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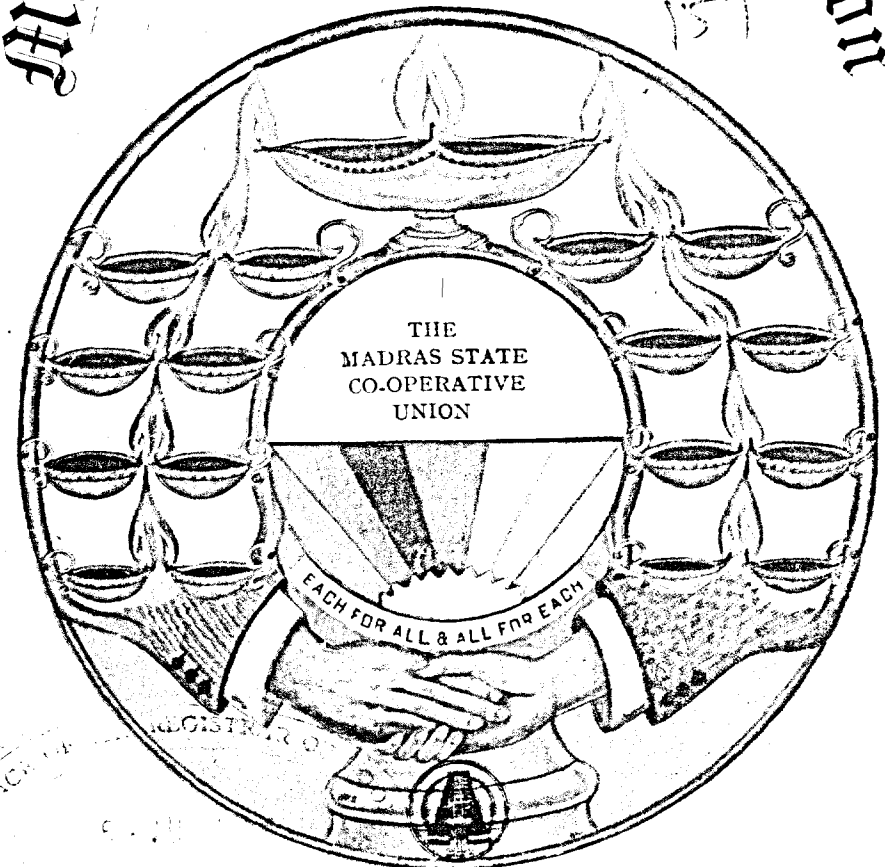
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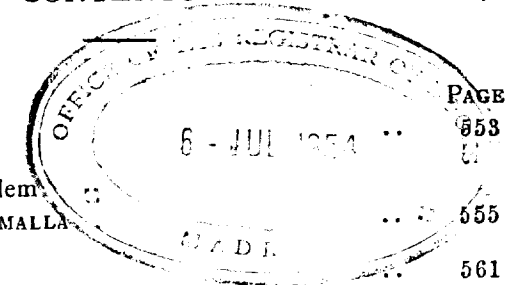
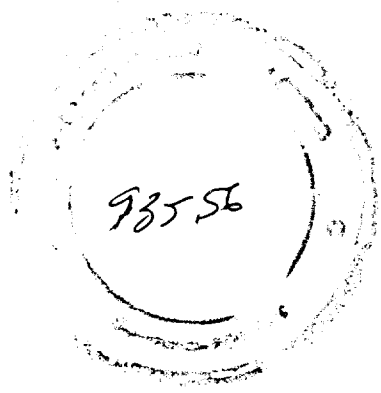
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(The Editorial Committee do not hold themselves responsible for views expressed by contributors.)

Editorial Notes

Co-operative Janus Looks Back and Ahead:

The month of April 1954 marks an epoch making event in the history of the Co-operative Movement in our Country. For it was in the Easter Week of that month that the Golden Jubilee of the Movement was celebrated on a nation-wide basis in every part of the country. Madras State also celebrated it about the same period. A mass enlightenment campaign was the most essential feature of the celebrations. There were in every part of the State, processions, meetings, exhibitions, entertainments, issue of pamphlets and posters on Co-operation and numerous other activities designed to drive home to the mind of the common man the message of Co-operation.

The Golden Jubilee was celebrated with great enthusiasm and appeal both in town and the village by multitudes of people under the auspices of individual institutions or groups of institutions. We have received reports of the same and have published them in this Special Number for the information of our numerous readers. The reports indicate how the message of Co-operation has pervaded the State and has been awakening the masses to an understanding of what is good for their socio-economic improvement. The celebrations in the City of Madras under the joint auspices of scores of societies in the city were indeed most impressive and educative in as much as they surely indicated a lively interest of the common man in the celebrations.

The celebrations bore out unmistakably two vital points. For one thing there was a stock taking of the achievements of the Co-operative Movement in the Madras State over a period of no less than a half-century. Many of the speakers narrated the work done by the Co-operative Movement for the promotion of the socio-economic life of man. While they looked with satisfaction at what had been achieved so far, they were also keenly aware of the new fields the Movement is yet to enter into and the new measures that have to be taken to ensure a proper march of the Movement along right lines

in the coming years. The key note to the future lines of progress of the Movement has been struck by some of the distinguished speakers. The Hon'ble the Chief Justice of Madras in his Inaugural Address suggested the organisation of an Institute of Co-operative Research so that problems connected with Co-operation could be studied in the light of the recent developments in India and abroad. Another suggestion of equal importance is that given by Dr. A. Lakshmanaswami Mudaliar, Vice-Chancellor, Madras University. In the course of his Address on the 18th April 1954 he suggested that a Committee on Co-operation should be constituted, "not to review of the work of the co-operative department but to see how their work can be strengthened, what the Government and the people should do to strengthen their work and how best it can be made to permeate every possible activity of the common man."

These two constructive suggestions coming from two of our top-ranking public men are worthy of serious consideration. We hope that they will shortly be implemented by Government in consultation with the Co-operative leaders in the State.

But pending the implementation of these two suggestions as a part of our long range policy, the problems that immediately engage the attention of the co-operators are the formation of character and the inculcation of co-operative basic principles on the minds of the people. Many of the speakers in the city and elsewhere emphasised the place of character in the Movement. Every effort should be made to develop character through the Movement. Efforts should also be made to impress upon the people the basic principles of Co-operative enterprise and activity which Sri J. C. Ryan, our Registrar epigrammatically stated in his comment on a film on American Rural Co-operatives shown at U. S. I. S., Madras under the auspices of the State Co-operative Union. He said that the essence of Co-operation as understood by the Americans is this: They *own* the institution; they *run* it themselves; they *buy* from it as elsewhere; and they *share* the surplus. This sums up all Co-operative enterprise. It is our earnest appeal that co-operators in the coming years should spare no efforts to impress upon the masses the value of character and the basic ideology of the Movement. It is also our appeal that the Government and the Movement should at an early date bring into being a Committee of Inquiry and a Research Institute so that the Movement may be placed on a sound footing in the coming years in pursuance of their recommendations.

Our Co-operative Emblem 159

VISWANATHAN TEKUMALLA

About 1800, Tom Paine, a Frenchman, proposed in an article "A Maritime Compact" an association of nations under the Rainbow Flag. Eight years later (in 1808), Fourier, a French philosopher and contemporary of Tom Paine, made a similar suggestion. Prof. Charles Gide, the noted leader of the French Co-operative Movement, took this idea from Fourier and in a brochure written in 1894 and entitled "*Les Douze Vertus De La Co-operation*," proposed that "The International Co-operative Alliance, their (the humble Weavers of Rochdale) new born daughter, will have its flag, the colours of which will be the seven colours of the spectrum, like that of the Phalansterians—diversity in unity; and instead of eagles, lions, leopards, and all that menagerie of wild beasts which serve as the emblems of the so called "Civilised States," the Flag of the Alliance will bear its arms—two clasped hands."

This suggestion, however, took shape only thirty years later: In February 1923, thanks to the earnestness of Mr. Henry J. May, then General Secretary of the International Co-operative Alliance, the Executive Committee of the Alliance decided at its meeting held at Ghent that the Alliance should have a flag, and if possible, in the seven colours of the spectrum, as originally suggested by Prof. Gide. The actual design of the Rainbow Flag was not immediately decided, but experiments were made in several countries to produce a flag in the several colours. At a meeting of the Central Committee of the International Co-operative Alliance at Praha in March 1924, Prof. Gide, after pointing out how he owed his suggestion to Fourier, proposed that since art and industry could not produce the spectrum exactly, the seven colours should figure as stripes on a white flag, and a star be added as an emblem.

Flags were actually made to this design by the Belgian Co-operators for the International Co-operative Exhibition and the I. C. A. Congress at Ghent in 1924, when for the first time, the colours of the Alliance were displayed in its assemblies. In January 1925, the Executive Committee of the Alliance decided at Frankfurt that the official design should be the seven colours of the rainbow in horizontal stripes.

The significance of the colours, severally, as symbolical of certain aspects of the Co-operative Movement,—apart from the idea that

they signify diversity in unity—does not seem to have engaged the attention of the Alliance: For when in October 1952, the Madras State Co-operative Union requested the Alliance to furnish a note on the symbolical significance of each of the colours of the Flag, the Alliance replied that "your letter indicates that this is a question to which we might well give some consideration."

Prof. Gide took care to suggest for the I.C.A. an emblem also, apart from the Flag, the proposed emblem consisting in the two clasped hands. This symbol, however, does not seem to have been adopted by the Alliance. We learn from a report that "the adopted flag was simplified by omitting the hands." The same report (of the Co-operative Productive Review of Great Britain, July 1947) also states that the clasped hands symbol was used as a back ground to the platform at the I.C.A. Congress held at Brighton.

Notwithstanding this omission by the Alliance, an informal use of the clasped hands as the symbol of co-operative activity was in evidence in certain countries. For instance the Co-operative Union of Canada published even in 1924 on the front page of its organ, *The Canadian Co-operator*, the clasped hands symbol along with the watch-word of Co-operation "Each for All and All for Each." It may be mentioned here that "the majesty and justice of this evangel of Rochdale" always inspired the Alliance; and the universal application of this watchword and the need "to arouse the spirit which will inspire a forward movement throughout our world-wide ranks" was strongly urged about 1926 by Henry J. May, General Secretary of the Alliance.

Many of the countries in the world where the Co-operative Movement has developed in varying degrees do not seem to have adopted even informally some emblem as a concrete sign of the crystallisation of the co-operative spirit in the country. During recent years, however, the three-link chainlet—obviously a symbolical representation of the two 'O's and hyphen in "CO-OP." has become popular among the co-operatives in England as a concrete symbol of co-operative relationship, even as the word "Co-op." as a trade mark has become the hall-mark of quality of the goods of producers' co-operatives.

Coming to our own country, we find that for several years the clasped-hands symbol has been in vogue in several States as the symbol of co-operative enterprise. This symbol has been adopted

only informally, there having been no recognised symbol—one which has been officially approved by the Chief Co-operative Educational and Propaganda institution of any State. Moreover, to represent the Co-operative Movement by means of a mere clasped-hands symbol is to present only an incomplete picture of the potentialities of the Co-operative Movement. In the modern conditions of human life, co-operation has shown itself *par excellence* as a way of life, the only way of life which can help individuals and groups attain "full life"—life harmoniously blending the economic, social and even cultural and intellectual sides of human activity. To seek to represent such a live force or wholesome activity by means of a mere clasped hand is to seek to present the inestimable value of the electric energy by means of a zig-zag line. A properly designed and significant symbol of our Movement is therefore one of our immediate needs. Such an emblem should have at least three characteristics: For one thing, it should be evolutionary. That is to say, it should be so designed as to integrate the salient features of the philosophy of co-operation and traditional symbolism, howsoever informal and thus indicate the evolutionary character of the Movement. Secondly the emblem should be comprehensive in its pattern. That is to say it should be so designed as to cover the entire pattern of life of man, as an individual and as a member of a community at various levels. Thirdly it should possess universal applicability. Co-operation is a Movement which knows no territorial limitations except those set to the globe itself. The essential principles of the Movement are the same throughout the world. And as such the emblem of the Movement must be one which embodies the essential features of Life and Nature, the world over—one hand helping another, one mind illuminating another, and the colours of the spectrum pervading the entire world of light.

It is against this background of the life and philosophy of the Movement that I felt impelled to conceive and design a suitable emblem for the Movement. It was in the last quarter of 1952 that the motif of the lampstand intuitively occurred to my mind. For some time, I worked at the idea and in December that year finalised the design. The following is the significance of the various component parts of the design as it occurred to me:

The whole design is a circular lampstand, indicating perfection of form and the effluence of light. The outer ring of the stand suggests that Co-operation can cover and influence the entire globe

of life and activity. The inner ring spot-lights the various aspects of human life and activity and the goal Man must hope to reach. The mount with the clasped hand resting on it shows the physical basis of all co-operative activity. From it, Man steps up to higher forms of Co-operation, at the cultural and intellectual levels, without which life cannot be full. As one lamp lights another without losing its own brilliance, one mind kindles the co-operative spirit in another mind, till this illumination of the minds becomes universal. The central flame at the top is the supreme light to whose levels the human mind should endeavour to rise. At the lower edge of the inner ring is inscribed the watchword of the Co-operators "Each for All and All for Each" whose "majesty and justice" has already been alluded to here in another connection.

The seven colour stripes in the inner ring suggest the various aspects of the human activity and life which can be covered by Co-operation: Red may symbolise Farming; Orange, Industry; Yellow, Trade; Green, Finance; Blue, Health; Indigo, Culture; and Violet the other forms of human activity. In the pursuit of these several activities the Movement must, with an abiding faith, endeavour to march towards the goal consisting in the star whose constant position suggests the unchangeable character of Man's goal for all time.

This symbolism of the emblem makes it suitable to any country or State and to any branch of co-operative activity. While Co-operation is an international Force and Movement, it is also national in the sense that Co-operators generally begin with their collective consciousness as members of a territorial Co-operative Movement or a particular trade unit and only later on move up to international levels. This emblem can be used at all levels with slight modifications to suit a particular need. For instance the Co-operators in Madras can have on the *mount* of the lampstand the insignia of the State of Madras—the Temple Tower, and those in Bengal the State emblem of the Tiger. At the All India level the Three Lions and Wheel of the Government of India may be marked on the mount. At the international level the figure of the globe on the mount will be significant. Then again the semi-circular blank space in the inner ring can be used for inscribing in an arc the name of the particular institution that has adopted it with a design below the inscription to indicate the type of activity of the institution. For instance a weavers' society may inscribe its name and mark a loom below it; while a housing society may mark a house-frontage; and milk co-operative the figure of a cow-and-calf.

This emblem thus possesses all the three features mentioned above. The emblem was first exhibited at the 28th Madras State Co-operative Conference in December 1952 in Madras and was found to have attracted the Co-operators assembled there. It was also inspected at the Office of the Madras State Co-operative Union by several visitors of international reputation—such as Dr. Ballandux of the Asian Field Mission on Technical Co-operation of the I.L.O. at Lahore and Mr. Chester C. Davis of the Ford Foundation—and was pronounced as an emblem of "remarkable symbolism," and "universal interest." The Executive Committee of the Madras State Co-operative Union at its meeting held on 18-2-1954 accepted it as the official emblem of the Movement in Madras State and also resolved to address the Government and the All India Co-operative Union recommending its acceptance as the recognised emblem of the Co-operative Movement in India. The relative resolution is given below:

Resolution No. 20 of the Executive Committee Meeting of the Madras State Co-op. Union held on 18-2-1954.

- i. Emblem accepted for the Madras State.
- ii. Address the All India Co-op. Union and the Government."

The vital importance of an emblem as a promoter of the co-operator's consciousness of his membership of a co-operative brotherhood at various levels and as an inspirer of his faith in the efficiency of Co-operative Movement cannot be disputed. We are told that the slogan "V for Victory" kindled the spirit of a despairing people during their worst days of the last war and led them on to victory. Our Co-operative Emblem, embodying all that is best in the Movement and bearing the watching of "Each for All and All for Each" can be no less powerful in arousing in the minds of the common men a sense of awareness that their prosperity lies in their abiding faith in their Movement.

The Co-operative Movement in our country has just completed a half century of service and is now celebrating its Golden Jubilee on a nation-wide scale. Nothing will probably be more appropriate to signify the nation's faith and adherence to the Movement than the adoption of an emblem which stands for all that is best in human life and mutual relations. While the adoption of the emblem crowns the close of a half century it may also begin a period when the Co-operators will deem it their sacred duty to spread the gospel and bring more fellow men into their brotherhood.

(Tri colour Block of this Emblem was made by M/S Klein & Peyerl Madras-2)

**The South India Co-operative
Insurance Society, Ltd.,
MADRAS-2.**

*An ideal Co-operative Life Office serving insurance needs of rural population and the long term financial needs of the co-operative movement in the country.

LIFE ASSURANCE FUND Rs. 1.25 CRORES

** Policies issued even for sums
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Co-op. House Mortgage Banks:
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Messages



RASHTRAPATI BHAVAN,
NEW DELHI,
April 2, 1954.

I am glad to associate myself with the celebrations of the Golden Jubilee of the Cooperative Movement in India. The Cooperative Movement has played a vital role in the development of our rural economy during its fifty years' career, and the Cooperative Societies and Institutes in the country deserve to be congratulated on the splendid work done within their spheres during the last fifty years. In a poor and populous country like ours where economic distress is a common feature of every State, the Movement should have really a strong moral appeal. Ours is a predominantly agricultural country, and the Cooperative Organisation is naturally one of the best means of educating the people in self-help and self-reliance. I have no doubt that with the spread of the Movement to our villages the economy of our country would rest on a firm foundation.

Rajendra Prasad



DR. RAJENDRA PRASAD,
President of the Indian Union

MESSAGES

Dr. S. Radhakrishnan, VICE-PRESIDENT OF THE INDIAN UNION.

I am glad to know that the Golden Jubilee of the Co-operative Movement will be celebrated in the Madras State in a befitting manner from 17th to 19th April, 1954, and a Souvenir recording the progress of the movement in various spheres will be published on the occasion by the Madras State Co-operative Union. I wish your enterprise all success.

Sri P. S. Kumaraswami Raja, GOVERNOR OF ORISSA.

I gladly accede to the invitation from the Madras State Co-operative Union for a message to the Souvenir that is being published by it to mark the Golden Jubilee of the Co-operative Movement in our country.

India's first Co-operative Societies Act was enacted in 1904. It provided for both rural and urban societies and also introduced the principle of unlimited liability in rural areas. It also postulated a knowledge of fellow-members as being essential for working the co-operative institutions successfully. There were some previous enactments too on the Statute Book such as the Land Improvements Loan Act of 1883. These and other agricultural loans legislation had permitted the grant of advances to agriculturists and should therefore be regarded as the germinating efforts of Agricultural Co-operation in India.

Though the movement was launched from above, its actual working required a collaboration of large members of public-spirited citizens so that interest in the movement may be stimulated in the countryside. The services rendered by the non-officials in the field of such propaganda are beyond praise.

