work as village munsiff brought him into close contact with life in the village, the economic needs of the villager, his psychological reactions to any proposal for betterment of his life and so on. He always prized the experience gained by direct contact with the villagers most and felt that any scheme for betterment of village folk should be framed with villagers' angle of vision and a study of his natural reaction and after obtaining his approval to make it a success.

Like Poles Attract.

The Chingleput District is fortunate in having produced eminent co-operators like Sir P. Rajagopalachariar of Perungavoor and Dewan Bahadur M. Audinarayanayya of Tirur. Sir P. Rajagopalachariar was the first Registrar of Co-operative Societies and

THE MADRAS JOURNAL OF CO-OPERATION

was in that capacity touring the villages of Chingleput district for organising co-operative credit societies. The first Society in the Presidency was started at Tirur and the second society at Kilacheri with Sri Deivasigamani Mudaliar as its Honorary Secretary. Sir P. Rajagopalachariar took a liking for the young Secretary, who showed much interest in the work and spent much time with him discussing the various aspects of the business, liability and other details of these small institutions. Two fundamentals were kept in mind; that the harmonious life of villagers with trust in one another is not to be disturbed by the organisation of these societies; that the societies should be built on strong foundations, transact sound business and become self-supporting institutions, independent of Government.

It was stressed that the well-to-do in the villages should deposit their savings in the societies and help in their management, and that particular care should be taken to see that the poor in the village are helped to become members of the village society and secure the benefit of the organisation. To him character was the main consideration. A poor man with character, he always felt, would make a better member of a co-operative society. *He used to say a man's wealth is his labour and his character.*

Seeds of Multi-purpose Co-operatives

To begin with the Kilacheri Co-operative Credit Society was registered as a limited liability society. But in the discussion that Sir P. Rajagopalachariar had with Mr. Mudaliar, he was convinced that a sound structure of finance could be built up only if the villagers felt the responsibility for each other's actions and inspired confidence in the depositors about the safety of their deposits. The discussions also revealed that the small farmer members would benefit greatly if they purchased their necessities jointly; and accordingly the *by-laws of village credit societies were recast providing for unlimited liability and multipurpose activities.* The by-laws of the Kilachery Society were accordingly changed and the liability of the society was changed to unlimited liability. It is a matter for gratification that these fundamental principles have stood the test of time and have been adopted in the societies formed, thereafter.

The Beginnings of a Remarkable Official Career

Sir P. Rajagopalachariar was so much drawn towards the young Mr. Mudaliar, his honesty, hard and sincere work and above

AN ADDRESS ON THE PRESENTATION OF THE PORTRAIT OF FOUNDER

all his solicitude for the poor villager that when he had to make the first appointment in his department, he visited Kilachery, convinced the young man as well as his parents that it was a good career and appointed him as the Inspector of Co-operative Societies on 5th November 1905. Thus began his official career in the Co-operative Department.

Versatile Co-operator

"By dint of sheer merit, patience and industry he rose to the top-most place in the Co-operative Department" "It is no exaggeration", wrote the then Editor of the *Madras Journal of Co-operation* Sri R. Suryanarayana Rao, "to say that the movement owes a great deal to his untiring efforts to place it on a sound basis. The successive Registrars found in him a safe guide owing to his unrivalled knowledge of rural conditions. The meticulous care he bestowed on the details of administration without losing sight of the ideals, for which the movement stands and the human touch he gave to various aspects of the Movement are characteristics, which were always in evidence and recognised by all. If the archives of the Secretariat and the Office of the Registrar are ransacked, one will find his valuable notes on many problems, which face the Movement to-day. He anticipated most of the questions which are the burning topics of the day and laboured hard to solve them. He was undaunted by failures. Failures merely proved in his case that they were stepping stones to success. He was a pioneer in regard to Co-operative Milk Supply in the City."

Man of Mettle

From the post of Inspector of Co-operative Societies, he was promoted as Chief Inspector, Deputy Collector, Assistant Registrar, Personal Assistant to the Registrar, Joint Registrar and Registrar of Co-operative Societies. His total service in the Department was for thirtyone years and this long period of service, he utilised to the best of his lights to hasten the economic betterment of the villager, which was his only ambition. The Government of the day recognised his zealous services and honoured him with the titles of Rao Saheb, Rao Bahadur and Dewan Bahadur and held him in high esteem.