The most notable landmark, after 1904, was Act II of 1912 which provided for the registration of Central Banks, and this led to the eventual appearance of what is deemed to be the keystone of the arch of co-operative finance, namely the Provincial Co-operative Bank.

There is no field of human activity in the world which has not been co-operatised today. We too, have travelled far from the restricted credit ideal of early days and taken to many aspects of non-credit co-operation as well. The golden concept of *camaraderie* or mutual help forming the binding force in the movement has been inherent in the old tradition of India's guilds, but all the same we



SHRI SRI PRAKASA,
Governor of Madras

have profited by certain modern ideas derived from the West. We have to recall in this connection the names of Rautsien and Schultze. We may also recall particularly the Rochdale Pioneers as one of them, Charles Howarth, "the Archimedes of Co-operation", first suggested the idea of paying bonus to purchasers. Howarth's idea has been universally adopted and it is an example of 'saving by spending', without any privation however being involved in the effort of saving.

There have been vast extensions in the co-operative belt, several forms of organisations have been tried and the many competent enquiries instituted in our country, as elsewhere, have yielded plentiful literature of the most instructive kind, from the MacLagan Report down to the Report of the Co-operative Planning Committee issued in 1946. We have had an Asian Conference of Co-operators in Lucknow in 1949 and I understand that India may be the venue, this year, of another conference under the auspices of the famous International Co-operative Alliance which has been emphasizing the solidarity of the workers engaged in the movement. We are thus prominent in the co-operative map of the World and so, in this Jubilee Year of the movement, the co-operative fraternity should recall to Society the debt that it owes to the patriots that have nurtured the movement and thus pioneered the advent of our Welfare State.

An appraisal of Indian Co-operation would show how Madras has the lead in many respects and this should act as a spur for directing efforts in newer fields. Nearly 65 per cent of the villages of the State have been brought within the ambit of co-operative credit and the Madras system of post-sanctioned loans has attracted widespread attention as it avoids delay in the people getting accommodation. As an All-India Co-operative Apex Bank is still a *desideratum*, the recent amendment to the Reserve Bank of India Act should enable the Reserve Bank to help the Central Banks in meeting the demand for medium-term funds for effecting agricultural improvements. Madras has also made great strides in co-operative marketing which is recognised as providing the only solution by which serious loss to the producer could be avoided, and Madras also occupies a prominent place in the sphere of consumers stores. Co-operators in the State have also reason to look back with satisfaction, in this the Sixth Year of total Prohibition, on the many ameliorative measures that have been taken on behalf of the ex-tappers and for the promotion of

habits of thrift and eradication of indigence and indebtedness among all classes of people and a remarkable demonstration of confidence in co-operative institutions is provided by the fact that non-members have deposits in Co-operative Banks. Equally impressive is the South Indian co-operators' experience in other specialised fields like Insurance.

A new situation has also arisen, as Government assistance to handloom weavers now proceeds on the basis of the weavers organising themselves on co-operative lines. This is understandable since the financial structure of any organisation should be sufficiently strong if State capital is to be commanded and handloom weavers can secure costly plants for calendering and dyeing apparatus and publicity vans, etc. only by forming co-operative societies. There is need for consolidation, reduction of overdues, rectification and rehabilitation even among the existing co-operative institutions and the experiences in co-operative fields in other parts of the country are also valuable in so far as they give us ideas. The variegated facets of our national life are indeed enriched by such experiences and there is unlimited scope for extending the field of co-operative effort.

We have, of course, the problems pertaining to organisation and functioning. A discussion on the rationale of Governmental control and interference in the work of co-operative institutions is a hardy annual at many conferences, while the extent to which consumers societies may be converted into marketing societies is also a moot question. Whether marketing societies are to be converted to multi-purpose societies is yet another problem as that will make an individual go to several societies for satisfying his many diversified needs. As bankers advance on produce encroach on the domain of marketing, the last word has not been said on how far trading should or should not be combined with banking and how far co-operators can face the competition of trade. A still more perplexing issue is how far co-operative production may be made to succeed in these days of Trusts and Cartels when it can obviously work well only in a little group of men who are on a level of strength and skill. Solutions for these and other problems like the place of arbitration in co-operative affairs and provision of facilities for education in co-operation, etc. will certainly be found in due course after a dispassionate consideration of all the issues involved. They may not admit of any cut and dry solution but even awareness of

such problems should help in developing a proper understanding, particularly as the movement is yet to be developed in large parts of 'B' and 'C' States.

The Co-operative movement has also to play its part in making the nation's Five Year Plan a success. The Planning Commission has expressed the opinion that as an instrument of democratic planning combining initiative, mutual benefit and social purpose, co-operation must be an essential feature of the programme for implementation of the Plan and the commission has advocated that the country's economic activities should be co-operatively organised to the utmost extent. It is the duty of co-operators to do their best to ensure the successful implementation of the Commission's programme evolved in consultation with the State Governments and the Reserve Bank of India.

Considering the moral aspects of the movement, the spirit of equality, of common interest and collective management postulated for success in the field of co-operation, a degree of probity is incumbent on every co-operator. Mahatma Gandhi also stressed the moral basis of the movement when addressing a Co-operative Conference which he attended as far back as 1917. This call is of greater validity today in view of the large sums of public money that have now come to be handled by co-operatives and in fact, qualities of sterling worth and character are needed to be cultivated by all citizens for the satisfactory working of democratic institutions which require each to labour for all, and all for each. When the demands of social service call for healthful activity it behoves on every citizen to seek to find some particular field of endeavour and in any such careful consideration he will find the claims of co-operation supreme, embodying as it does a great principle that should commend itself in the present-day stresses of competition and wasting strife.

Dr. B. Pattabhi Sitaramayya, GOVERNOR OF MADHYA PRADESH.

Madras may justly be proud of the great work in the field of co-operation that it has achieved. The composite province of Madras had consisted of two main groups of population—the Tamils and Telugus. The two communities developed the co-operative movement in their respective areas, each according to its own ideals and views of life. Though departmentally the field of work in the two areas divided and the great institutions through which it was

done stand, yet old co-operators like myself cannot but look upon the two pranthas as one home and the two families as one joint family working for the common good of the whole province. I wish that in the coming years the fields of interest and activity of the co-operative movement will not only multiply but keep themselves in intimate touch with each other so that we may justly call the State a conjoint Welfare State built upon co-operative principles in all the fields of production, distribution and consumption, implemented by the common labours of erstwhile fellow labourers in the vineyard of life.

Sri C.M. Trivedi, GOVERNOR OF ANDHRA.

I am glad to learn that the Madras State Co-operative Union is celebrating this month the Golden Jubilee of the Co-operative Movement in India, and that my friend, the Governor of Madras, will be inaugurating the celebrations. The movement has made remarkable progress in Madras, and we recall to-day with gratitude the devoted labours of all those who have contributed to make the movement what it is to-day.

To-day we should think of the tasks ahead of the movement. These are set out in Chapter X of the First Year Plan. I hope and pray that all of us will concentrate on these tasks, thus ensuring the success of the movement and making it a more powerful factor for the achievement of all-round progress. I send my very best wishes for the movement and all workers in it.

**Sri T. T. Krishnamachari, MINISTER FOR COMMERCE AND INDUSTRY,
GOVERNMENT OF INDIA.**

I am glad to learn from your letter of 30th March that the Golden Jubilee of the Co-operative Movement in Madras State will be celebrated on the 17th April. Even though the co-operative movement has not fulfilled our expectations, the work done in Madras in this respect, has been substantial. We have every reason to be proud of what has been achieved so far.

**Dr. U. Krishna Rao, MINISTER FOR CO-OPERATION AND INDUSTRY,
GOVERNMENT OF MADRAS.**

I am glad to learn that the Golden Jubilee of the Co-operative movement will be celebrated in Madras State from April 17th to 19th, 1954.

The co-operative movement, which started five decades ago with the modest objective of relieving rural indebtedness, now embraces a diversity of interests and enterprises. There is not a major sphere of national economy which has not felt the vitalising impact of the movement. In the production and distribution of the essentials of life, co-operatives have played a dominant role.

I hope the Golden Jubilee celebrations will serve as an occasion not only for taking stock of the achievements of the past but also stimulating enthusiasm amongst co-operators in their future work.

I wish the celebrations all success and your Union a bright future in its endeavours in this useful sphere.

Sri D. Sanjivayya, MINISTER FOR PLANNING AND PUBLIC HEALTH, ANDHRA.

I am very glad to note from your letter of 30th March 1954 that you are celebrating the Golden Jubilee of the Co-operative Movement in India. I had an opportunity of associating myself with the Co-operative Movement in Madras State for some time, while I was the Minister in charge of Co-operation. If today Madras State has made such tremendous progress in the field of co-operation, it is, to a large extent, due to the untiring and selfless workers like you.

An important role has been assigned to the co-operatives in the Five-Year Plan and there is much scope for developing the movement intensively and extensively. I am sure the National improvement schemes such as Community Projects and National Extension Service afford an immense opportunity for the movement to make its contribution to national welfare.

I wish your endeavours all success.

Mr. R. Ahmed, MINISTER FOR AGRICULTURE AND CO-OPERATION, GOVERNMENT OF WEST BENGAL.

I am very glad to note the Madras State is celebrating the Golden Jubilee of the Co-operative Movement. I congratulate the organizers and wish all success to the celebrations. Madras has made remarkable progress in the Co-operative field and not a little of it is due to the endeavours of the Madras State Co-operative Union.

May the movement spread amongst the masses, is my fondest prayer.

Sri Dip Narayana Sinha, MINISTER, CO-OPERATION, VETERINARY AND ANIMAL HUSBANDRY, BIHAR.

On the occasion of the celebration of the Golden Jubilee of the Co-operative Movement in your State, I would like to say that Madras is leading in the field of co-operation. The movement has not only tried to solve the credit problem of the farmers of the State but it has given employment to a large number of people. I wish further success to the movement.

Sri M. P. Patil, MINISTER FOR CO-OPERATION, GOVERNMENT OF BOMBAY.

It gives me much pleasure in conveying my best wishes for the Madras State Celebrations of the Golden Jubilee of the Co-operative Movement in India.

It is gratifying to note that you are going to launch a mass enlightenment campaign as an essential part of the celebrations. Co-operative Movement to-day needs to be developed as a mass movement. An upsurge of mass enthusiasm channelised through co-operative endeavour can work wonders. It is co-operation that is going to achieve the target of economic development envisaged in the Five Year Plan. As such the Golden Jubilee of the Co-operative Movement deserves to be celebrated with full enthusiasm and all splendour. I do hope that Madras State which is a co-operatively highly developed State will be in the forefront in the Golden Jubilee Celebrations as well.

MINISTER FOR CO-OPERATION, GOVERNMENT OF MADHYA PRADESH.

I have been watching with great interest the progress made by the co-operative movement in Madras which is one of the most co-operatively developed States in India. The successful development of the co-operative movement in Madras has been a source of inspiration to Madhya Pradesh especially in the field of land mortgage banking movement and also the housing movement. On this occasion of the Golden Jubilee Celebration I wish the co-operative movement all success and hope that the movement will make further strides under the able guidance of the co-operators in the Madras State.

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Sri T. Channaiah, B. Sc., MINISTER FOR PUBLIC HEALTH AND LOCAL SELF-GOVERNMENT, MYSORE.

On this occasion when we are celebrating the Golden Jubilee of the Co-operative Movement on a nation-wide scale, our hearts should go forth, in gratitude, to the numerous co-operators who have, in the past sacrificed much of their time and energy and laboured ceaselessly to bring about remarkable progress in the field of co-operation. Light and learning in co-operation have yet to penetrate to many a nook and corner of the rural parts of our country, and if the Golden Jubilee Celebration would stimulate the extension of the movement to such areas too, we would have paved the way towards country-wide co-operation replacing unhealthy competition.

I wish the Golden Jubilee Celebrations all success.

Dr. C.P. Ramaswami Ayyar, VICE-CHANCELLOR, ANNAMALAI UNIVERSITY.

I know that the Golden Jubilee of the co-operative movement is going to be celebrated all over India and I have myself agreed on the 19th of April to speak on the movement in Cuddalore. On account of the All-India Writers' Conference which is being convened in Annamalaiagar, I am expecting a large number of guests from all over India and some from foreign countries and cannot therefore attend any of the functions in Madras; but I wish the movement all success. Hoping that your celebration will be fruitful and formative.

Sri B. Rama Rao, GOVERNOR, RESERVE BANK OF INDIA, BOMBAY.

I am glad to have the opportunity of sending my good wishes on the occasion of the celebration in Madras State of the Golden Jubilee of the Co-operative Movement in India. Experience has everywhere demonstrated the importance of Co-operation as a means for promoting the solution of local economic problems, particularly among the poorer strata of society. In our own country, co-operative development over the last half a century has been extensive and varied, but the development has been very substantially related to agricultural credit, two out of every three co-operative societies being agricultural credit societies.

The co-operative movement is now on the threshold of a new era of development and in this context, it is gratifying to see that as

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much attention is being paid to rationalisation, consolidation and education as to expansion. These efforts are bound to result in a more even geographical development, in greater structural soundness and, generally, in the greater efficiency of the movement. I am confident that in Madras, as in other States, the devotion and determination of official and non-official agencies alike will assist the co-operative movement in fulfilling its high aims and ideals.

Sri K. Subramanyam Naidu, REGISTRAR OF CO-OPERATIVE SOCIETIES, ANDHRA.

I am glad that Madras is celebrating the Golden Jubilee of the co-operative movement. Madras has always occupied a leading place in the over-all progress in co-operation which the country has made during the last half a century. All honour to the early pioneers who gave of their best to the movement and laid its foundations. The expansion of any movement, even co-operative movement, is not always an unmixed blessing. It is necessary, as expansion takes place, that we should not swerve from the old ideals, from the path of co-operative Dharma, which the pioneers set for us. The need to-day, much more than at any time in the history of the movement, is for genuine, disinterested, unselfish co-operative leadership, for integrity and a real missionary spirit of service among all ranks. One of the Madras Registrars lamented, some twenty years back, the gradual disappearance of the old-time co-operator, who as a governing body member of a local supervising union, knew each of the societies in his neighbourhood and took paternal interest in its welfare and progress. His lament might perhaps be greater now if he was here. Let us, therefore, couple our feelings of joy on the occasion of the celebration of the Golden Jubilee with the hope that the old co-operative virtues will be restored to their proper place and that the movement would shake off its excrescence and unco-operative outgrowth that it has gathered in the course of its expansion and that it would proceed on the right path of Dharma.

The movement in Andhra is a chip of the old block, and we are hoping to celebrate the Golden Jubilee shortly.

I wish the function all success.

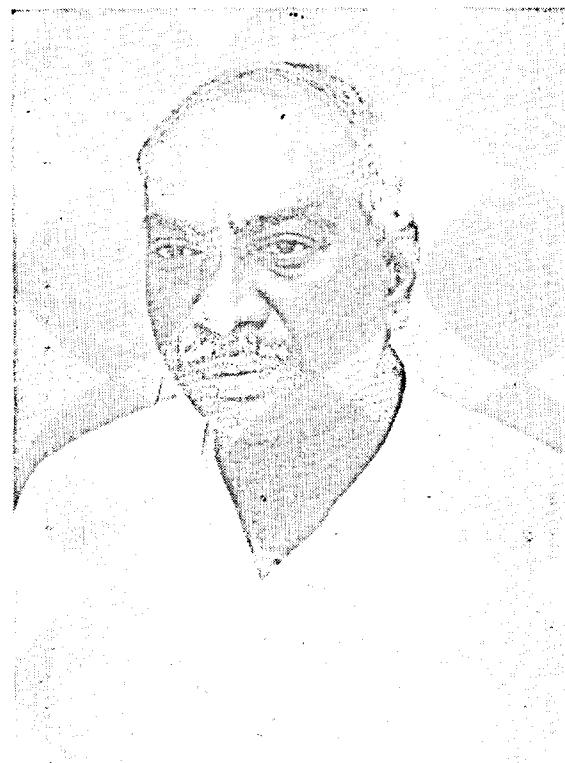
Sri P. J. Chinmulgund, I.C.S., REGISTRAR OF CO-OPERATIVE SOCIETIES,
BOMBAY STATE.

I have the honour to invite reference to your letter dated the 2nd April 1954, and to state that it is a matter of great pleasure to me to learn about the various steps taken by you for celebration of the Golden Jubilee of the Co-operative Movement in your State with all eclat.

2. The Co-operative Movement was inaugurated in India on 25th March 1904, when the All India Co-operative Societies Act, 1904, was passed. The year 1954 marks the fifty years span of the Co-operative Movement in the Country. Starting as a credit movement to afford relief to the agriculturist from the usurious rates of interest charged by sowcars, the Movement has now its ramifications extending to almost all aspects of economic life of the people. The Co-operative Movement in this State as well as in your State is now on the eve of a considerable expansion, underlined by the early completion of the All India Rural Credit Survey of the Reserve Bank of India and the prominent role given to Co-operation in the Planning Commissions' First Five Year Plan. We the Co-operators in this State are also celebrating the Golden Jubilee of the Co-operative Movement from 11th April to 17th April 1954 and are glad to note that you are celebrating the Jubilee on 17th April 1954 onwards, under the presidency of His Excellency the Governor of Madras. I take this opportunity of conveying to you most sincere greetings on my behalf as well as on behalf of my fellow Co-operators, in this State. I earnestly hope that the Jubilee Celebrations proposed to be held by you between the 17th and 19th April 1954 will be a grand success and will help in creating greater enthusiasm amongst the people and enlighten them about the potentialities of the Co-operative Movement for helping in the socio-economic development of the country and thus pave the way for further expansion and achievements in years to come.

REGISTRAR OF CO-OPERATIVE SOCIETIES, TRAVANCORE-COCHIN.

On this historic occasion, when our country is celebrating the Golden Jubilee of the Co-operative Movement in India, I convey to my brother Co-operators of Madras, my fraternal greetings and wish the Jubilee celebrations at Madras, all success.



The Hon'ble
SRI K. KAMARAJ NADAR,
Chief Minister, Madras



The Hon'ble SRI A. B. SHETTY,
*Minister for Co-operation,
Madras*



The Hon'ble SRI Justice
P. V. RAJAMANNAR,
Chief Justice of Madras

A. LAKSHMANASWAMY MUDALIAR,
Vice Chancellor,
University of Madras



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REGISTRAR OF CO-OPERATIVE SOCIETIES, UTTAR PRADESH.

On this auspicious occasion of Golden Jubilee of the Co-operative Movement in India, I recall with gratitude the pioneer step taken by the Government of Madras for starting co-operative institutions in the country and for giving a lead to other States in successful management of various types of societies. The Co-operators of the State may well be proud of the remarkable achievements of their Land Mortgage Banks, their Consumers Stores and their housing and many other types of societies and of the outstanding position of the State in the field of co-operation in our country.

Let us all join to pay our homage to those valiant hearts who devoted their lives for the cause and let us with renewed faith and vigour work steadily to achieving our long cherished objective of a Co-operative Commonwealth.

Sri. B. G. Ghate, I.A.S., REGISTRAR OF CO-OPERATIVE SOCIETIES, MADHYA PRADESH.

I am glad to know from the latest Departmental annual report that the co-operative movement in your State has made substantial progress since Independence, especially in land mortgage banking and co-operative housing. I have been reading with interest reports published from time to time in your co-operative Journal about the progress made by village co-operative credit societies which have undertaken multipurpose activities. We are also trying an experiment in this direction by combining credit and non-credit activities in the same co-operative institution at the village level called 'Sahakari Gram Vikas Sabha', especially in the Community Project and National Extension Service Blocks.

On this occasion of the Golden Jubilee celebration of the co-operative movement in your State, I send my hearty congratulations to all Co-operators of the State who have built up the present co-operative movement.

Mr. Robert Southern, C.B.E., GENERAL SECRETARY, CO-OPERATIVE UNION LTD., MANCHESTER 4.

Congratulatory Message of British Co-operators on the Occasion of the Jubilee of the Indian Co-operative Movement.

On the occasion of the Golden Jubilee of the Co-operative Movement of India, the Co-operative Union, representing eleven

million British co-operators, expresses hearty congratulations to India on her splendid co-operative achievements.

India's national heroes and statesmen no less than millions of her citizens have acclaimed the virtues of Co-operation. Co-operative principles and practices can serve the people of India on the mountain heights, on the desert fringes, in the lush valleys and growing industrial centres by educating them in practical economic affairs, by upholding high standards of moral integrity, by improving their material well being, and by securing for them social justice.

India has entered a new epoch as a great independent and democratic nation. In the years which lie ahead, we believe that the economic and democratic practices of Co-operation can bring countless blessings to her people and glory to her national life which will be an inspiration to all the world.

In paying tribute to the memory of those who laid the foundations of India's Co-operative Movement, British co-operators express the cordial friendship towards those who are to-day charged with advancing the cause of Co-operation in India.

Sri P. Kesava Rao, PRESIDENT, ANDHRA STATE CO-OPERATIVE UNION.

The Co-operative movement, which was introduced into this country, through the Co-operative Credit Societies Act of 1904, as a remedy for rural indebtedness, has now completed fifty years of steady and progressive development in several different directions. Co-operation has been tried successfully in Production, Distribution, Banking, Supply, Marketing, Urban and Rural Housing, Insurance, and so on. During the recent years, it has been demonstrated that the Co-operative Method can be applied to almost every form of economic activity. This is a democratic movement which is not restricted to any particular strata of the population and is looked upon as an instrument of general economic uplift in accordance with the principles of 'Thrift, Self-help and Mutual help'. It is through the Co-operative Movement therefore that we look forward to the all round development of our country as a Co-operative Commonwealth. May this movement grow from strength to strength till it reaches the ideal envisaged in our country's constitution.

SECTION I

Co-op. Movement—General Progress

A Review of the Co-operative Movement in India

SRI R. G. SARAIYA

During the latter part of the 19th century, rural indebtedness in India had become one of the most chronic and difficult problems. It was partly due to the after-effects of the Industrial Revolution and partly due to the system of administration introduced by the British. On account of the former, there was the decline and decadence of indigenous rural industries, with the resultant increase in the pressure on the agricultural lands and reduction in the already low income of the peasants. On account of the latter, the agricultural lands began to pass from hands of the peasants into the hands of the money-lenders and consequently the usurious rates of interest began to increase rapidly. The Famine Commission of 1880 drew attention to this question and had stated that one-third of the peasants in India were deeply and inextricably in debt.

Before the Act of 1904 for the establishment of co-operative credit societies was passed, some suggestions were made to the Government, with a view to relieve the agriculturists of their heavy indebtedness. For instance, Sir Syed Ahmed had suggested in his memorandum to the Famine Commission of 1880 the formation of the agriculturists Relief Banks in each district. The objects of such banks were: (1) to lend money to the agriculturists for purchasing seed, cattle, ploughs etc. and for subsistence of tenants and their families; (2) to provide for sale to tenants corn, cattle, ploughs and other agricultural implements. Later in 1882 on the initiative of Justice Ranade and Sir William Wedderburn, the Government of India proposed to the Government of Bombay the experimental establishment of an agricultural bank in the Purandar Taluka, in the district of Poona, for providing capital to agricultural classes on reasonable terms. The Secretary of State, however, did not approve of the recommendations and the scheme was accordingly dropped.

After prolonged investigations with the aid of official experts to determine the forms of relief and organisation, calculated to rehabilitate the economic conditions of the Indian agriculturists the Co-operative Societies Act was passed in 1904 for the establishment of the co-operative societies for credit only. The Act was modelled largely on English Friendly Societies Act and was restricted to credit co-operatives. Although the Act was based upon the English

A REVIEW OF THE CO-OPERATIVE MOVEMENT IN INDIA

Friendly Societies Act, it drew its inspiration from the German experiments of Raiffeisen and Schultze-Delitsch, for there were many common points between the rural economy of India at the commencement of the 20th century and of Germany in the middle of the 19th century.

But later on, it was found that the primary credit societies of the type established under the Act of 1904 could not, unaided by other organisations, derive financial subsistence from the rural areas, nor help the agriculturists to any appreciable extent. It was thus that the Act of 1904 was replaced by the Act of 1912 which provided not only for the formation of central credit societies, but also for the formation of Co-operative Institutes of a variety of types and purposes.

But little progress was made till the dyarchy under the Montague-Chelmsford reforms was introduced. During the dyarchy the Co-operative Movement became a transferred subject under the control of a popular Minister and the Act was modified by different provinces. It was modified by the Government of Bombay in the year 1925. The main difference between the scope of this Act and the previous Acts consists in widening the scope of the legislation: Whereas the two previous Acts were intended only for the one or two aspects, under this Act the societies could be formed of persons with common economic needs and its preamble refers to 'better living', 'better business', and 'better methods of production', as the aims of the Co-operative Movement.

The Co-operative Movement in India has passed, and is still passing, through phases of rectification and consolidation, cautious expansion and experiment. The according of the official recognition to the Movement under the Act of 1904, the extension of its structure and the widening of its scope under the Act of 1912, the classic review of the MacLagan Committee of Co-operation in 1915 with some constructive proposals for future development, the transfer under the Government of India Act 1919 of Co-operation to the control of Provincial Governments in the transferred departments and the rapid expansion of the operations of the Movement upto 1930, the onset of the Great Depression and the accompanying steep fall in agricultural prices, the great World War and its effects—these have been among the principal stages in the growth and progress of the Co-operative Movement in India before the achievement of complete Independence in 1947.

The Co-operative Movement in India has received a new orientation and has made spectacular progress in recent years due to two major factors. Firstly, the second World War gave a great fillip to the Co-operative Movement which had received a serious set back during the Depression years of the last thirties. The war period widened the functional range of the Co-operative Movement and more emphasis was made on the productive and distributive functions of the multipurpose potentialities of the Movement. Secondly, with the advent of Independence, it has received an unprecedented encouragement and Government support, as it has become the goal of our Constitution to achieve Co-operative Commonwealth.

It will be interesting to study the progress of the Co-operative Movement in India. The following table gives the details:

Year.	No. of Societies (in thousands)	Membership of primary Societies (in Lakhs)	Working Capital (Rs. in crores)
1906-10	1.93	1.62	0.68
1911-15	11.79	5.48	5.48
1916-20	28.48	11.29	15.18
1921-25	57.71	21.55	36.36
1926-30	93.94	36.89	74.89
1931-35	105.71	43.22	94.61
1936-40	116.96	50.77	104.68
1941-45	149.89	72.18	124.35
1946-50	159.61	107.28	188.73
1950-51	181.18	137.15	275.85
1951-52	185.65	137.91	305.89

The above figures upto 1949-50 are given as the averages for the five-year period. It can be seen from the table that the development of the Co-operative Movement can be broadly divided into 5 phases. The first phase may be considered from the inception of the co-operative movement upto 1915. During this period various experiments were carried with a view to find out a correct solution for agricultural indebtedness, as per the recommendations of the MacLagan Committee Report. But the Movement did not show any appreciable progress as the number of societies organised were about 12,000 with the total membership of 5½ lakhs and the total working capital of all these societies amounted only to Rs. 5½ crores. After

this period the first world war had broken and during the period of ten years that followed there were many economic and political changes in India. The Co-operative Movement was handed over to the Provincial Governments to be looked after by a popular Minister. The Act was modified by several provinces in order to suit their local environments and also with a view to solve the agricultural problems with the help of the Co-operative Movement. During this period the membership of societies had increased from 5½ lakhs to 21½ lakhs and the working capital from Rs. 5½ crores to Rs. 36½ crores nearly. The third phase may be taken to be period upto 1940. During this period there were many ups and downs in the progress of the Co-operative Movement. The Great Depression that occurred about 1930 had tremendous effect upon the progress of the Co-operative Movement. During this period the ideal for the Movement was not to expand but to consolidate what had been achieved by then. The introduction of Provincial autonomy in 1937 too, had an important bearing on the course of the Co-operative Movement. The popular Ministers were called upon to devote their special attention to the problem of improving the economic life of the rural population, and the steps they took in that connection influenced the position of the Co-operative Movement in a significant measure. During this period, the number of societies had increased from 58,000 to 1,17,000 and their membership increased from 2½ lakhs to half a crore. The Working capital had shown a substantial increase from Rs. 36½ crores to nearly Rs. 105 crores.

The fourth phase may be taken upto 1946 which was predominantly influenced by the second world war. The outbreak of war found the Movement struggling to find a new equilibrium and a basis for further advance. The war had seen ups and downs in agricultural prices. The war had given a distinct fillip to the setting up of supply societies or consumers stores in some Provinces as a safeguard against profiteering, as well as some stimulus to the organisation of co-operative marketing to assure the benefit of higher prices to the producer. The war had also led to an improvement in the position of numerous small industries through the abatement of foreign competition. All these factors had a great effect in increasing the total number of societies, their membership and their total working capital.

The last phase may be considered after the complete independence was achieved in 1947. During this period it can be seen that

the number of societies has increased by 25 per cent and their membership and working capital have more than doubled.

Apart from the general expansion, the working of the Movement in recent years has been characterised by greater diversity of functions. Co-operation, has in fact permeated several walks of life, some of which were perhaps no more than touched before. Co-operative activities have now spread to a number of functions besides credit and marketing. Industrial Co-operatives are playing an increasingly important part in the economic life of the country and the range of industries covered by such industrial co-operatives is also on the increase. Reference must be made to the importance now attached to co-operative farming, which is perhaps the only method by which it will be possible to realise the economics of large-scale farming and at the same time preserve the need for distribution of land to as many people as possible. Health co-operatives, forest labour societies, societies for undertaking contract labour, and societies of fishermen for supplying their fishing tackle and also for selling their catch represent some of the other activities undertaken by the Co-operative Movement. Housing is again another important activity; housing societies play a very important role in providing one of the elementary needs of the people not only in urban and semi-urban areas but also in the rural areas. Life insurance as well as fire and general insurance have also been undertaken by Co-operative Societies.

It would not be out of place to mention the Cane societies in the U. P. which are playing an important role in the marketing of sugar cane in that State. Similarly, special mention may be made of the cotton sale societies in the State of Bombay which have been instrumental not only in getting the farmers a better price but also in preserving the purity of the cotton seed used for sowing cotton. Mention may also be made of the consumers' societies in Madras State, and especially the Triplicane Urban Co-operative Society Ltd, which successfully worked the Emergency Food Supply Scheme of the Government of Madras in an hour of dire need during the last war. The milk unions in the State of Bombay are also fulfilling an important role, the Union at Anand having a turnover of milk sales of nearly Rs. 1 crore a year. Co-operative processing societies, particularly the Pravara Co-operative Sugar Factory at Loni (Prvaranagar) may be mentioned as an example of a successful industrial processing society. It is in the fitness of things that, at a

time when the Golden Jubilee of the Co-operative Movement is celebrated, these outstanding examples are mentioned to illustrate the variety of activities undertaken by the Movement.

Before the Planning Commission was set up by the popular Central Government in 1950, in 1944 the then Government of India had appointed a Co-operative Planning Committee in accordance with the recommendation made in resolution No. III passed by the 14th Conference of the Registrars of Co-operative societies, the terms of reference being "to draw up a plan of co-operative development". The Committee had exhaustively dealt with the various aspects of the Co-operative Movement such as agricultural production, agricultural marketing and agricultural credit. The Committee had suggested various recommendations in order to achieve an all round co-operative development. With regard to the aspect of rural development with the help of the co-operative movement, the Committee had set a target to cover 50 per cent of villages and 30 per cent of rural population. This target has been accepted by most of the provinces (now the States) in India, and in many States like Bombay and Madras it is nearing fulfilment, if not already fulfilled. It may not be out of place to recall that the Planning Commission have also accepted this target and referred to it in their report in the Chapter on 'Finance for Agriculture'.

The Planning Commission has given special emphasis to the co-operative form of organisation in the fields of primary production, of cottage and small scale industries, of marketing of agricultural produce, residential housing and wholesale and retail trade. They go on to say "the extension of the co-operative form of organisation to these varied activities has already been initiated in this country, but it appears certain that such extension holds out promise of securing the best results by way of increased production, the reduction of rent and profit margins, and the building up of investible surpluses in the economy. It planning is to avoid excessive centralisation and bureaucratic control and is, at the same time, to hold in check the self-centred, acquisitive instincts of the individual producer or trader working for himself, the encouragement of co-operative enterprise must be given the highest priority. We should like to stress in particular the importance we attach to the progressive socialisation of agricultural marketing and of processing industries in the rural areas through the agency of co-operatives. On the chapter on Agricultural Marketing the Planning Commission had concluded that "As the co-operatives gain a surer foot-hold in the

commodity markets, it should be possible to bring the management of regulated markets more and more under co-operative direction". In the chapter on Agricultural Finance the Commission has stated that Agricultural production in this country depends upon millions of small farmers. Because of inadequate financial resources and absence of timely credit facilities at reasonable rates, many of the farmers, even though otherwise willing are unable to go in for improved seeds and manures or to introduce better methods or techniques. Provision of sufficient and timely credit at fair rates of interest has therefore to be considered as an integral part of the Plan. For providing these facilities all the existing agencies including co-operatives have to be integrated and harnessed to a common purpose.

It may therefore be stated that co-operation has been accepted as an instrument of democratic planning which combines individual initiative with mutual benefit and social purpose. It is also accepted as one of the most important methods for raising the standard of living of the people of India. In fact, in a country like ours, where the individual unit is small and where the numbers are large, co-operation naturally affords the best method by which the economics of large-scale production or distribution can be secured without at the same time sacrificing individual interest and individual initiative.

It is necessary now, on the eve of the Golden Jubilee of the Co-operative Movement in India, to consider in what manner the progress in future can be assured. The temporary phase of war-time boom is over; controls are being removed one after another, and it may be difficult to give a special treatment or reserve monopolies for the Co-operative Movement in future. The success of the Co-operative Movement will ultimately depend upon its ability to perform its functions—whether they relate to production, finance, marketing or distribution—efficiently and to the entire satisfaction of the members of the community. The loyalty of the members can be retained not on the basis of agreement or contracts or under duress but on the strength of goodwill secured by efficient service. A unit of business, whatever may be its form, cannot survive if it does not fulfil properly the task which it undertakes. Co-operatives are sometimes organised and administered by those who lack both the training and the standard of character needed for running them. This can be seen from the number of cases all over India of misappropriations and mal-practices, the results of which are becoming

evident with the removal of controls and the coming in of a period of test and trial.

The expansion of the Co-operative Movement during the last five years has been so rapid that at this stage it is desirable to undertake a review on an actual field survey of the Co-operative Movement in the country as a whole. A large number of co-operative institutions undertaking a variety of functions and with a variety of forms of organisation have sprung up. It is necessary to examine them, their working and their organisation in order to find out which organisations are most successful, and the reasons for their success. What I am advocating is a process of selection by which that type of organisation which is most likely to succeed as a result of a factual enquiry is multiplied all over the country. I suggest that this work should be undertaken in connection with the preparation of the Second Five Year Plan and a Committee should be established which will work not only in close collaboration with the Planning Commission at the top but will also undertake a field survey over the whole country and ensure that the co-operative Movement is truly integrated in the second five year plan, in its community projects, in its development schemes, in its small scale industries, in its schemes of marketing and distribution, and in its schemes for economic research and progress.

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Co-operation in the Five-Year Plan

SRI V. T. KRISHNAMACHARI,

Vice-Chairman, Planning Commission, New Delhi.

Co-operatives throughout the country are celebrating the Golden Jubilee of the movement this year. This, in many ways, is a momentous occasion. For, everywhere there is recognition that it is only by applying the principle of co-operation, in its varied forms, to the problems of the countryside that a solution can be found for them. The Five-Year Plan embodies the efforts of the millions of people in India to build up a new life for themselves and this can only be done through co-operation.

2. Co-operative credit societies were first organised fifty years ago, the Governments in India having realised that mere regulatory legislation like anti-usury laws could not solve the numerous problems confronting rural India and that a positive and constructive approach was needed. In India, as in other countries, co-operation started as a means of securing for the smaller farmers credit and other facilities which they cannot obtain individually. The principles of mutual aid and self-help which underlie the co-operative movement are the essence of the democratic way of life. By pooling their experience and knowledge and by helping one another, members not only find solutions for individual problems but also become better citizens. Co-operatives are based on local initiative and public participation. The 1.81 lakh primary societies of various types, 500 Central Banks and a large number of apex institutions that now exist in the country are an indispensable instrument of social welfare as well as economic improvement.

3. During the first half of this century, members of the co-operative societies have saved and collected about Rs. 44 crores by way of share capital. They have built up reserves worth Rs. 36 crores. Farmers are able to get annually loans to the extent of about Rs. 30 to 35 crores at fair rates of interest. Sales by non-credit societies are for about Rs. 130 crores.

4. Nearly 13.7 millions or about 15 to 20 per cent of the total families are represented on societies. Of these, 3.7 millions (or 64 per cent) belong to the agricultural societies. While the movement has made considerable progress in States like Madras and Bombay, in some States, such as, Assam, Bihar, Rajasthan and Madhya

CO-OPERATION IN THE FIVE-YEAR PLAN

Bharat even 5 per cent of the total number of families have not joined co-operatives.

5. The Five Year Plan is based on the universal application of the co-operative principle for solving all problems of rural and urban life. In fact, in all sectors of national development there is scope for a rapid expansion of co-operatives activities and under the Plan financial, technical and other assistance has been made available by the Central and State Governments for ensuring the desired rate of progress. The ideal is that every family in India should be represented on at least one co-operative society.