Dynamic Retirement

After his retirement, he associated himself with almost all the Co-operative institutions in Madras. He was the President of the Kancheepuram Central Bank in the year 1936. He was the

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Vice-President of the T.T.V. High School. He was nominated by the Government, to the Central Land Mortgage Bank, as their nominee, which post he held till death. He was also a member of the Thirupathi Tirumalai Devasthanam. He was a Director in the State Co-operative Bank and also Trustee of Kovur temple and Tiruporur temples. He was a member of the Cosmopolitan Club and Madras Literary Club.

Pioneer in the Field of Milk Co-operatives

The organisation of villagers for supply of milk to the City, was a thing most dear to his heart. Both as an official and after his retirement as non-official co-operator he gave of his very best to the study of the problem of milk supply. The fundamental point enunciated by him, in dealing with this problem was that while pure unadulterated milk was to be supplied, the village suppliers should derive the entire benefit from such organisation. He felt that the co-operative organisations built up to replace middlemen should not become costly middlemen themselves, but should symbolise their poor members. He always believed that large members, huge figures and pomp and show would not make co-operation but only the character of the members and nature of the transaction.

From humble beginnings, the Madras Co-operative Milk Supply Union was built up to its present dimensions, by his courage of conviction and steadfastness of purpose. He spurned all advice which would build the Union into a big organisation in a few months; as his ideal was the organisation of the poor villager for economic betterment and not the organisation of the milk trade on profitable lines, profitable to the big investor.

Noble Guide in Co-operation

Mr. Mudaliar's interest in the co-operative movement began, even when he was a non-official and continued after his retirement from service. To the end of his life he was associated with the co-operative institutions and instead of sticking to the institutions himself, he would interest worthy gentlemen in the work and withdraw himself after entrusting them with the work of the institutions.

Tamil Scholar.

Mr. Mudaliar was a scholar in Tamil. He started the Chennai Tamil Sangam, to which he drew Tamil worthies of differing ideologies and stations in life and politics and utilised the institution for

AN ADDRESS ON THE PRESENTATION OF THE PORTRAIT OF FOUNDER

popularising the knowledge of science and modern thought for the benefit of the Tamil knowing public.

Constructive Legislator

A year after retirement, he was elected as a member of the Madras Legislative Council where he served for a period of three years. He was never, however, an aggressive politician. His passion was only to serve the poor. The picture of poverty written large on the faces of the toiling agriculturists of Chingleput District never left his mind and whenever there was a chance he would take the opportunity to feed the poor. He passed away in January 1943.

Illuminating Epitaph

Sir H.M. Hood, who was then Adviser to the Government, wrote on the occasion, "I do not know of any one who has done more for the co-operative movement than he and unlike some others who have been in Government service his whole hearted work for the movement did not cease, when he retired from the service of the Crown. I am afraid that the societies with which he has been for so many years connected will greatly feel the absence of his advice and guidance."

It is only in his days he brought the weavers into the co-operative fold to promote their economic interests, when they were in a sad plight and the then Government was not sympathetic towards them as the present State and Central Governments are.

I think I cannot further take your time. Volumes can be written about his life and his virtues can be spoken of for ever. The Memorial Committee proposes to start an educational institution in his name and funds are being collected. When the request comes to you I, on behalf of the Sri Kilacheri Deivasikanani Mudaliar Memorial Committee request you to contribute liberally to the fund to achieve our object. I cannot here pass on without thanking Mr. A.R.N. Chettiar who after seeing the portrait has donated Rs. 1,800, the cost of the picture. I thank him on behalf of the Memorial Committee and wish to commend the same to others assembled here.

Let me now present the portrait to the President of the Milk Supply Union to place it in a prominent place on the walls of the Union Hall. *Let us take him as an example of what Honesty Sincerity and Hard Work could give to humanity.* I request the

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President of the Union, the noble son of a noble sire to accept the portrait.

I shall be failing in my duty if I fail to commend the artist Mr. Chamkur, who has done this excellent portrait. It is life like, and I thank him for his pains.

AN ADDRESS ON THE UNVEILING OF THE PORTRAIT OF THE FOUNDER.

SRI M. A. MANICKAVELU NAICKER,

Minister for Revenue, Govt. of Madras.

Mr. M. A. Manickavelu Naicker, Minister for Revenue, who unveiled the portrait of late Mr. Deivasikamani Mudaliar, Founder of the Union, said that the first good thing that late Mr. Mudaliar could do was to supply good and unadulterated milk to the General Hospital which had earlier suffered greatly in the hands of private contractors. In the field of Co-operation Mr. Mudaliar had risen from the lowest rung and he had identified himself with the Co-operative Movement in the State. The Minister expressed his ambition that "we must also make our Union on the lines of the Bombay Union and see that cheap and good milk is catered to our citizens."

"This portrait will be here to tell the people that here was a gentleman, who by dint of self-less work, character and integrity has risen to the highest pedestals in the field of co-operation," the Minister concluded.

REGISTRAR'S ADDRESS

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

Registrar of Co-operative Societies, Madras.

Sri J. C. Ryan, Registrar of Co-operative Societies, who addressed the gathering said that late Mr. Mudaliar was a great Co-operator, who had joined the Movement as soon as it was started in this State and had risen almost to its top by dint of his merit and integrity. *If to-day, Co-operation has come to be recognised as the best Movement here and all-over India, it was because of the solid foundations laid by Mr. Deivasikamani Mudaliar.* He also congratulated the Directors of the Union for their contribution to its successful and useful service to the citizens of Madras.

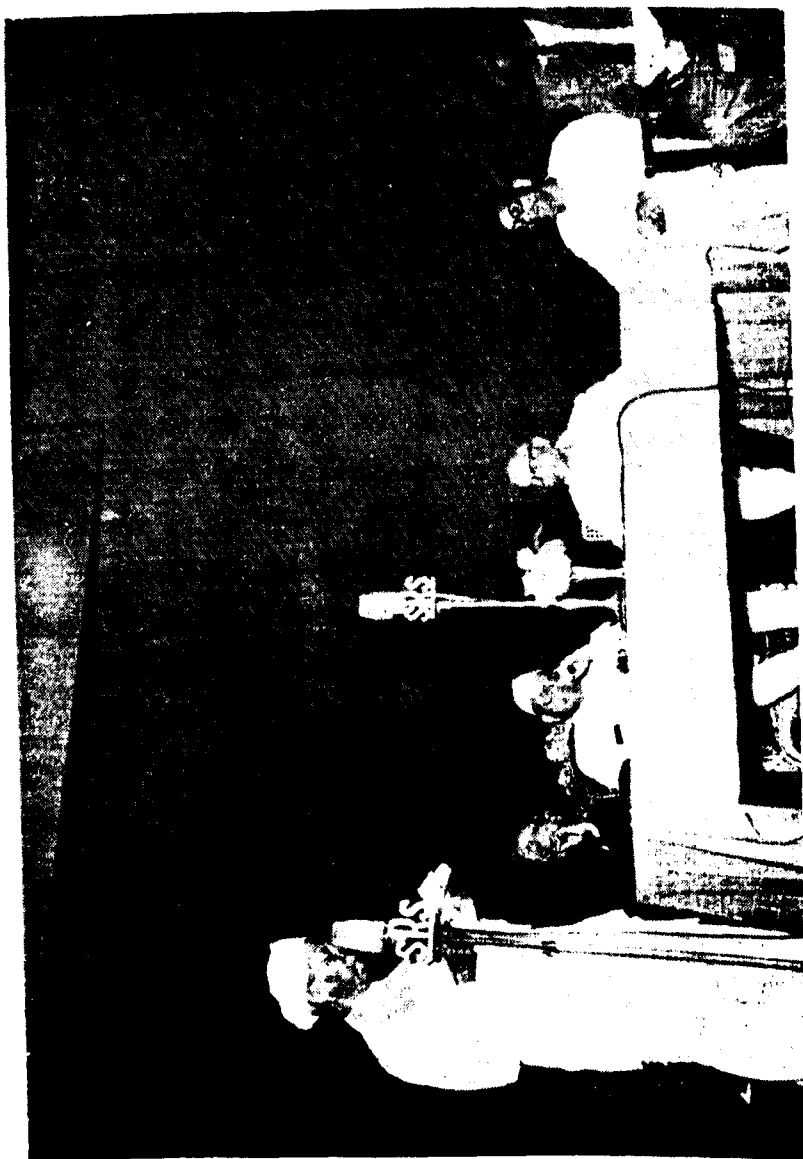
SILVER JUBILEE SNAPSHOTS

The Madras Co-operative Milk Supply Union Ltd.,
Aynavaram, Madras.