6. The basic problem which the co-operative movement has to face is that of enabling every family to qualify in its own right by satisfying the economic and other tests laid down to join a co-operative society. The solution of this lies in developing scientific agriculture, in raising productivity, increasing employment opportunities and augmenting savings. This is the central aim of the national extension movement. This movement will cover about $\frac{1}{4}$ th of the total villages at the end of this Plan period and will be extended to the entire country by the end of 1960-61. In the national extension areas co-operative multipurpose societies have a vital role to play. They can render valuable assistance by providing timely finance at reasonable rates of interest. They can arrange supplies of improved seeds and fertilisers and meet other needs of the cultivators. They can own improved implements and supply them to members. They can also provide other facilities which cannot be owned individually—pumps for lifting water, storage-godowns etc. They can also take up marketing.

7. It is the duty of every village level worker to help in organising such societies and enlarging their membership and also to see that they are equipped to undertake the responsibilities I have mentioned. As business institutions, dealing with funds obtained from depositors, co-operative societies can advance loans only on strictly business terms. On such a basis, it has been found that only about 30 or 40 per cent of the farm families are credit-worthy and can become members. In other words, out of 71 millions of self-supporting 'agriculturists', only 20 to 30 millions are now eligible.

8. Credit-worthiness depends upon repaying capacity which is determined *inter alia* by the following considerations:

- (i) title to the land and level of rents;
- (ii) size of the holding and fragmentation;

(iii) condition of the soil, rainfall and irrigation and

(iv) availability of short, medium and long term credit on moderate terms.

(i) Tenancy-laws are being enacted in States which are improving conditions in regard to the first of the above factors. These laws guarantee security and fair-rents and, in most cases, enable tenants to acquire ownership by compensation to landlords in easy instalments.

(ii) Small and uneconomic holdings also affect credit-worthiness. Even a sizeable but fragmented holding reduces productive capacity. A programme of diversification of agriculture, introduction of mixed farming, and cottage industries is envisaged in national extension blocks. Consolidation of holdings should be a normal activity in all such areas.

(iii) The Plan provides for an investment of Rs. 670 crores on irrigation works, which are expected to irrigate 20 million acres. A further expenditure of Rs. 40 crores is being incurred for medium irrigation works in scarcity areas. Further, provision has been made for contour-bunding and soil conservation programmes in dry-areas. In the Second Five Year Plan, such measures of irrigation and drying farming techniques will be continued on a larger scale.

(iv) Provision has been made in the Five Year Plan for short, medium and long term credit to agriculturists. The rural credit survey conducted by the Reserve Bank of India which has just been completed will enable the governments in India to frame suitable policies in this regard.

9. When all this is said, it should be recognised that the real solution lies in creating among the seventy million rural families in India a change in outlook, an enthusiasm for new knowledge and new ways of life, and a burning desire for a higher standard of living and a determination to work for achieving it. This is the task facing co-operative workers all over India: At all times, the movement has been fortunate in enlisting the services of hundreds of men and women with faith in its possibilities to whom co-operation is almost a religion. Such workers are now needed in growing numbers for we want to bring every family in India under the movement in the next few years. This is an exciting adventure and I appeal to young men and women with the true spirit of service to devote themselves to this great work.

Madras in Co-operation

SRI VAIKUNTH L. MEHTA.

Chairman, All India Khadi & Village Industries Board, Bombay.

In Madras, I trust, the Golden Jubilee of the Co-operative Movement will be celebrated with greater eclat than anywhere else in India, because, to my mind, it was in Madras that the foundation of co-operation was laid in 1903. It is true that somewhere at the beginning of this century attempts were made to form rural credit societies at a few places in the Uttar Pradesh and the Punjab, by M. Dupérneix, Sir Edward Maclagan and some British officials. Whether these societies survived for more than a few years is however doubtful. Therefore, the true pioneers were Shree Srinivasa Sastri and colleagues who started in 1903 the Triplicane Urban Co-operative Credit Society Ltd. which has not only survived for the whole of the first half century of the co-operative movement in India, but has become the centre of inspiration for consumers' co-operation in the country.

It was in Madras, again, that we witnessed the establishment of the first apex co-operative bank in India, started in 1905 by one of the ablest Registrars of Co-operative Societies of his times, Shree Ramachandra Rao, the institution is one of the most well-organised and well-managed ones of its type in the whole of India, having had the benefit of the guidance by some of the distinguished co-operators the country has produced. Foremost among these I reckon Shree V. Ramadas Pantulu, the ablest among our co-operative leaders, of the first half century.

The honour of establishing the first co-operative Journal also belongs to Madras; as the accredited organ of the co-operative movement, "the Madras Bulletin (now Journal) of Co-operation" has rendered yeoman service to the cause and has always been a valuable forum for the ventilation of views and the formation of sound thought. What a galaxy of talent it has had the good fortune of attracting! To mention just a few names, Shree V. Venkata Subbaiya Prof. S.K. Yegnanarayana Iyer and Prof. K. C. Ramakrishnan, these co-operators and thinkers can by their devoted services stand comparison with co-operative publicists anywhere in the world.

The first co-operative land mortgage bank was started in the Punjab, but the foundations of this branch of the movement were, I would assert, laid in Madras. Among all parts of India it is in

Madras that co-operative land mortgage banking has taken root and flourished. As in the sphere of consumers co-operation, it is to Madras that co-operators from other parts of India look for guidance and direction in this sphere also.

The organization of the handloom in co-operative societies may have had its origin elsewhere in India. But in this field, too, nowhere has organization proceeded on such systematic or comprehensive lines as in Madras. However, I need not multiply instances; the contribution of Madras to the cause has been unique.

There is, therefore, every reason for co-operative workers in Madras to congratulate themselves on the achievements that the movement has recorded so far. But, as elsewhere in India, there is no room for complacency. There are many new fields to cover, there is scope for both intensive extensive development, and there always is need for building up inner strength. Let co-operators in Madras take courage from the successes of the pioneers in the various fields, emulate the spirit of devotion, and thus with renewed faith apply themselves with vigour and enthusiasm to the fresh tasks that now confront them.

The Co-operative Movement in India

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

Registrar of Co-operative Societies, Madras

The Co-operative Movement in India was introduced in 1904 when the Co-operative Credit Societies Act was enacted. It was conceived as a method of relieving rural indebtedness. Hence, the Credit Societies Act provided only for the registration of Co-operative credit societies. Rural credit societies were established in most of the provinces in India on unlimited liability basis and urban credit societies were set up in towns on limited liability basis. Some of the larger urban societies financed rural societies in addition to lending money to their own individual members. As years rolled on and the number of credit societies increased, the need was felt for establishing Central Co-operative Societies for financing them and for supervising them. It was also felt that Co-operative Societies should not be registered only for providing credit but should also be registered for activities like the supply of members' requirements or the sale of their produce. Hence, a fresh law was enacted in 1912, known as the Co-operative Societies Act, which permitted the registration of federations of societies and the registration of societies for non-credit activities. The immediate effect of the new Act was to stimulate the growth of the movement. The number of societies, their membership and their working capital increased steadily. New types of societies for the sale of produce and the purchase of manures, seeds and implements, for the supply of domestic requirements, for the development of cottage industries etc. etc. were registered and showed signs of prosperity. Before promoting the further expansion of the movement, Government wished to be sure that these societies were developing on sound lines. They therefore appointed the MacLagan Committee in 1914 to review the working of the movement and make recommendations thereon. The report of that Committee was published in 1915. It made far reaching suggestions for the further development of the movement. Even to-day that report is considered to be an authority on the principles of co-operation and the practical lines of its development.

2. When the Montague-Chelmsford Reforms of 1919 introduced changes in the administration of the country, "Co-operation" became a provincial transferred subject and was entrusted to a Minister. Most Ministers of Co-operation in the provinces took a

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lively interest in the expansion of the co-operative movement and many new societies were registered and developed. In some of the provinces, committees of enquiry were appointed to take stock of the progress made by the movement and to chalk out further lines of progress. The Oakden Committee of the United Provinces, the Calvert Committee of Burma and the Townsend Committee of Madras were some of the more important of the committees so appointed. Separate Provincial Co-operative Societies Acts were enacted in the provinces of Bombay, Bengal, Burma, Madras, Bihar and Orissa. The Madras Co-operative Societies Act enacted in 1932 is still in force in this State. It clarifies the objective of co-operative societies as "the promotion of thrift, self-help and mutual-aid among agriculturists and other persons with common economic needs so as to bring about better living, better business and better methods of production". The Vijayaraghavachariar Committee of 1939 recommended certain modifications to the Madras Co-operative Societies Act; but these have not yet been embodied in the law.

3. The slump in agricultural prices and the consequent decline in the income of the farmer during the depression which began, in 1920 brought about a set back in the co-operative movement. Credit societies recorded overdues in repayments, trading societies sustained losses and co-operators generally were discouraged. But the Second World War eased the situation. Agricultural prices rose, agriculturist members of co-operative societies paid off their overdues; and deposits increased in well-managed co-operative banks; but the demand for fresh loans became fewer and smaller. As a consequence, many financing banks in the country were surfeited with funds. Luckily, the economic conditions created by the war led to the introduction of controls for the distribution of food stuffs, cloth, fuel, etc., which imparted a stimulus to the growth of consumers co-operative stores to obtain articles of consumption from Government at controlled prices for distribution among their members as well as among non-members. The stores movement flourished best in Madras where the co-operative wholesale stores handled stocks to the tune of 22 crores of rupees in a year and the primary stores affiliated to them retailed goods to consumers to the extent of 24 crores of rupees a year.

4. In 1944, "planning" came into prominence in various spheres of activity. The 14th Conference of Registrars of Co-operative Societies in India considered that even in the sphere of

co-operation a certain amount of planning without interfering with the voluntary character of the movement would be desirable. Hence, a Co-operative Planning Committee was appointed by the Government of India in 1945 under the chairmanship of Sri R. G. Saraiya, Chairman of the Bombay Provincial Co-operative Bank, Ltd. This Committee made elaborate recommendations in regard to the application of the co-operative method in agricultural production, animal husbandry and fisheries, agricultural and urban credit, marketing, small and subsidiary industries, labour in civil construction, retail distribution, housing, health and better living, insurance, transport, etc. It recognised however, that the co-operative movement was basically a movement for the economic uplift of the villages and stressed the importance of developing co-operative societies there. It recommended that an attempt should be made to bring 50 percent of the villages and 30 per cent of the rural population within the ambit of primary co-operative societies within a period of 10 years and that these primary societies should be reorganised into multipurpose co-operative societies catering not only to the credit needs of their members but also to their other requirements by supplying seeds, manures, agricultural implements and domestic goods and by marketing their agricultural produce, milk and cottage industrial products. Madras took up this recommendation with enthusiasm. Backed by Government help towards the cost of supervision, central co-operative banks in the State addressed themselves to the task of multiplying and strengthening village co-operative societies and putting them on to multiple activities. As a result, on 30th June 1953, the number of village co-operative societies rose to 17201 from 11735 in 1947. They covered 68.41 per cent of the villages in the composite Madras State before the Andhra State was constituted. The percentage of rural population covered by these societies rose to 20.11 from 13.88 in 1949. On 30th June '53 the total working capital of the village co-operative societies amounted to Rs. 13.77 crores.

5. The benefits conferred by the co-operative movement on the masses of the country are also evidenced by the development of the weavers co-operative movement. Madras has recorded striking results in this direction with the State Handloom Weavers Co-operative Societies to which are affiliated a number of primary weavers Co-operative Societies consisting of handloom weavers. Before the separation of Andhra, this State Society comprised 1191 Primary Weavers Co-operative Societies consisting of 2.23 lakhs of

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handloom weavers. They disposed of handloom cloth to the value of about 10 crores of rupees per annum. Recognising that the handloom industry provided employment for a large part of the population and that it was heading towards decay owing to slump in trade, the Government of India came to its rescue by levying a cess on mill cloth and building up the Handloom Development Fund to subsidise the industry. The help given out of this fund for the spread of co-operative handloom weavers societies and for the sale of their products both within and outside India is paving the way for establishing the co-operative handloom industry on a permanent basis. The Co-operative Spinning Mills erected at Guntakal with the handloom weavers societies alone as its shareholders has begun to manufacture and supply these societies the yarn they need. Another Mill of the kind is expected to be put up in the south shortly. When weavers societies produce in their own mills all the yarn they need for manufacturing handloom cloth they will be in a position to compete on fairly equal terms with composite mills erected by capitalists.

6. This brief account of the history of the co-operative movement in India and a reference to a few lines of its development may be concluded by indicating one important factor which has governed it from its inception upto-date. This is the fact that the movement was initiated by Government and nursed by them. Though 50 years have elapsed and though the credit side of the movement is fairly self-sufficient, yet the co-operative movement cannot be said to be completely independent of Government. On the other hand, a Welfare State pledged to promoting the welfare of its citizens proffers more and more help to the movement and co-operators are prone to receiving this help with avidity. 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 the economic independence among its members. Let us hope that the celebrations of the Golden Jubilee of the movement will inaugurate a new era in which thrift and self-help will receive greater attention than in the past.



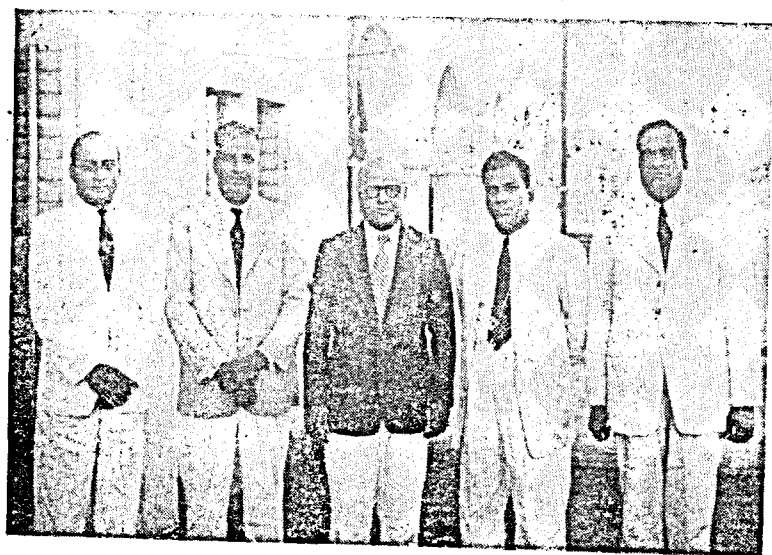
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Joint Registrar of Co-operative Societies, Madras



Golden Jubilee Celebration Committee:
*From Left to Right: Sri C. R. K. Chetty ; Sri A. Palaniappa Mudaliar ;
Dr. P. Natesan ; Sri V. Balasundaram ;
Sri S. Satyamurty*

Co-operation in Madras State

SRI A. PALANIAPPA MUDALIAR, M.A.

Dy. Commr. of Prohibition, (Amln.) & Jt. Registrar of Co-op. Societies.

The Co-operative Movement in Madras State, as in the rest of the Indian Union, is now fifty years old, taking its origin in the memorable Co-operative Credit Societies Act of 1904. The chief object with which the movement was introduced in India was to deal with the stagnation of the poorer classes and more especially of the Agriculturists who constituted—and still constitute—the bulk of India's population. The Act was hailed as the most helpful method of dealing with the problem of rural indebtedness. At the same time its cardinal object was to encourage a genuine Indian movement to spring up based on those broad principles which must necessarily underly any organisation claiming to be called co-operative. In 1919, Mr. Henry W. Wolff observed that the passing of the Co-operative Credit Societies Act of 1904 bade fair 'to rank in after time as a turning point in Indian economic as well as in Indian social history.' No prophesy has become more true. For the movement has expanded with commendable success in multifarious directions undreamt of by the framers of the Act of 1904 and to-day there is scarcely any sphere of human activity in which it does not play a worthy role. Its achievements during the last decade have been particularly impressive and it has a great vista of possibilities for the future. The remarkable progress of the co-operative movement in India is due not only to its inherent vitality but also to the innate spirit of fellowship and mutual help that underlies the economic and social life in the country. The principle of co-operation is not one which is new to this country, though officially and in the present form it dates from 1904. And it was practised in some form or other by the village communities in ancient India. Being suited to the genius and the traditions of the people, the Movement has naturally struck deep root in the country and is bound to gather further momentum and be of greater service to the people in the coming years.

2. Co-operation has a philosophy of life and a mission of its own. The theory of co-operation is that an isolated and powerless individual can by association with others and by moral development and mutual support obtain in his own degree the material advantages

available to wealthy and powerful persons and thereby develop himself to the fullest extent of his natural abilities. By the union of forces, material advancement is secured and by united action self-reliance is fostered and it is by the inter-action of these influences that there is scope to obtain the effective realisation of the higher and more prosperous standard of life which has been characterised as 'better business, better farming and better living.' Co-operation is a middle path between capitalism and communism. It retains the individual liberty and personal freedom of the former and promotes the joint action of the latter. The co-operative society is a democratic institution which by pooling the resources of its members and making self-help effective through mutual aid and by promoting solidarity on the principle of each for all and all for each, renders best service to its members and also to the society in general. It provides the maximum opportunity for the development of the individual and the exercise of his creative ability for social welfare. Its motto is service and not profit. In the economic level the widening gulf between moralism and materialism is bridged by co-operative institutions through practice of morals. The peculiar feature of co-operation is that it is intended to meet not only the material needs but also to help the moral development of the people by the practice of mutual help, thrift, integrity, joint endeavour, etc. Co-operation is effective not only against the economic ills of the masses, but it also generates among them a sturdy feeling of self-reliance. By pooling their experience and knowledge and by helping one another, they can not only find the solution of individual problems but also become better citizens. There is a tendency not only among the outside public but also among supporters of the movement to belittle its moral aspect and to regard it as superfluous idealism. The occasion of the Golden Jubilee of the Movement should provide an opportunity to the numerous workers engaged in it to rededicate themselves to the lofty principles and ideology of the movement.