Sri M. A. Manickavelu Naicker, Minister for Revenue unveils the portrait of Sri Deivasigamani Mudaliar, the Founder of the Union.

SILVER JUBILEE SNAPSHOTS
The Madras Co-operative Milk Supply Union Ltd.,
Ayanavaram, Madras.



Dr. Guruswami Mudaliar is seen delivering an address, when presenting a portrait of Sri K. Deivasigamani Mudaliar, the Founder of the Union.
Sri K. N. Sivam, H. E. Shri Sri Prakasa, Governor of Madras, Sri A. B. Shetty,
Sri M. A. Manickavelu Naicker and Sri M. Arulanandam are seen listening to the Address.

REGISTRAR'S ADDRESS

He emphasised that if the dairy was to serve the interests of both the consumer and the agriculturist, it should be run as a co-operative body. He said that neither Government nor capitalist enterprise can offer an effective solution to the problem of milk supply. At one time, it was seriously put forward to the Government to have a Milk Commissioner, but it was calculated that the scheme would cost annas 6 more per measure of milk. Government controlled organisations cannot, therefore, ensure cheap supply of milk.

He did not think that a capitalistic enterprise also would succeed. The Garrison Dairy Farm, for instance was closed down and cows were also sold away. *The only solution lay in co-operative effort, in which agriculturists engaged themselves in the enterprise as a subsidiary organisation.*

Sri Ryan, continuing narrated the history of co-operative milk supply in this State. He said that the first milk supply society in the State was organised in Madurai as a *consumer society*, where all the Consumers had joined in a Co-operative enterprise. They had enjoyed some advantages and the milk was also available for them at a cheaper price. But the milk men who were appointed by them neglected the cattle, the milk yield became poor and they had ultimately to close down the society. That was the first experience gained in the milk supply started by the consumers themselves.

Sri K. Deivasikamani Mudaliar had corrected that system by organising a Milk Supply Union with the help of the producers. The Union had made a profit of about Rs. 25,000 last year and now, they had come to the conclusion, that if a milk supply society should be a success, it should be at the producer's end and not at the consumer's end. It would help the agriculturists with a supplementary source of income and also be of great help to the consumers, who would get good, wholesome milk. That was why in Denmark, they found agriculturists were members of not only Milk Supply Unions, but also poultry and bacon supply Unions.

MESSAGES

**His Excellency Dr. B. Pattabhi Seetharamayya, Governor,
Madhya Pradesh, Raj Bhavan, Nagpur.**

I am very pleased to hear that you are celebrating the Silver Jubilee of the Madras Co-operative Milk Supply Union, Ltd., Ayanavaram. All Co-operative institutions are an asset to the Nation.

THE MADRAS JOURNAL OF CO-OPERATION

for they help in establishing that Co-operative Commonwealth which has been described as the objective of the Indian National Congress in regard to the future of Swaraj. I hope your Union has had a smooth and successful career these 25 years. I wish it long life and prosperity.

**Hon'ble Sri C. Subramaniam, Minister for Finance,
Fort St. George, Madras**

I am glad to note that the Madras Co-operative Milk Supply Union, Ltd. is celebrating its Silver Jubilee. I had an occasion to visit the institution at Ayanavaram. I am not surprised at the growth of the institution because it serves a very useful purpose to the citizens of Madras. It has always been a very difficult problem for residents in big cities like Madras to get pure and unadulterated milk. The Union is serving the people of Madras by supplying them with good and pure milk; but even this Society is meeting only a fraction of the needs of Madras City. I am sure in course of time it will be able to serve atleast a major portion of the people of the Madras city. I wish the Union every success.

**Hon'ble Sri P. S. Deshmukh, Minister for Food and Agriculture,
Govt. of India, New Delhi**

I thank you for your letter on behalf of the Jubilee Committee of the Madras Co-operative Milk Supply Union, Ltd. I offer my very hearty congratulations to all those who have made this co-operative activity such an impressive success. I send you and to the Union my very best wishes for its future prosperity.