3. To Madras belongs the honour of having taken the first step towards the introduction of the co-operative movement. For in 1892, the Government of Madras appointed one of its senior officers, Sir Frederick Nicholson to study the methods of the Land and Agricultural Banks which prevailed in Europe and to report how far they could be adapted to Indian conditions especially in the Madras Presidency in order to relieve rural indebtedness. His valuable

report formed the basis for the Act of 1904. When the Montague-Chelmsford reforms were introduced under the Government of India Act of 1919, co-operation became a Provincial subject and the Provincial Governments began to take steps to effect further improvements in the working of the movement. The Madras Government appointed the Townsend Committee in 1927 which examined the progress made by the movement and made recommendations for its further development. They undertook separate legislation on co-operative societies and in 1932 the Madras Co-operative Societies Act VI of 1932 was passed. This Act enlarged the scope of the movement by omitting from the preamble the words 'men of limited means' found in the All India Act of 1912 and by laying down the object of co-operative societies as the promotion of thrift, self-help and mutual aid among the agriculturists and other persons with common economic needs. In 1934, the Madras Land Mortgage Banks Act was passed for regulating the working and development of the Land Mortgage Bank. The Vijayaraghavachari Committee on Co-operation appointed in 1939 made further recommendations for the expansion of the movement. The conditions created by the World War No. II contributed to the phenomenal development of the movement particularly in the field of production and distribution. Co-operative organisations have come to be harnessed to the solution of various problems in the sphere of food procurement and distribution, relieving house shortage in urban and rural areas, supply of yarn to weavers and sale of handloom cloth, rehabilitation of ex-servicemen, resettlement of ex-toddy tappers, etc. Every year the agricultural co-operatives which constitute the primary unit of the co-operative structure, are disbursing more than 10 crores of rupees by way of short-term loans to the ryots for their agricultural operations at $6\frac{1}{2}$ per cent interest per annum which is the lowest rate of interest charged in the Indian Union. The Reserve Bank of India has been in recent years extending its support to the co-operative movement by providing funds for the supply of agricultural credit. 68 per cent of the villages in the Madras State are covered by co-operative credit societies and 20.11 per cent of the population are served by them. The 10,203 rural credit societies have a total membership of 8.72 lakhs with a paid-up share capital of Rs. 122.80 lakhs and they undertook multipurpose activities to the tune of Rs. 84.5 lakhs in 1953. The 15 Co-operative Central Banks issued loans to the agriculturists to the tune of Rs. 5.64 crores during 1953.

73 Land Mortgage Banks issued loans to the extent of Rs. 48.66 lakhs. The District Co-operative Wholesale Stores and the primary stores procured food grains and other goods to the extent of Rs. 1,238.62 lakhs and distributed food grains and other goods to the value of Rs. 1,370.48 lakhs, during the said year. Co-operatives have come to the rescue of the weavers and 93,833 looms have been brought within the fold of 539 weavers co-operative societies which produced 2.69 crores worth of cloth. The house building co-operative societies issued Government loans to the extent of Rs. 49.34 lakhs during the financial year 1953-54. The land colonisation co-operative societies for civilians and for ex-servicemen have brought 9,473 acres of land under cultivation mostly food grains. There are 143 cottage industrial societies and they are engaged in the production of metal goods, leather goods etc. There are 1,527 palm jaggery co-operative societies with 1.25 lakhs ex-toddy tappers employed in the production of palm jaggery. Madras has thus made great strides of progress in varied directions to serve the cause of the common men. It occupies a place of pride in the co-operative movement of India and has set the pattern of co-operative development for the rest of the country, thanks largely to the great support and encouragement it has received from Government, the fostering care and guidance of successive Registrars who were in charge of the movement and above all to the labours of the vast body of non-official workers who have given their time and attention to it. Indeed, it is the Mecca of Co-operators in India, nay, in the Far East.

4. With the advent the popular Government in the State after the achievement of political independence, co-operatives have been called upon to play a more important and vital role in the promotion of the socio-economic welfare of the people. In a Welfare State like India, a people's organisation like the co-operative movement is pre-eminently suited to function as a medium for the implementation of the welfare schemes of the Government. In fact according to the Planning Commission the co-operative form of organisation is an indispensable instrument of planned economic action in a democracy. A policy of co-operative development under State direction and a policy of utilising the co-operative movement as an instrument for the implementation of State policy are not inconsistent with the voluntary and autonomous nature of co-operative organisation. It may be interesting to quote in this connection the views expressed by G. D. H. Cole, an eminent British Economist:

"I do not see why Co-operative Societies need hesitate, when opportunity offers, to act as agents of the State, for example, in supplying all the inhabitants of a particular area with milk or coal—even if this involves some departure from the voluntary principle".

It should not be difficult for the co-operatives without sacrificing their individuality and independence of action to adjust themselves to the changing conditions and extend their sphere of service and usefulness to a wider section of the community as and when called upon to do so.

5. The record of Co-operative progress achieved in the Madras State has indeed been fine. Let us not however rest content with our past achievements however great they may be. Let the celebration of the Golden Jubilee be the beginning of a new era of increased and diversified co-operative activity. The field yet to be covered is large. As the Planning Commission has observed "the possibilities of co-operation in the vast fields of primary production, of cottage and small scale industries, of marketing of agricultural produce, or residential housing, of wholesale and retail trade are immense and the encouragement of co-operative enterprise in all these fields has to be given high priority". If, however, co-operative effort should be intensified and the healthy growth and expansion of the movement in all economic spheres ensured, there should be incessant propaganda, careful planning, successful execution and vigilant control. Above all there should be no dearth of leadership. The co-operative organisations provide the best opportunity for social service of a high order and in proportion as the movement is able to secure leaders imbued with missionary zeal and inspired by the high ideals of the movement, the success of the movement will be ensured. Madras may well be proud of having produced eminent co-operators, official and non-official. The day-to-day administration of the co-operatives calls for sincere, trained and honest workers imbued with the true co-operative spirit and animated by a zeal to work for the benefit of the constituents. It is of the utmost importance, therefore, that the movement should find men of high calibre and character to manage the co-operatives. Guided properly by zealous co-operators and well-trained officers the movement has every reason to look forward to an increasingly effective and useful role in shaping the future of the country. Will it be too much to hope that

men inspired by the high ideals of the movement will be forthcoming in large numbers so that the ever expanding activities of the movement may be guided and carried on along right lines and the co-operatives may play their legitimate role in the economic advancement of the country truly and well and help in the great task of building a New India.

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THE CO-OPERATORS' BOOK DEPOT,

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Need For A Survey of Co-operative Progress

PROF. S. KESAVA IYENGAR,

Director, The Indian Institute of Economics, Hyderabad-Deccan.

Rather an Old Baby

In independent India with a Co-operative Commonwealth as the ideal, there is no longer any justification for boosting or make-believe, specially in the co-operative field. It is rather a happy occasion that the Golden Jubilee of the Co-operative Movement in India is being celebrated, but I cannot refrain from pointing out that there is some similarity between the Indian Co-operative Movement and Courts of Wards Departments in pre-independent India: once I read in an administration report that two Wards were 52 years old each! Even during 7 years of independence, the official character of the Co-operative Movement in India has not lessened, and so long as there is no improvement in this fundamental respect, this Movement is bound to continue, if not as a bottle baby, at least as a 60 year old baby by the time the Diamond Jubilee celebrations approach.

Salient Benefits

A few well known benefits of the Co-operative Movement may now be enumerated. Except, for a few out of the way rural pockets, the common citizen has some idea of the Co-operative Movement. The working capital of Co-operative Societies in India has grown substantially although from the view point of the population, the progress achieved cannot be considered as satisfactory or even passable. By far the biggest benefit derived by the entire population of the country on account of the Co-operative Movement is the general reduction in the structure of interest rates on account of models set up by Co-operative Societies. Here and there, special kinds of Co-operative Organisations have benefited particular sections of the community in selected areas like the Land Mortgage Bank Movement in Madras, the Consumer Movement in Madras City, Insurance in Madras and Bombay, Co-operative Education in the same two States, etc. Several Enquiry Committees were appointed in different States through the past five decades, and their reports did make valuable contribution to expert knowledge and publicity about the Movement and its problems.

Swan Songs

But as I said in a recent note of mine in the *Indian Co-operative Review*, frank examination of pitfalls has not been characteristic of

co-operative progress. Often-times, glowing accounts of the Movement in this or that State, written or sponsored by the Registrar of Co-operative Societies concerned, was published by this All India Co-operative Journal without any consideration for matter of fact. I swooned almost when accidentally I heard a Registrar giving a Radio Talk on the International Co-operators' Day a few years ago to the effect that Grain Banks in his State had proved a model for the whole world! As a matter of fact, a high percentage of them were defunct, the cash balance having been misappropriated by the members of the Committee: The Department itself had about the same time cancelled the registration of thousands of them. We are in the midst of the Five Year Plan, and we have the Indian Co-operative Union saddled with the responsibility for agreeing on a commensurate first and second Five Year Plan Co-operative Movement. Of course, Central Planning presumes the collection of fundamental data. It is true that the Reserve Bank of India organised a country-wide Rural Credit Survey, and the report is expected everyday. I have seen the questionnaire and the schedules: they are quite panoramic and imposing. I do not know to what extent this report would serve the purpose of a survey of Co-operative Progress. I content myself by referring to a few salient points on which we solely require correct data.

Compulsory Co-operation

"Compulsory Co-operation" is still continuing rampant. "Non-returnable" shares have made numerous members sceptic about the *bona fides* of the Movement. Names of dead members are continued for years as also those of nominal shareholders and others not having any transactions with the concerned Society for any number of years. Arbitration and Liquidation Awards are given by Matriculate (sometimes non-matriculate) Inspectors with no reference to any time bar usually observed in civil claims. Most often, the awards are given *in absentia*, and priority is given to co-operative claims even though the registration of lands in favour of the money lender concerned had been prior. Some amounts have been written off from time to time against overdue interest and bad and doubtful debts, but numerous and loyal members have paid more than double what they borrowed while the agitating members escaped with much less burden.

Valuation of Assets

Property statements in unlimited liability societies generally err on the wrong side, but recent revisions do not seem to take into

account the general fall in the value of land on account of land reforms passed or contemplated.

Nominal Transactions

An examination of borrowings and repayments by members during the previous five years should perhaps reveal that while some have no transactions, at all, many do have only nominal transactions, the bulk of crop financing having been done by the merchant-cum-money lender. An assessment of the ratio of co-operative debt to debts due to money lenders should prove highly useful in enabling the Authorities to appreciate the rather superficial character of co-operative financing.

Huge Lacunae

Leaving aside the non-agricultural population in the villages, families could be classified into:

- (a) non-resident non-cultivating landholding families
- (b) resident non-cultivating landholding families
- (c) non-resident cultivating landholding families
- (d) resident fully cultivating landholding families
- (e) resident partly cultivating landholding families
- (f) resident cultivating-cum-tenant-families
- (g) resident landless tenant families
- (h) resident agricultural labour families with small plots of lands (mostly *Inam*)
- (i) resident agricultural labour families with no lands.

The Rural Co-operative Movement, in the course of 50 years, might have benefited a small percentage of only sections *b, c, d, e,* and *f* while *a, g, h* and *i* are out of the picture by definition. One wonders if any scheme has been even thought for the benefit of the landless tenants and agricultural labour families. The Tenant Purchase Scheme is veritably a moon in the mirror.

Co-operative Education

Co-operative education, publicity and propaganda has generally been left as a gap although any rational policy should have given the pride of place to this kind of work. Audit reports have been written and recorded for several decades but even many literate Secretaries do not know the rate of interest paid, by individual members, and the rate of interest paid by the Primary Society to the Central Bank. By 1953, the Reserve Bank of India advanced to the position of recognising one Co-operative College at Poona as a

satisfactory All-India Training Centre: whether this is due to proximity or merit (Madras courses are equally efficient, if not better) it is difficult to say.

Commercial Banking

Commercial Banking on small scale by Co-operative Institutions is being discouraged by the Reserve Bank of India as though the low-paid Government servant, factory employee and proprietary labourer has no right to benefit through the Movement, and there is a close analogy between this section of urban areas and section *g, h* and *i* enumerated above in rural areas.

Baby Finance

I used the phrase "Baby Finance" in the course of my Address at the Jaipur All India Economic Conference. This applies as well to the Co-operative Movement as to general scales of capital investment by Central and State Governments. Co-operative Farming, Co-operative Insurance, Co-operative House Building, Co-operative Tenant Purchase, and most important of all, Co-operative Crop and Cattle Insurance are mostly below the horizon although the Reserve Bank of India issues a biennial review of the Co-operative Movement in India, comprising more Co-operative poetry than co-operative commonsense.

Honesty of Purpose and Strenuous Effort

The few points dealt with in this brief note should make a clear case for the need, rather the urgent need for a survey of Co-operative Progress in India: we have passed the stage when we could continue complacent with academic discussions and pious resolutions. We want money, we want men—in adequate quantity, quality and numbers. How soon the *Kamadhenu* of the Co-operative Movement could produce the requirements of the nation would depend on how soon we shed Dr. Goebbels and understand and admit where we actually stand. The Diamond Jubilee is still 10 years ahead. Let us hope that with a higher level of honesty of purpose and strenuous effort, we shall have something more satisfactory to say about ourselves by that time. In advanced countries, there are Co-operative Parties in politics, but here in India there is serious fear of politics sweeping among the Co-operative Movement into the venerated scrap-heap.

How the First Society Was Started in Madras

(Extract from the speech of the late Sir P. Rajagopalachariar, the first Registrar of Co-operative Societies, Madras, delivered on the 25th March, 1925 at Kancheepuram.)

"My relation with Mr. Audinarayana Ayya Garu in the field of Co-operation began with my appointment as Registrar of Co-operative Societies in July 1904. The official and public discussion on the subject has begun some years previously with the publication of Mr. Nicholson's standard work on "Agricultural Banks." This work has been subjected by the Board of Revenue to scathing criticism, the considered opinion of the Board being that the village banks proposed were thoroughly impracticable, that it was by no means certain that they would lower the rate of interest, that even if such lowering took place it was by no means certain that it would be good, that what little thrift the ryots had would disappear, that the total volume of their indebtedness would increase, and that on the whole, the last state of the agricultural population would be worse than the first. The Madras Government evidently unable to decide on these conflicting views, compromised by placing a sum of, I believe, Rs. 2,000 at Mr. Nicholson's disposal and asking him to experiment with the proposed village banks. I need hardly say that no such experiment could be made for the obvious reason that, in the absence of any law, it was not possible to organize a bank as there was nothing to keep the members together or to define their rights and duties. Fortunately, at this time, Lord Curzon, the then Viceroy, took the matter in hand and appointed an All-India Committee to go into the whole question. The Committee met at Nainital and as a result of its labours, the Co-operative Credit Societies Act X of 1904 was passed. When I was appointed Registrar, I found that most of those who talked on the subject had read the Board's criticisms of Mr. Nicholson but not Mr. Nicholson's Report. And I confess with sorrow that I was in that category. As a result it was widely believed that the failure of the movement was a foregone conclusion. It must be said to Mr. Audinarayana Ayya's credit that he was one of the very few who had made careful study of Mr. Nicholson's voluminous work and what was more, he had by the time that I met him convinced himself of the feasibility of the scheme of village banks. Mr. Audinarayana Ayya offered to start the first rural bank in his village of Tirur and I gladly agreed as I

felt with him that a village bank would have the fairest trial. I had occasion to attend several meetings of the Tirur Rural Society and I marvelled at his methods: They were educative in the highest sense of the term. Mr. Audinarayana Ayya generally sat on the floor along with his fellow villagers and he allowed them to discuss all questions *ad nauseum*, contenting himself with interposing when things went wrong and even then, only if the mistakes were such that they would have serious consequences, if not immediately corrected; in all other cases, his policy was to allow mistakes to be committed and make the ryots learn by experience. I gained a great deal from observing his methods and what I learnt from him I carried to other places."

The Co-operative Way of Life

SRI T. NARAYANA PILLAI, B.A., B.L.

Joint Secretary, Madras State Co-operative Union.

The people of the World adopt either the predominantly capitalist way of life or the socialist way of life. Both the systems have their own advantages and disadvantages and a third system called the Co-operative way of life has emerged embodying the advantages of both the systems, and mitigating to very large extent the evils in both the systems.

America is having an economic system of capitalist democracy and Russia is having a totalitarian socialist state. But no Government has yet adopted the Co-operative way of life fully. But for Bharat the ultimate aim according to the Constitution is to establish a Co-operative Commonwealth on democratic lines. The democratic principle of America as opposed to the dictatorship of Russia is India's aim. But the Indian Welfare State aims at the economic democracy envisaged in Russia as opposed to American individual competition system.

A mixed economy is in evolution for the final achievement of the Co-operative State. In spite of the old Indian village panchayats the common man has to be educated in the democratic principles both in economic and political fields. Economic freedom by Co-operation has yet to take firm root with the common man in spite of the spectacular achievements and developments of Co-operation in India. The Government and the well-established co-operative societies do not spare any efforts in propagating the co-operative principles, in the economic field. Training to supervisors, training classes for Panchayatars and the constant tours of officials and non-officials have awakened the people to the advantages of the Co-operative way of life, and ingrained in them the principles of Co-operation.

The remarkable achievement of Indian Co-operation is in the reduction of the rate of interest to agriculturist borrowers. Most of the States have progressed satisfactorily towards the target of 50 per cent of the villages and 30 per cent of the population set for bringing under the Co-operative Societies.

The common man at times is alarmed at a few malpractices, misappropriations and mis-management in Co-operative Societies. When compared with the total volume of co-operative business, the

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failures and shortcomings are very few, but the capitalist press and the capitalists make much of them to discredit the movement. But the movement has taken a strong hold upon the people and is developing slowly and steadily on well-recognized principles, embracing large sections of the population and has covered every walk of life.

In some European countries trade union leaders were averse to Co-operative Organisation. But among factory labourers the movement has taken a strong hold and the trade unions have come to recognise the utility and importance of labour co-operatives and rival trade unions are vying with one another to capture the labour co-operatives. In the same way to get elected in the rural constituencies, political parties are working the village co-operatives and giving them their support. But the co-operators in India have kept their heads cool above party politics and have given their support only to those people who support a co-operative way of life, instead of identifying themselves with rabid politicians of either group. But in spite of this, co-operators have to learn a good deal in the democratic management of co-operative institutions which are essentially economic. The basic principle of co-operative democracy is that anyone can join the society, voluntarily and the management is vested only in the elected representatives.

But this movement, though it has taken root, has to grow in strength and volume to stand the storm of selfish capitalist aggression.

But many people criticise the power of the Registrar to supersede the committee or the board of directors and force the general body to remove recalcitrant undesirable selfish men, from the management of the societies and sometimes even from the general body. These powers are absolutely necessary for the infant co-operative movement, if it is to survive as a way of life. Even in the administration of the State all powers can be assumed by the President, under Section 356 of the Constitution. In economic matters pruning and removal of the weeds is essential for the healthy growth of the movement.

The next serious objection is that the movement caters only for a section of the people and not for the whole populace. The answer is that the door is wide open and that anyone can come and join the movement. It is against the basic principles of co-operation that

all the people living in the area must be compelled to join the movement. How could money-lenders, traders, master weavers, etc., who want to compete with co-operatives to gain individual wealth for themselves and their dependents join the movement? It is only when the illiterates and simple-minded villagers can see the prosperity and progress of individual co-operatives that they will apply for membership.

In some of the European States, compulsory co-operation has been tried, but it has not given lasting benefit and success. India being a Welfare State, can it not use compulsory co-operation at least in certain spheres like *kudimaramath*, health and educational services, consolidation of holdings, big farm cultivation, etc? If this compulsion is applied, it is the negation of democratic co-operation and akin to the totalitarian co-operation of communist Russia. Prudence and wise statemanship have influenced the independent Government of India not to adopt the compulsory principle. A benevolent dictatorship even in a small measure, is no substitute for democratic management.