Sri M. Bhaktavatsalam, Minister for Agriculture, Govt. of Madras

I should congratulate the Madras Co-operative Milk Supply Union on the completion of 25 years of useful existence. The scope for people's co-operative effort for their own advancement is indeed very wide. But the services rendered to the people by the Milk Supply Union are unique. Thanks to the farsightedness of the Founder of this Union, the people of the City have been getting pure milk at their doors and the ryots in the villages who are attracted to the Union have found their membership quite fruitful in offering to them a paying profession. The Union has thus been able to launch on a successful expansion programme in enabling the people to consume more of this nutritious food. I gladly express my appreciation and tribute to the Executive of the Union.

I wish its efforts every success.

MESSAGES

Messages were received from the following distinguished men:

His Excellency R. R. Diwakar, Raj Bhavan, Patna.

Hon'ble Sri K. D. Malaviya, Deputy Minister for National Resources and Scientific Research, New Delhi.

Hon'ble Sri O. V. Alagesan, Deputy Minister for Transport and Railways, India.

Hon'ble Sri R. Nagan Gowda, Minister for Agriculture, Mysore.
Sri V. N. Kudva, I.C.S., Member, Board of Revenue, 'Nutford' 67, Harrington Road, Chetpet, Madras-10.

Sri J. C. Ryan, M.A., I.A.S., Registrar of Co-operative Societies, Madras.

Sri K. Subramania Naidu, M.A., Registrar of Co-operative Societies, Andhra.

Sri Bikkini Venkatarathnam, President, Andhra State Co-operative Bank.

Dr. P. Natesan, M.B.B.S., General Secretary, Madras State Co-operative Union and others.

The messages were read by Sri M. Arulanandam, B. COM (Hons.) Secretary, The Madras Co-operative Milk Supply Union, Ltd.

VOTE OF THANKS

Sri P. Royappa Naidu, Vice-President of the Union proposed a vote of thanks. Earlier, the gathering was entertained to tea. The pleasant function was rounded off by lovely dances by Kumaris Lakshmi and Saraswathi and 'Harikatha Kalakshepam' by Shrimathi K. Ranganayaki. The audience were regaled with rapturous music by Shrimathi D. K. Pattanmal.

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

Secretary

CO-OPERATIVE NEWS & NOTES

News and Notes.

Srinagar Conference

A Conference of Statess Ministers of Agriculture, Co-operation and Animal Husbandry, the second of its kind was convened by Dr. Punjab Rao S. Deshmukh, Union Minister for Agriculture at Srinagar on the 14th July 1954. The Conference was convened for the purpose of considering the recommendations of the Sub-Committee of the earlier Conference on the question of constituting a Central Organisation for the Marketing of Agricultural Produce.

The Sub-Committee, after some discussion agreed to recommend the immediate establishment of an All-India Co-operative Marketing Board. It would for the present function as an advisory and promotional agency, helping the State and local co-operatives to build up contracts, secure custom, obtain quotas for foreign trade, get market intelligence and promote the efficient performance of marketing services like storing, processing, transport and sale of produce. The Sub-Committee however, recommended that the Board should prepare concrete proposals for direct and active participation in trade, in the interests of affiliated Co-operatives, after about a year of its working. The Sub-Committee has made another important suggestion namely the formation of a compact All-India Co-operative Council, consisting of officials and non-officials. The Council will advise the Central Ministry on all important matters pertaining to the progress of Co-operation in the Country.

Central Directorate of Co-operation

An important step towards meeting a long-felt need for a greater measure of Central assistance and guidance to the co-operative movement has been taken with the establishment of a separate unit under the Union Ministry of Food and Agriculture, which will give exclusive attention to co-operative problems of All-India importance. The unit will be headed by a Director of Co-operation and a Deputy Director and will be the main organisation through which the Central Government's technical advice to agricultural co-operatives would flow.

The first Five-Year Plan has provided for (1) distribution, by the Central Government, of long-term loans to agriculturists through co-operatives, (2) provision of financial help for the reorganisation of

CO-OPERATIVE NEWS

co-operative training in the different States (3) Central assistance to co-operative farming experiments and (4) promotion of co-operative activity in other directions like marketing and distribution.

Golden Jubilee of the Co-operative Movement in India at the Andhra Capital.