I envisage the days, when the executive of the co-operatives will be the executive of the States in their respective territorial divisions like the village panchayat, the taluk or local boards, the State Government and the Union Government. Though there are major industries, the backbone of the nation is the agriculturist in rural India and he is co-operative-minded. The several schemes sponsored by the Government to raise the standard of the living of the people, to eliminate unemployment, and to ensure efficient production and distribution, the major agencies can only be the multipurpose agricultural co-operative societies, agricultural improvement co-operative societies, consumer co-operative stores and village industrial co-operatives, backed and financed by the Co-operative Central Banks and State Co-operative Banks.

In the community projects and the national extension scheme areas the fostering of oneness and economic advancement and development can only be through the infallible application of co-operative principles with democratic management of their economic and social institutions. The same spirit can be made to pervade the town life also and as the final goal is reached the Co-operative Common wealth will become co-extensive with co-operative organisation.

SECTION II

Co-operative Credit.



SRI M. D. KUMARASWAMI MUDALIAR,
President, Madras State Co-op. Bank, Ltd.,
&
President, Tirunelveli Dt. Co-op. Central Bank, Ltd.



SRI C. S. RATNASABAPATHI MUDALIAR,
President,
Coimbatore Dt. Co-op Central Bank, Ltd.



SRI M. P. NACHIMUTHU MUDALIAR, B.A., B.L.,
President, Madras State Handloom Weavers'
Co-operative Society, Ltd.

A Note on The Madras State Co-operative Bank, Ltd.

SRI C. R. K. CHETTY, B.A., A.I.I.B.

Secretary, The Madras State Co-operative Bank, Ltd.

The history of the Madras State Co-operative Bank is really the history of the Co-operative Credit Movement in this State. The first Co-operative Credit Societies Act came into force in March 1904 and this Bank was the eighteenth Society to be registered under it. It commenced its operations early in 1906, and its first official year closed with a share capital of about Rs. 4,000, a deposit of Rs. 500 and a profit of Rs. 20. After about 50 years of steady work, its share capital, on 30th June 1953, had gone up to about Rs. 18 lakhs, reserves to over Rs. 60 lakhs, deposits to about Rs. 4.5 crores and profit to over Rs. 5 lakhs. On the partition of the Bank, consequent on the formation of the Andhra State, the assets and liabilities of the Andhra Central Banks were transferred to the Andhra State Co-operative Bank and the common funds were divided between the two Banks, with the result that the share capital stands to-day at about Rs. 11 lakhs, reserves at about Rs. 32 lakhs and deposits at about Rs. 3.6. crores. Those who were responsible for founding this Bank could hardly have envisaged the proportions to which it would one day grow. Nevertheless, they had the foresight and wisdom to make this Bank, from its very start, an organisation fully equipped to finance all the Co-operative organisations in the State. It was really a "State" Co-operative Bank from the very start; its byelaws permitted its operations throughout the State. In paying this tribute to the founders, we remember with pleasure the talented and illustrious son of India, Sir C. P. Ramaswami Iyer, who is one of the seventeen signatories to the registration of the Bank, and is happily amongst us to-day.

Constitution and Management

The constitutional history of the Bank may be broadly divided into 4 periods. The first was from the starting of the Bank in 1905 till March 1917. As already stated, the Co-operative Credit Societies Act of 1904 did not permit the registration of a "Central" Bank as understood now, and so the registration of the Bank had to be authorised by the Local Government under the Special provision of the Act. The Bank was registered under the name and style of "The Madras Central Urban Bank". It was more than "Central", as its operations extended to the whole of the State; it was not

'Urban' except for its location and it did not lend to individuals and though it was a Co-operative Bank, the word 'Co-operative' was not part of its name! The first shareholders of the Bank were only individuals, though the avowed object of the Bank was the financing of co-operative societies in the State. After the report of the MacLagan Committee was published, there was an agitation for the admission of Societies as shareholders with consequent rights in the Management. There was furious controversy on this question and the individual shareholders stressed the point that the constitutional change would spell the ruin of the Bank. There was some Governmental pressure—even a veiled threat to organise a rival bank.

In March 1917, the shareholders at last yielded, and the Bank entered on the second stage of its constitutional development. Societies were admitted as shareholders with certain safeguards to the original shareholders, who were styled, "Preference Shareholders." They were given a preferential right to dividend upto the maximum prescribed and to the capital in the event of liquidation of the Bank. Provision for the gradual elimination of the individuals was introduced by purchase of their rights from profits at a fixed premium of Rs. 60 per share of the nominal value of Rs. 100. The rate of interest on loans was not to be lowered without the sanction of the Government, who would not permit such reduction if it tended to militate against the interests of the preference shareholders. The strength of the Board was raised to nine, of which three seats were reserved for Co-operative Societies. Though the membership was thrown open to co-operative societies, the response from them was not encouraging. Even after 20 months of the new constitution coming into force, only 72 out of 2,816 Societies became members and subscribed a share capital of Rs. 12,900. Some Societies had even defaulted in the payment of the share calls. The response from Societies being thus poor, the idea of admitting new societies was abandoned; the Registrar ordered the postponement of the purchase of preference shares.

The year 1920 saw the third stage of the Bank's constitutional progress. In July of that year, it was decided the Central Banks alone should be admitted to the membership of the Bank, in pursuance of a policy of federating the Central Banks into a central organisation of their own; in other words, the State Bank was converted into a real apex bank. Consistently with this policy of

placing the Bank on the footing of a true financing agency and balancing centre for the Central Banks, and affording the latter a decisive voice in its management, the redemption of the preference shares started in 1923 and continued until each individual shareholder had only one share of the face value of Rs. 100 and redemption value of Rs. 160 in the Bank. To-day, the membership of the Bank consists of 157 individuals and 15 Central Banks. (The number of Central Banks was 31 on the eve of partition). Of the total share capital of about Rs. 11 lakhs, the shares held by individuals amount to not more than Rs. 15,700. In order to ensure an absolutely predominant voice to the Central Banks, voting at general meetings was based on the number of shares held, while the co-operative principle was 'one man, one vote'. Individual shareholders thus counting for nothing and with the elimination of even the small number of primary societies from the membership of the Bank in 1930, by redemption of their shares, the State Bank has emerged as a real Federation of Central Banks, practically owned and controlled by them.

Owing to this transformation, the Board of Management had to be reconstituted on an entirely new basis. Every shareholding Central Bank was allotted a seat on the Board, to which it could elect its nominee. The individual shareholders elected from among themselves 12 members to represent them on the Board of Management. Later the strength of their representation was reduced to five, and continued as such till the partition of the Bank in September 1953, whereafter it was reduced to two. The large size of the Board necessarily led to the creation of an Executive Committee, consisting of nine members, including the President and Vice-President. Though it was laid down that the majority of the members of the Executive Committee were to be representatives of Central Banks, the two offices and a third seat were generally held by the individual shareholders' representatives though they were only five on the Board—in view of their having to reside in the City as a qualification. But from 1938 onwards this practice was abandoned and even the electoral college acquired a mixed character, i.e., the entire general body electing the five representatives of individual shareholders. The strength of the Executive Committee was raised to 12 in 1946, and to 14 in 1948. The election of representatives of Central Banks was on the basis of one from each group of Central Banks. This was first done by convention and later introduced in

the bye-laws themselves. The Board of Management confined itself to passing the Budget and laying down policies, while the Executive Committee, by virtue of powers delegated to it by the Board and those conferred on it by the bye-laws themselves was virtually exercising extensive powers in the day-to-day administration of the Bank.

The fourth, and present constitutional change came into being in September 1953, when the Bank was reconstituted on account of the formation of the Andhra State and of a separate State Co-operative Bank to serve it. There are only 15 Central Banks and in the Residuary State, and they have 15 seats on the Board of the Reconstituted Bank. The strength of the representation to individual shareholders has been reduced from five to two, so that the total strength of the Board is 17. In view of this sizeable strength of the Board, provision for the election of an Executive Committee has been abolished.

Deposits and Working Capital

The Bank has been successful in the mobilisation of deposits. Except for short periods in 1921 and 1931, the Bank has never had any difficulty in finding deposits. The Government have authorised the investment in this Bank of the funds of Local Boards and Municipalities and Universities. Unlike commercial banks, co-operative funds are locked up for nearly one year in agriculture, and accordingly the Bank nursed up fixed deposits of not less than one year which form a considerable part of its working capital. The Bank began receiving current deposits from 1911. Next comes in importance the reserve fund deposits of Central Banks and Provincial Societies. Various other kinds of deposits, such as Prudential (commonly known as Savings), Recurring and Provident Deposits running from seven to thirty years and debentures were tried to attract long-term money required by the Movement. But with the starting of the long-term credit agency—The Madras Central Land Mortgage Bank—the receiving of long-term deposits referred to above were suspended.

The rate of interest offered on deposits depended on the conditions of the money market from time to time. The highest rate ever offered by the Bank was $6\frac{1}{2}$ per cent per annum; it went down to as low as 2 per cent; and to day the rates offered range between $2\frac{1}{2}$ and 3 per cent according to periods. Season deposits are also

accepted to tide over temporary additional needs by offering a quarter per cent more, during the season. It can be said with an amount of self-satisfaction that the rates offered by the Bank compare very favourably with those offered by the more reputed commercial banks, and the Bank has always enjoyed the confidence of the investing public.

In this State, the State and the Central Co-operative Banks have been able to secure the funds required for the financing of agriculture and there was no need for Government help at any stage, till the outbreak of the second World War. In fact, the State Bank found itself with a plethora of funds, which found their way to Government Securities, the interest on which formed the main source of profit for a considerable length of time. Some outlet for the funds of the State Bank was found only with the starting of District Wholesale Stores during war-time and their financing by the Central Banks. When the control and distribution of foodgrains was started in the war period, Government first entrusted the distribution of foodgrains—wholesale and retail—to private merchants; but it was found that they failed both Government and Country by their activities. It was then that the Government turned to the Co-operative Movement. The Co-operative Stores were entrusted with procurement and distribution of foodgrains, which demanded investment of large finance. The State Bank had to tap all sources to meet the ever-increasing demands of the Central Banks.

Real stringency was experienced only after 1946. The Reserve Bank refused to finance consumer-credit. The Imperial Bank also, at first, refused credit facilities even on Government guarantee. It was under these circumstances that the State Bank applied for and got a loan of Rs. 2 crores direct from Government. The first loan was repaid easily by the due date. Since then seasonal borrowing from Government became a regular feature, because of the large demand from Central Banks for financing procurement of foodgrains and, latterly, distribution of cloth. After about 2 years of direct finance by Government, the Imperial Bank changed its policy and began extending financial accommodation to the State Bank, on Government guarantee at first for the purpose of financing procurement operations, and latter for distribution of chemical fertilizers as well. The original limit of the advance was Rs. 3.5 crores. To-day it stands at Rs. 55 lakhs for the Residuary Bank, owing to its reduced needs.

Another major source for the augmentation of the working capital of the Bank has been the extension of credit facilities by the Reserve Bank of India for agricultural operations and marketing. That Bank offered to rediscount agricultural paper of approved Central Banks, counter signed by the State Bank, under section 17 of the Reserve Bank of India Act, and certain conditions, at the concessional rate of 2 per cent below the Reserve Bank rate. This credit facility is being availed of since 1948, but is restricted to agricultural paper of A and B Class Central Banks.

Loan Business and Policy

Though the Act of 1904 did not prohibit loans to individuals, yet in keeping with the object of the promoters of the Bank, lending was restricted to Co-operative Societies. The original bye-laws of the Bank did not provide for loans to individuals. In 1908, however, bye-laws were amended enabling the Bank to grant loans to individual members of the Bank against their deposits with the Bank and gilt-edged securities. From November 1920, with the permission of the Government loans were granted to non-members also on the security of their deposits, and from 1931 on the security of G. P. Notes also.

The first Co-operative Central Bank in State was started in 1909. Till 1920, loans were granted both to the Central Banks, and to Societies in districts where there were no Central Banks. From 1920, loans were granted only to Central Banks and the loans outstanding with primary societies, on account of direct finance, were gradually transferred to the concerned Central Banks.

From the early years up to 1920, the bulk of the loans granted by the Bank to primary societies and Central Banks were of a long-term nature, ranging from 7 to 10 years. After 1920, loans to societies were completely stopped. Since 1927, the policy was changed and loans were advanced for only one to three years. Since the outbreak of the second World War, there has been an increasingly large demand from Central Banks for the issue of medium-term loans for financing purchase of pumpsets in furtherance of the Grow More Food Campaign. It is expected that with the recent amendment to the Reserve Bank of India Act, enabling that Bank to advance medium-term loans to Co-operative Banks, the needs of the Co-operative Central Banks can be met to an appreciable extent.

The loans advanced by the State Bank to primary societies, resembled the takavi loans of Government. When Central Banks came to be constituted, they did not as a matter of course take over advances made in their area of operations. They began to pick and choose the societies whose liabilities they could take over. As a result the State Bank was left with a few loans which would not be taken over. Fortunately, the loss incurred was not much, and the bad debt to be written off was very small, viz., Rs. 8,600 for all those years. The amount of loans transferred to the Central Banks amounted to Rs. 19.2 lakhs repayable in 7 years at 7 per cent; the Central Banks had a margin of $\frac{1}{2}$ per cent for themselves.

The long-term loans granted to Central Banks unlike those issued in the beginning to the Societies were mostly for five years. The continuous growth of overdues in Societies led to the necessity of enquiring into the objects of loans and restricting them to productive purposes. In 1925 the State Bank was able to carry conviction that the State Bank and Central Banks handling short-term funds can undertake issue of only short-term loans, and at best 35 per cent intermediate term loans for 2 to 5 years at a ratio not exceeding 35 per cent of the advances. Normally, societies with certain percentages of overdues—either from members to them or from them to the Central Banks—were made ineligible for loans from the State Bank's finance.

An outstanding feature of the short-term rural finance of the State Co-operative Bank is the system of advance of loans on the pledge of produce raised by members of societies to enable them to hold it for a better market. It is part of the scheme known as 'controlled finance'. The Bank had advanced over a crore of rupees in 1941 on this account. Recognising the need and urgency of this finance, the State Bank has been granting forecast loans for this purpose to Central Banks, though as a general rule, loans are not sanctioned on forecast basis.

Another important feature of the loan policy of the State Bank has been that of recognising the autonomy of Central Banks and leaving them to make their own arrangements without external aid for repayment of deposits. While there is no rule that no loan should be granted to Central Banks for repayment of deposits, the State Bank has successfully maintained the view that if Central Banks, after disbursing loans to primaries from deposits, approach the State

Bank for a loan to return those deposits, this might result ultimately in the State Bank being involved in the fortunes of the Central Banks, and lead to indiscriminate financing by the Central Banks.

The State Co-operative Bank has been attempting to help societies, other than agricultural, whenever required. In October 1919 it gave a loan to a co-operative leather goods society, comprising purely of cobblers. The Society, however, did not work well and it had to be liquidated. The Bank, however, did not suffer any financial loss. The Bank, took a keen interest in the starting of the Co-operative Printing Press at Madras; originally shares to the value of Rs. 1,000 were subscribed by the Bank and later the subscription has been raised to Rs. 5,000. By far the most important venture in organising an industry based on agriculture was that of financing the then Co-operative Sugar Factory in Vuyyuru, Krishna District. A sum of about Rs. 10 lakhs was advanced to the Factory, which had a crushing capacity of 800 tons per working day. It was the first big co-operative industrial venture in South India, mobilising the land of the agriculturist-members towards the capital required for setting up the Factory. Unfortunately, the venture was lost for the Movement, as the organisers sold the Factory in 1940 to a joint stock concern. In recent years, the Bank advanced a sum of Rs. 28 lakhs to the Co-operative Industrial Society at Etikoppaka (Vizag Dist.) to enable that society to set up an improved and larger Factory for manufacture of sugar. On the bifurcation of the Bank, finance to this Societies has been transferred to the Andhra counterpart of the Bank.

As has already been said, finance to Stores Societies which had undertaken the distribution of foodgrains, chemical manures, and mill cloth during the war-time was done on a very large scale—the extent of advance reaching at its peak about 3.5 crores of rupees. After withdrawal of controls and abolition of rationing the demand for this kind of finance is small.

The most important cottage industry of South India—the Handloom Industry—received all possible sympathy at the hands of this Bank. The State Handloom Weavers' Society is directly accommodated with adequate finance for its trade, besides finance from the Reserve Bank of India—through the State Bank—for purchase of the yarn required by the primary weavers' societies. Of the estimated requirements of Rs. 50 lakhs to finance the weavers'

Relief Scheme sponsored by the Government, the State Bank offered to set apart Rs. 15 lakhs out of its own funds. That scheme has now come to an end, on the inauguration of a new scheme sponsored by the Central Government. The State Bank has offered to lend at 1 per cent to the Central Banks not only the moneys passed on to it by the Government but also its own funds upto a certain limit. It is hoped that with the cheap credit offered by the financing banks, coupled with direct Governmental help for provision of share capital, a larger section of the weaver community will be brought within the co-operative fold for its economic betterment.

Subvention and Subsidy

From 1905 the Bank, having regard to the extensive area operated had been depending on departmental supervision of societies financed. But with the increase in its resources, the Bank urged the Central Banks from 1926 onwards to keep a watch on mounting overdues in societies. It impressed on them the need for investigating the condition of the societies by examination of individual loans and of rehabilitation. A scheme of rectification and consolidation was framed by the State Bank in 1930 and since then, an annual grant of Rs. 50,000 has been a regular feature of the budget of the composite State Bank. Half that amount is provided for in the budget of the bifurcated (residuary) Bank. The scheme enabled the Central Banks to make a detailed estimate of their bad debts and draw a cautious programme of development for future years. For sometime now, the State Bank has also been setting apart a sum of about Rs. 5,000 every year for the development of cottage industries. A Sub-Committee has been constituted to administer the funds. Two coir instructors, one ceramic instructor and a leather instructor are maintained out of the grant.

Relations with Central Banks:—The Bank has interested itself in organising periodical conferences of its affiliated Central Banks at which their representatives meet and discuss matters of common interest. The first few conferences were held at the office of the Registrar, but from 1926 onwards the Conferences were held invariably under the auspices of the State Bank. It is at these periodical conferences that decisions on important questions of policy are arrived at and though the resolutions are only recommendatory, still they are adhered to loyally by the Banks. The rates of interest to be offered by Central Banks on deposits, what relationship they should

bear to the lending rate of the State Bank, the Central Banks, and the primary societies—on different types of finance—are all discussed and decided at these periodical conferences, and given legal status by their adoption by the concerned institutions.

Utilisation of the Bank's Profits:—The Bank's net earnings have been steady and good, and in recent years owing to increased business, have registered a marked corresponding increase. By Statute, 25 percent of the profits go to a Reserve Fund, which amounted to over Rs. 47 lakhs on the date of bifurcation of the Bank. 50 per cent of this Reserve Fund has been transferred to the Andhra State Co-operative Bank. In addition to the Reserve Fund, a depreciation reserve has been constituted primarily to meet the depreciation in the value of Government Securities held by the Bank. Every year a portion of the net profits is set apart towards a Common Good Fund, out of which grants are made to the Madras State Co-operative Union for co-operative education and propaganda, to institutions towards other education of the poor and for charitable purposes mentioned in Section 2 of the Act VI of 1890.

The Bank is now on its 40th year of working. It will be celebrating its Golden Jubilee very shortly. A comparison of its working then with that of its Silver Anniversary will be still more interesting.

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President.

Long-Term Credit in Madras State

SRI O. V. CHINNASWAMY B.A., B.L.

Secretary, The Madras Co-op. Central Land Mortgage Bank, Ltd. Madras.

The Madras Co-operative Central Land Mortgage Bank occupies a unique place in the field of long-term co-operative credit in India. The nucleus of the institution may be traced to a scheme initiated in 1925 when 12 primary banks were organised. It was only in 1929 that a central organisation, namely, the Madras Co-operative Central Land Mortgage Bank was established under a special statute for co-ordinating the working of the primary banks in the State. During the course of the 24 years, the number of primary banks affiliated to the Bank rose from 12 to 131. Consequent upon the formation of the Andhra State in 1953, the composite Madras Co-operative Central Land Mortgage Bank had also to be bifurcated into the Andhra Co-operative Central Land Mortgage Bank and the Madras Co-operative Central Land Mortgage Bank. As a result, the Residuary Madras Co-operative Central Land Mortgage Bank has 73 primary banks in its fold on this date and the area of operations of the bank has also been restricted to the Residuary Madras State. Generally there is a primary bank for each taluk. Only in a few cases and that in backward areas, one primary bank serves two or more taluks. Except surveyed and settled zamin estates, other zamin areas have been excluded from the area of operations of the bank. Under the recent Zamin Abolition Act all Zamin estates have been taken over by Government and survey and settlement operations have been ordered. These operations may be completed within a short time. In the course of a few years, it is hoped that the agriculturists in the entire State without any exception will have the benefit of long-term credit.

The object of the Central Land Mortgage Bank is to provide long-term credit to the agriculturists at a low rate of interest for (a) discharge of prior debts, (b) for land improvement and (c) for purchase of land to round off holdings. No doubt, the bank has been able to render effective help only to a very small number of agriculturists who are steeped in indebtedness. It is the ambition of this bank to render the maximum help to the largest number of ryots in the years to come and to wipe out agricultural indebtedness. With a view to take advantage of the various schemes under the Five Year Plan, the bank is devising ways and means to provide

cheap credit to the agriculturists for improving the productive capacity of land.

The Madras Co-operative Central Land Mortgage Bank is managed by a Board of Directors of 12 members consisting of the representatives of individual shareholders, of primary banks and of 2 nominees of the Registrar. The Registrar of Co-operative Societies is an ex-officio member of the Board. The executive management of the bank is vested in a small body, the Executive Committee consisting of 7 members, comprising of the President, Vice-President, Treasurer, two representatives of the primary banks, one nominee of the Registrar of Co-operative Societies and the Registrar of Co-operative Societies.

The primary banks are governed each by a Board of Directors elected from their members. The service of the members of the Board of the Central Land Mortgage Bank as well as of the primary banks is honorary. The successful working of the Central Land Mortgage Bank as well as the Primary Land Mortgage Banks is due in a large measure to the assistance rendered by the Government like temporary accommodation at a low rate of interest, exemption from stamp duty, registration fees concession, and placing departmental officers for Land Mortgage Banks' work in various spheres. During the last quarter of a century, the land mortgage banking movement in the State has been built up by the selfless service rendered by eminent persons both officials and non-officials.

Loans are issued by land mortgage banks on the security of agricultural land for a period of 20 years. House property is accepted as security along with agricultural land in special cases, upto a small proportion. The title of the applicants to the properties offered as security is examined by qualified legal men on the basis of an encumbrance certificate obtained for a period of 23 years, and after examining all connected documents if the title is acceptable, the lands are valued by a Co-operative Sub Registrar (Government Appraiser) on the basis of land values prevailing in the prewar period to which 25 per cent is added in view of the rise in the value of lands in the post-war period. A maximum of 50 per cent of the value so arrived at is sanctioned as loan to a borrower. Though the bulk of the business transacted by land mortgage banks has so far been for the discharge of prior debts, emphasis is now shifted to applications for land improvement loans.



SRI V. PARTHASARATHY, B.A., B.L.,
President,
South India Co-operative Insurance Society Ltd.,
Madras



SRI T. M. (HINNAYYA PILLAI, B.A., B.L.,
President,
Co-operative Fire & General Insurance Society Ltd.,
Madras

J. D. MAHALINGAM PILLAI,
B.A., B.L.,
*Vice President,
Madras State Co-operative Union*



SRI BHOGARAJU VENKATARATNAM,
M.A., B.L.,
*President, Madras Co-operative
Central Land Mortgage Bank Ltd*

LONG-TERM CREDIT IN MADRAS STATE

The Madras Co-operative Central Land Mortgage Bank mobilises its funds mainly by issue of debentures for 20 years. The interest on and principal of the debentures are guaranteed by the Government of Madras. The debentures are issued on the security of mortgages and other assets transferred to the Central Land Mortgage Bank by the primary banks and of the other properties of the bank. The debenture holders have a floating charge on the mortgages and assets so transferred. The Registrar of Co-operative Societies is the Trustee of the debenture-holder. The debentures are approved securities under the Insurance Act 1938. Sinking funds have been constituted in respect of each series of debentures to ensure due repayment of the debentures to the holders on maturity. The debentures have been very popular, more on account of their ready marketability as a long-dated investment which ranks as ideally suited mode of investment to investors.

The main object of the Central Land Mortgage Bank is to finance the primary banks which in their turn issue loans to agriculturists in their area on the first mortgage of agricultural land. The rate of interest charged to the ultimate borrower is kept as low as possible. The margin between the borrowing rate (on debentures) and the lending rate has been fixed at $2\frac{1}{4}$ per cent. The loans at present issued by the bank bears $6\frac{1}{2}$ per cent interest. Of the margin of $2\frac{1}{4}$ per cent, 2 per cent is intended to meet the working expenses of the Central Land Mortgage Bank and the primary banks in equal proportion and $\frac{1}{4}$ per cent is earmarked for a fund for rendering financial help to banks working at a loss or otherwise infirm.

The following table shows the present financial position of the Central Land Mortgage Bank.

Statement Showing the Progress of the Bank as on 31-3-1954.

1. No. of Members : Banks (including Hospet) ...	74
2. " Individuals ...	458
	Rs.
3. Paid Up Share Capital ...	14,94,300
4. Reserve Fund separately invested ...	13,13,541
5. Other funds ...	5,59,794
6. Debentures in circulation ...	3,82,96,200
7. Total of other borrowings ...	7,43,840
8. Loans issued from 1-7-53 to 31-3-54 ...	35,47,105
9. Loans outstanding ...	3,27,24,750
10. General Investments in Govt. and other securities ...	8,89,424
11. (D. R. F.) Investments in G.P. Notes, debentures, deposits, etc. ...	88,28,709

Though a Bad Debt Reserve Fund has been constituted there has been no case in which a loan has become irrecoverable on account of defective title or fall in valuation of the lands accepted as security.

The bank has been following a very cautious policy with a view to build up the institution on sound basis. In the economic development of the country, land mortgage banks have to play a very important role and the Central Land Mortgage Bank shall not lag behind in taking its rightful place in rendering service to the agriculturists in future as in the past quarter of a century.

Co-operative Central Banks and Rural Credit

SRI V. ALAGAPPAN, B.A., B.L.

Secretary, Madurai Dt. Co-op. Central Bank, Ltd. Madurai

What ever may be the present scope and function of the Co-operative Central Banks, originally these were thought of in terms of rural credit. Under the co-operative societies Act of 1904, there was no contemplation for a District financing bank as it was probably thought that rural credit societies would be able to attract local deposits to provide themselves with necessary funds for financing the requirements of their members. But it was soon found that this was not possible and the need for a separate agency for this purpose was felt. Consequently the Act II of 1912 was passed wherein provision was made for bringing into existence Central Institutions for financing rural credit societies. Immediately after the passing of the Act II of 1912, Co-operative Central Banks were organised for each District, the first Bank in the wake being the *Madura-Ramnad Central Co-operative Bank Ltd.*, at Madurai operating over the two Districts of Madurai and Ramanathapuram. Other Districts followed suit and each District came to have a Central Bank. In one or two places like Madurai, one Bank served two Districts and in a few places like Tanjore, the District was served by two or more Central Banks.

2. To start with, the District Banks served mainly the rural credit societies by attracting local deposits. By and by their scope increased and they financed to a limited extent urban credit societies and non-credit societies as well. This was the position till after 1930 when the economic depression set in and as a result all the co-operative societies suffered a great deal. They however weathered the situation and conditions improved slowly. The extraordinary conditions created by the war and post-war repercussions in the forties necessitated a radical change in the policy of the Central Banks in the subsequent years. There was a rapid growth of non-credit societies, like primary and central stores and also weavers societies. These required large finances and they had to depend necessarily upon District Central Banks for finance for their business and progress. So much so, the demand for funds on these central institutions became very great and heavy and it necessitated a change or extension of the then existing policy. This position has continued to this date.

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3. There are at present 15 Co-operative Central Banks in the Madras State, serving 14 Districts—the Coimbatore Central Bank serves the Districts of Coimbatore and the Nilgiris* and the Tanjore District is served by two Banks. Pudukottai has a Bank of its own and Madras has a separate Bank for itself.

4. The administration report on the working of co-operatives published by the Government of Madras for the Co-operative year ended 30-6-1952 records satisfaction in respect of the working of these institutions. The resources of these Banks were satisfactory and they were able to meet out the various demands made on them by different types of societies from out of their own resources supplemented by the financial assistance given by the Reserve Bank of India, the Imperial Bank and the Madras State Co-operative Bank. The Central Banks have all along been keenly alive to the fact that they should stand on their own legs and towards this end each has been trying to attract more and more local deposits. The confidence of the investing public continued and increased as was evidenced by the fact that the drive for Rural Savings Scheme initiated by the Registrar met with appreciable success.

5. As per statistics furnished in the Administration Report for 1951-52 for the undivided Madras State, the 31 Central Banks had 23,913 members mostly co-operatives with a paid up share capital of Rs. 151.05 lakhs. Deposits from individuals amounted Rs. 6.81 crores. The Banks had a Bad Debts Reserve of Rs. 88.69 Lakhs against an estimated bad debt of Rs. 15.92 lakhs only. The financial condition of these Banks was considered by the Government as sound. The aggregate of loans issued by these Banks amounted to Rs. 44.27 crores. The Madras State Co-operative Bank financed the Central Banks for financing agricultural operations from its own resources supplemented by funds obtained from the Reserve Bank of India by rediscounting the hundies of Central Banks. It also financed the procurement operations, import of food grains and distribution of chemical fertilisers with the help of the funds obtained from the Imperial Bank of India on Government guarantee. The total lendings by the State Bank to Central Banks amounted to Rs. 9.76 crores.

6. We can see from the above facts the tremendous strides which these district institutions have made within the recent years and the growing interest of the Reserve Bank of India in these

*The Nilgiris District has just started a separate Central Bank, (Editors).

institutions with particular reference to Rural Credit as could be seen from the various concessions granted by it making credit conditions more and more flexible.

7. It is an accepted axiom that these District Central Banks should confine their attention mostly to short-term financing needed for agricultural operations of the clientele of the rural credit societies but they could issue medium term loans also provided their finances permit. It is a known fact that there has been all through and continue even now a persistent demand for medium term loans from the village co-operatives. But the Central Banks have to resist this demand in view of their limited resources for this purpose. Due to competitions created by Joint Stock Banks it has not been possible for the Central Banks to tap further deposits from the public to any great extent with the present low lending rates. It may not be too much to ask the Government and the Reserve Bank of India to view this fact in the proper perspective and put the Central Banks in a position to satisfy the requirements of the agriculturists.

8. In the undivided Madras State, rural credit societies covered 67.98 per cent of villages serving 19.49 per cent of the rural population. There were 16,727 agricultural credit societies with a membership of 14.63 lakhs and a paid up share capital of Rs. 193.22 lakhs. The working capital of these societies aggregated to Rs. 1,340.51 lakhs, and the total amount of loans issued by them amount to Rs. 7.33 crores. It is significant that the report records "that the prosperous days for agriculturists are disappearing and that they are entering into an era of depression." This is in consequence of the fact of the post war repercussions resulting in the dislocation of the economic set up and continuous failure of monsoon resulting in low productivity and consequent famine.

9. The following statement will reveal the loan transactions of the Central Banks in '51-'52.

		Rs.	
1. Rural Credit Societies	...	766.35	lakhs
2. Marketing Societies	..	441.70	"
3. Whole Sale Stores	...	1,587.98	"
4. Primary Stores	...	601.99	"
5. Weavers' Societies	...	158.78	"
6. Others	...	1,069.76	"
Total	...	4,426.56	"

It could be seen at a glance that the Central Banks have financed rural credit societies only to the extent of about 1/5th of their total disbursements and it is evident that the Central Banks have ceased to consider themselves, as existing solely or mostly for rural credit societies.

10. Of the 15 Central Banks in the residuary Madras State 5 had no overdues from the primaries under principal; all except one had no overdues under interest. This is a feature which the State is to be proud of. Out of 16,727 agricultural credit societies in the undivided Madras State, 9,535 societies worked at a profit while 6,548 societies worked at a loss. This is a no happy augury to financing banks. This is symptomatic of the rot that has set in, in the rural economic sphere as a result of the post war conditions. The Central Banks will have to be cautious in their future policy and arrest the rot.

11. In recent years, there has been a shrinkage in the business of Central Banks owing to the dormancy of non-credit societies which were absorbing huge amounts from these Banks. But the business with agricultural credit societies goes on as usual or rather with a fillip given to it as the Banks have had to pay particular and more attention once again to these rural credit societies. It is hoped that in the years to come, rural credit will receive more and more attention and the Central Banks would come to feel that their main objective would be this side though they have had much to do with non-credit societies till recently.

12. After all is said and done one cannot have the satisfaction that co-operative finance through the District Banks have done its all to the ailing rural population. Something has been done. That is all. The agriculturist is to-day what and where he was years back. His economic condition is either static or in the retrograde. The agriculturist is still steeped in indebtedness. He goes on borrowing either here or somewhere or from both sides and continues to drag on a dreary existence. The benefits of Co-operation have not been much helpful to him. The reasons are not far to seek. It is not due to the inapplicability or the ineffective nature of the principles of Co-operation. But it is due to causes beyond the reach of co-operation. It is due to deep seated economic factors which result in low production such as uneconomic holdings and low purchasing power which results in low standard of living. These

create in the average agriculturist a spirit of despair throwing him on the side of philosophy or fatalistic theory. It has to be admitted that co-operation alone and by itself cannot solve these problems. Only a thorough reorganisation of the rural economic structure enabling the villager to increase his purchasing power would mend matters. If co-operative finance would come to him at that stage, it would really solve his difficulties. Till then we will be only treating the symptoms and not the root cause. It is no good shelving the real fact and the main issue. The State and the Reserve Bank should tackle the problem in the proper perspective. Flexible and easy credit and low rate of interest alone will not solve the problems. Co-operative Central Banks with their reputation and public confidence are the best fitted agencies to be employed in the furtherance of the economic uplift of the villager. But the task is stupendous. Only the State could sponsor it. It is high time that a commission was appointed to examine the position of the villager in relation to rural credit and suggest ways and means for doing something substantial through the medium of co-operation.

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

A Note on the Madras Dt. Co-op. Central Bank, Ltd., & Some Aspects of the Co-op. Credit Structure in the City

SRI B. S. VIJAYAGOPAL, B.A., B.COM.,
Secretary, Madras District Co-operative Central Bank, Ltd.

The Madras District Co-operative Central Bank was registered on 10th July 1930 and the Bank started functioning from 30th July 1930. The main objects of the Bank are to collect funds for financing Co-operative Societies in the City and to carry on general business of banking not repugnant to the provisions of the Co-operative Societies Act. The statistical analysis given below indicates the varying degrees of progress the Bank has made during the past two decades and a half.

Date.	Members.		Share Capital	Reserve Fund.	Deposits from Individuals and Societies.	Borrowings from the M. S. C. Bank.	Loans outstanding.	Profit.
(1)	No. of Societies.	No. of Indls.	(4)	(5)	(6)	(7)	(8)	(9)
30-6-1931	101		Rs. 58,850	Rs. —	Rs. 4,22,970	Rs. —	Rs. 2,70,240	Rs. A. *79 12
30-6-1935	103		85,559	2,900	7,00,028	—	4,05,000	5,095 0
30-6-1939	105	84	99,760	6,000	8,15,817	—	7,33,000	2,031 0
30-6-1943	104	78	1,51,250	14,662	8,93,520	—	6,65,000	10,225 0
30-6-1947	117	73	1,56,790	29,176	10,20,760	3,73,350	6,15,000	9,770 0
30-6-1951	167	34	3,18,255	68,000	17,61,800	19,30,516	29,50,000	45,700 0
30-6-1953	181	44	3,57,755	98,800	15,10,896	25,78,407	41,00,000	61,000 0
30-3-1954	193	54	4,01,355	1,19,155	14,56,446	28,62,000	43,00,000	

* Loss.

The authorised share capital of the Bank is Rs. 10,00,000 divided into 10,000 shares of Rs. 100 each. Membership of the Bank is open to Co-operative Institutions as well as to Individuals subject to the condition that the latter do not exceed the former in number. Further, only 500 out of the 10,000 shares are available for Individuals.

Madras City being an urban area, there are no agricultural operations as such and the societies financed by this Bank fall under the following categories :—

1. Employees' Societies.
2. Urban Banks.
3. Scheduled Class Societies.
4. Stores.
5. Weavers' Societies.
6. Cottage Industries Societies.
7. Ex-servicemen Societies, etc.

A NOTE ON M. D. C. C. BK., LTD. & SOME ASPECTS OF THE CO-OP. CREDIT STRUCTURE IN THE CITY

Loans are sanctioned to these societies subject to the borrowing power of such societies as laid down in their by-laws. The loan applications are scrutinised by the field staff of the Bank and submitted with their reports. After being satisfied about the purpose of the loan and the financial soundness of the applicant societies, loans are sanctioned by the Board. The period of loan ranges from 12 to 36 months and the rates of interest are as follows :—

Short term (12 months & below)	5 per cent
Medium term (12 to 36 months)	5½ per cent
Cash Credit	5¾ per cent

Quarter per cent concession is allowed to scheduled class societies and a further rebate of 1½ per cent is allowed to such of those that are regular in repaying their instalments to the Central Bank.

The Management of the Bank is vested in a Board consisting of nine members. Six of them represent societies and three represent individual share holders. They elect from among themselves a President and a Vice-President.

The internal administration of the Bank is carried on by a full time paid Secretary.