Sri B. Ramachandra Reddi, M. P. presiding over the Golden Jubilee Celebrations of Indian Co-operative Movement on 31 July 1954, at Kurnool said that a 'stock-taking' and servicing of the Co-operative machinery was now necessary, so that the Co-operative Movement, by the time it celebrates its Diamond Jubilee might become strong as a diamond and shine through as many facets as the diamond did. He suggested the appointment of a Committee, consisting of officials and non-officials at District levels to review the progress of Co-operative Institutions in the State. *The step was necessary, he said, because Co-operatives were being used for advancing either personal profit or political power.*

Sri K. Subramania Naidu, Registrar of Co-operative Societies, Andhra said that the main objective of the Movement viz. to develop rural Co-operative Societies based on thrift has not yet been achieved. He said that only 2 per cent of the working funds was collected locally and the rural Co-operatives were not self-supporting, with the result that the Societies were now working as Societies of Debtors.

Sri C. M. Trivedi, Governor of Andhra who inaugurated the Golden Jubilee Celebrations said, "that the time was auspicious for the Co-operative Movement to extend its wings to areas covered by the Community Project and the National Extension Services Blocks." Earlier, Sri P. Kesava Rao, President of the Andhra State Co-operative Union welcomed the audience.

Co-operative Farming

The Union Ministry of Agriculture has invited the State Governments to prepare their schemes for development of co-operative farming and to send their demands for grants for consideration of the Central Government.

Dr. Deshmukh said that in the Five-Year Plan co-operative village management had been envisaged as the ultimate objective of land policy. As a preliminary to the achievement of this ideal, attention was being devoted to the progress of co-operative farming and a provision of Rs. 40 lakhs had been made for promoting experiments in co-operative farming.

THE MADRAS JOURNAL OF CO-OPERATION

"Our object is to change our agriculture from a subsistence economy to a progressive enterprise, well-organised to adopt modern technological advances in the fields of production, processing, grading and marketing. Since co-operative farming provides a democratic method for such transformation, we would wish to give every encouragement to such organisations to function as nucleus bodies for all-round development" Dr. Deshmukh observed.

Co-operative Council Meets

A meeting of the Madras State Co-operative Advisory Council was held on 9th June 1954 in the Office of the Registrar of Co-operative Societies, Madras, with the Minister for Co-operation in the Chair.

The Council considered and recommended to Government (i) a proposal to frame a rule under the Madras State Co-operative Societies Act to regulate the drawal of Travelling Allowance by the Directors and members of co-operative societies for journeys performed by them to attend meetings of societies, (ii) a proposal to continue the enhanced rates of execution fees for departmental execution for a further period of one year from 1st April 1954, and (iii) certain amendments to the Madras Co-operative Societies Act VI of 1932 for regularising the existing practice of deducting the dues of members of employees societies from their monthly wages or salaries by their pay-disbursing officers; for the levy of supervision fees on societies which are supervised by the departmental officers; for providing a second appeal to Government against any decision or order passed by the Registrar or the Joint Registrar under Section 51 of the Act within a period of two months from the date of the order appealed against, etc. Another proposal considered by the Council related to an amendment to the Madras Co-operative Societies Act prohibiting the formation of co-operative societies consisting of Joint Stock concerns, Partnership firms, and other proprietary concerns.

Co-operative's Challenge to Atom Bomb

A giant atombomb shelter-cum-garage, one of the largest single building projects ever undertaken by the Swedish Co-operative Movement is attracting international interest. This garage, which has a floor space of 15000 square yards is built at a cost of Kr 13 million. In peace time, it will be used by the Motor Owners' Co-operative Organisation, but in war, it could be quickly turned into an Atom-Shelter for 20000 people. The Municipality of Stockholm is providing two thirds of the costs.

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EDITED BY

Sri T. NARAYANA PILLAI, B.A., B.L.
Advocate and Joint Secretary, M.S.C. Union

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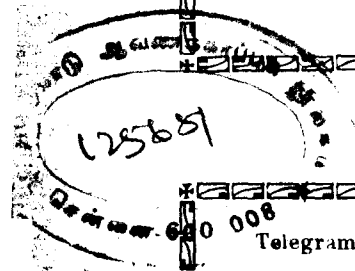
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