Till the year 1951 the Bank had no building of its own and as such its office was forced to be located in various localities in the City of Madras. In the year 1950 a beginning was made to set apart a certain sum out of the profits towards the building fund. In 1951 the present building of the Bank came up for sale and the Board of Management thought it profitable to purchase the same by borrowing a sum of Rs. 40,000 from the general funds which the Registrar was kind enough to permit. During the year 1953-54, further improvements have been made to the premises of the Bank. The building was purchased for Rs. 50,203 and about Rs. 28,000 has been spent for its improvement. A sum of Rs. 28,866 has already been set apart towards building fund while Rs. 12,000 has been repaid towards the loan raised from the general funds.

There are, as already mentioned, 193 societies affiliated to the Bank of which 109 societies have been given financial accommodation by the Bank. The different types of the societies affiliated and indebted to the Bank are as follows :—

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Types of Societies.	No. affiliated.	No. Indebted.	Amount. RS.
Employees' Societies	— 69	38	25,67,013
Urban Banks	— 25	19	9,15,011
Scheduled Class Societies	— 53	32	98,618
Societies for Ex-servicemen	— 3	3	4,94,427
Weavers' Societies	— 6	4	1,09,616
Cottage Industries Societies	— 6	4	4,365
Stores	— 12	3	35,689
Others	— 19	6	39,114

Employees' Societies

These societies are intended for wage earners employed either in Government Offices, Local Bodies or private commercial undertakings. Madras City being an urban area where a majority of the population are wage earners and where the number of offices are many, the scope for the formation of such societies is wide. There are 69 employees' societies affiliated to the Central Bank of which 38 are indebted to the extent of Rs. 25,67,013. They have on their rolls over 45,000 members with a paid up share capital of Rs. 22,02,730. They have borrowed from sources other than Central Bank to the extent of about Rs. 33,50,000. The loans outstanding against the members of these societies amount to Rs. 85,00,000 of which about Rs. 4,00,000 is overdue.

Generally, in these employees' societies the monthly dues from every member are recovered compulsorily at the time of the disbursement of his salary. In spite of the existence of such a facility, there are some cases of overdues due to some technical legal difficulty in recovering the dues from the salary when such recovery is objected to by the borrower. To tide over these difficulties some of the societies seek a piecemeal legislation to legalise such a recovery. Whatever may be the justification for such a demand, the absence of the feeling on the part of a member that it is his sacred duty to repay without any compulsion what is due by him to the society, is deplorable. This sad state of affairs is due to the lack of proper education and moral character among the members. The members should realise that by defaulting to pay their dues they are doing a disservice to their fellow members in the society which is not the principle of Co-operation. It must be remembered that the Co-operative Movement is also an ethical movement. The co-operatives should therefore aim at raising the moral level also of the members.

A NOTE ON M. D. C. C. BK., LTD. & SOME ASPECTS OF THE CO-OP. CREDIT STRUCTURE IN THE CITY

Criticism is often levelled against borrowings of members in these societies on the plea that they are all consumption loans. It is a matter of common knowledge that among the wage earning class, with the exception of a few highly placed persons, others are able to keep their heads above water only with great difficulty. While their monthly income would be just sufficient to meet their routine domestic expenses and the like, some times they are expected to incur heavy expenditure like purchase of clothing for their family on occasions, educational expenses, ceremonial expenses, etc. It would not be possible for a wage earner to meet these heavy items of expenditure out of his monthly salary. On the other hand, he would need cheap credit facility with which he could satisfy himself of these needs and repay the loan in easy monthly instalments. It is this kind of help that the Employees' Societies are rendering to their members. Of course, the amount borrowed by the member should be adjusted according to his repaying capacity. In most of the societies there is also a provision for collecting compulsory thrift deposits from every member which would accumulate to his credit until he ceases to be member. If this system is worked well every member can have to his credit a decent amount at the end of his membership even after clearing his dues to the society. It is not fair to discourage altogether loans in these societies. Money spent by wage earners for purchase of clothing, for education, for purchase of a conveyance etc. should all be classified as productive expenses, for without these it may not be possible for them to earn their living.

Further, the producer is always dependent on the consumer. Mere production unaccompanied by marketing cannot ensure a living to the producer. Hence the importance of the consumer cannot be lost sight of. If consumption is to be discouraged, then production itself is not justified. All attempts to encourage more production by offering productive credit would prove futile if purchasing power is denied to the consumer.

Urban Banks

These are institutions organised in different areas of the city by the residents of those areas. Membership in these institutions is not restricted to persons of any particular office or profession as in the case of the employees' societies. Emphasis is laid only on the area of operation. Generally the area of operation of an urban bank is confined to one or more localities. In certain cases the area of operation extends to the whole city especially for the purpose of giving

loans on the security of immovable properties. These urban banks undertake banking activities also on a limited scale such as the acceptance of fixed, savings, current or recurring deposits. Loans are issued to members either on the security of personal surety or pledge of gold jewels or on the mortgage of immovable properties. In an urban bank which is conducted on sound lines surety loans are restricted to reliable and trust-worthy persons only because recovery of the loans issued here depends upon the willingness of the borrower to repay. There is neither the possibility nor the feasibility to effect compulsory recovery as in the case of employees' societies. It is, therefore, apparent that surety loans advanced in urban banks are exposed to greater risks than in employees' societies. As such, the urban banks should be very cautious in the matter of admitting members especially when the loans to be sanctioned to them are not on any tangible security. As Wolffe remarks, "What the society seeks to secure is a select clientele elected for their presumable trustworthiness." In the case of secured loans (jewels and mortgage) of course, the urban banks do not run great risks provided the valuation of the securities offered is made with due caution and sufficient margin is maintained between the real value of the security and the amount advanced against them. 25 urban banks in the city are affiliated to the Central Bank of which 19 are indebted. They have borrowed from the Central Bank Rs. 9,15,000. The membership exceeds 8,300 with a paid up share capital of Rs. 4,54,000. They hold deposits amounting to Rs. 15,60,000. They have issued loans to the members to the extent of nearly Rs. 50 lakhs. The urban banks are thus helping the members with cheap credit facilities. They also promote thrift among them by collecting savings and recurring deposits. These banks are particularly helpful to petty artisans who require initial capital for their earning. Even bigger merchants get financial accommodation from these Banks in order to run or expand their business. While the banks are thus helpful to persons of both limited and better means, the successful working of these institutions depends upon the integrity and honesty of the members.

Scheduled Class Societies

53 Scheduled Class Societies are affiliated to the Central Bank of which 32 are indebted. These are societies formed in the various slum areas in the city for the benefit of the *Harijans* residing there. Some are mere credit societies intended for providing cheap credit



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SWAMY PILLAI
President,
Tiruchirapalli Dt.
Co-operative Central
Bank, Ltd.



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General Secretary,
Madras State Co-op. Union;
Vice-President,
Madras State Co-op. Bank Ltd.;
and
President,
Madras Dt. Co-operative
Central Bank, Ltd.

I. VEDACHALA MUDALIAR,
President,
njeevaram Co-operative
Central Bank, Ltd.,
Chingleput Dt. &
Chingleput Dt. Co.op.
Central Stores, Ltd.



SRI D. KRISHNAMURTHY
GOUNDER, M.L.A.,
President,
Salem Dt. Co-op.
Central Bank Ltd.

**A NOTE ON M. D. C. C. BK., LTD. & SOME ASPECTS OF THE CO-OP.
 CREDIT STRUCTURE IN THE CITY**

to their members. Some are housesite societies which are formed for the purpose of acquiring housesites and distributing them to the members. These societies are looked after by the Central Bank like infants. Several kinds of concessions such as assistance by Inspectors for collection work, scrutiny of title deeds free of cost, reduced rate of interest on loans, rebate on interest to regular societies are offered with a view to promote the economic welfare of these down-trodden fellow beings. Some members of these societies are engaged as coolies, some are mill-workers, a few are employed in offices, some are drivers and many are unemployed. On account of unemployment and under-employment it is very difficult to collect dues from these members. At one time when there were many Europeans in the city, most of these persons were engaged under them and hence were in a position to earn their living. The departure of several of these Europeans, consequent upon the Indianisation of the services here has hit some of these people hard. They are not in a position to find out some alternative avocation for them to earn their living. The co-operative societies formed for their benefit are manned by themselves who are all not well educated as such, apart from giving loans, they do not have any idea about the methods by which they could improve their economic lot. It should therefore be the concern of the Government to take enthusiastic practical steps to educate and to rehabilitate this large community. Persons with experience who are inspired by the ideals of the movement should be made to be in charge of these societies so that they may serve as friends, philosophers and guides to these societies and thus realise the long cherished dream of improving the economic lot of their members.

Employees' Co-operative Societies and their Problems

SRI HOMI F. KAPADIA,

Secretary, M. & S. M. Ry. Employees' Co-op. Urban Bank, Ltd., Madras

The Madras Co-operative Societies Act lays down the object of all Co-operative Societies, as "the promotion of thrift, self-help and mutual aid.....among persons with common economic needs, so as to bring better living, better business and better methods of production." So, in a Co-operative effort, emphasis is placed on self-help and mutual aid in securing satisfaction of common needs. Co-operation never makes any one rich at the expense of another. It endeavours to enrich all. A Co-operative effort is always marked by absence of profit motive.

In this brief survey, we have to confine ourselves to "Employees' Co-operative Societies and their Problems." An employee is one who is employed by another. The employer may be a person or a firm or a company. The employee may be engaged in a trade or industry. The employee gets a fixed wage or salary in return for the services he renders to the employer. As trade and industrial activity is generally confined to urban areas, employees' co-operative societies fall under the category of urban societies.

Although Co-operation is described as the association of the weak to become stronger, its field of activity is clearly marked out from other activities having the same objective. There are many problems, in which all the employees have a common interest, viz., scales of pay, dearness allowances, hours of work, provision for medical aid, etc. These problems do have an important bearing on the economic welfare of the employees. They fall within the purview of the Employees' Co-operative Societies.

Although every employee has a fixed daily or monthly income, in a large majority of cases there is little or no savings margin. So, time and again, a large number have to take recourse to borrowings to meet unexpected expenditure. Most of the employees' co-operatives that exist at present, are therefore Credit Societies and help their members by grant of loans in times of need. Theoretically savings are possible only if income is higher than expenditure and employees as a class cannot be expected to save when they find it difficult to make both ends meet. Yet, it is rightly said that it is the comparatively poor who should save; otherwise they will not have the wherewithal to meet unexpected expenses or to repay the

EMPLOYEES' CO-OPERATIVE SOCIETIES AND THEIR PROBLEMS

loans they may take. So, in the scheme of an employees' co-operative society, greater emphasis is to be placed on cultivating the habit of thrift amongst members. Every member has to subscribe to his Thrift Account with his Society every month a fixed minimum according to his wage or salary and these subscriptions go on accumulating at a reasonable rate of compound interest. Those who can subscribe more than the fixed minimum are encouraged to do so by permitting them to withdraw the surplus in case of specific need. These savings, as they accumulate in course of time, make the Society self-sufficient in the matter of funds that are needed to lend to members. The rate of interest charged on loans can thereafter be linked with the rate of interest allowed on savings and the Society will be a sort of insulated against money market conditions outside. In this context, I can give instances of two Societies with which I am connected:

	The M. & S. M. Ry. Employees' Co-operative Urban Bank.	Jervis Co-op. Society of the Emp. of the M. & S. M. Ry. Emp. Co-op. Urban Bank.
As on 10-4-1954:	Rs.	Rs.
Capital	... 27,05,400	9,175
Accumulated Savings	... 90,37,300	25,430
Deposits	... 10,30,700	17,000
Loans	... 1,47,90,800	52,000
Interest on Loans	... 4-11/16 %	6½ %
Interest on Thrift Fund	... 2½ "	4½ "
Interest on Deposits	... 2½ to 3 "	3½ to 4 "

Till the savings accumulate, a Society in its early years, has to depend upon deposits from non-members and loans from the District Co-operative Bank of the area, for the purpose of securing funds to be loaned to members. Nothing can help better in creating confidence amongst the lenders than the complete absence of bad debts in respect to loans the Society grants its members. Employees' Societies are definitely at an advantage in respect to recoveries of loans due to the Societies, because an understanding can be easily reached with the employer that the employer will deduct from the salaries of the employees such amounts as the Society may advise the employer to recover. As a result of such arrangement, the employer will make the fixed recoveries and pay over the collection to the Society except such amounts which are not recoverable, because the employee was on leave or absent on loss of pay, or the employee had

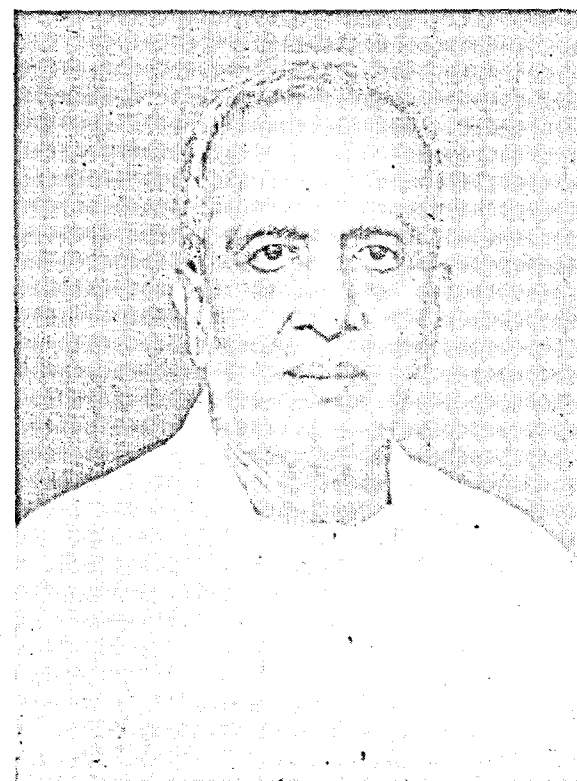
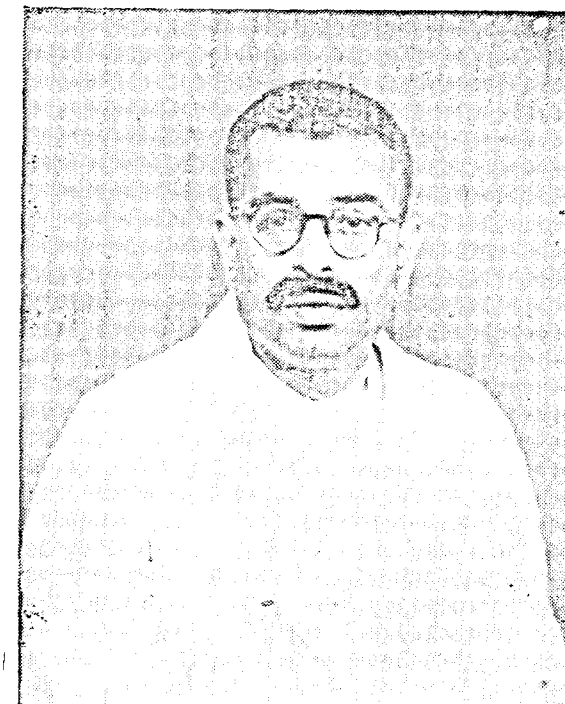
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resigned his job or was dismissed for misbehaviour. All loans given to members by a Co-operative Society on promissory notes only are always secured by two other members signing as surety, and in the event of the principal borrower failing to pay, the dues are recovered from the sureties. Because of this safeguard, very few cases of bad-debts should normally occur, and an employees' co-operative credit society should be able to obtain funds from District Banks without difficulty.

The function of an employees' co-operative should be really wider than mere maintenance of thrift accounts for members and granting of loans to them. In fact, a large majority of members are always borrowers. If the members can be helped to obtain their requirements of food stuffs, medicines, cloth, furniture and such other necessities at prices cheaper than bazaar prices, their expenditure will be lowered and their savings will be raised to that extent. This can be done if the Society finds out the requirements of the members and buys them at wholesale prices and supplies them to the members at actual cost. The better alternative is that several employees' co-operative credit societies working in a common area can contribute capital to form a joint co-operative stores or a co-operative canteen for the benefit of their members. Employees of Messrs. Parry & Co., Binny & Co., Best & Co., and such firms can have their employees co-operative credit societies separately, but such societies should joint together to promote a common co-operative stores and a co-operative canteen where members can have rebates on the purchases made by them during the year.

Another important service which an employees' Co-operative Credit Society can render to its members is to educate them about the usefulness of life insurance and make it possible for them to take out of their savings, life policies for reasonably low amounts according to their salaries. A substantial reduction in normal rates of premium can be obtained under "group insurance" and the insurance can be placed with a co-operative Life Insurance Society at the cheapest rates possible. It should be of interest to know in this context that life insurance premium rates have been recently cut by almost twenty-five percent by prominent Life Insurance Companies because of improved mortality experience. Such life policies will provide protection to the family against sudden death of the father and will provide to the father some sustenance in his old age.

SRI B. BHAKTAVATSALU NAIDU,
President,
North Arcot Dt. Co-op. Central
Bank, Ltd., Vellore &
Dy. Speaker,
Madras Legislative Assembly



SRI K. SEETHARAMA REDDIAR,
President,
South Arcot Dt. Co-op.
Central Bank, Ltd.,
Cuddalore

EMPLOYEES' CO-OPERATIVE SOCIETIES AND THEIR PROBLEMS

When the Life Insurances of members of Employees' Co-operative Credit Societies are placed with a Co-operative Life Insurance Society, a condition may be made with the Life Society that it introduces a scheme for House Construction or House Purchase for the benefit of its Policy Holders so that the employees can in course of time become owners of their dwellings and thus secure greater economic stability.

The Prithvi Insurance Co., and the United India Insurance Co., are successfully working Housing Schemes in Madras, whereas the work of the Co-operative Buildings Societies has been restricted because of their dependence on aid from State Funds. It will therefore help the Central Government objective to have more houses built if Co-operative Insurance Companies are encouraged to promote schemes of house-construction.

In my opinion, Employees' Co-operative Credit Societies having large membership of thirty-five thousand and more, should be given by the Registrar of Co-operative Societies, greater scope of service to its members, by permitting them to work as multi-purpose Societies. Speaking for the M. & S. M. Railway Employees' Co-operative Urban Bank, which has a membership of over forty-six thousand and working funds of approximately one and a half crores of rupees, it can be safely trusted to inaugurate a Life Insurance Department and later on to utilise funds so accumulated to inaugurate a scheme for House Construction or House Purchases. The Bank should also be permitted to act as the parent body to promote Co-operative Stores and Co-operative Canteens where they can be serviceable in its area of operation. By such action, there will be greater realisation of the value of co-operative effort amongst the very large number of members and the cause of Co-operation in general will find greater inspiration and encouragement.



SRI M. DURAISWAMY PILLAI,
President,
Madurai Dt. Co-op.
Central Bank, Ltd.



SRI R. NAGULASWAMY NAIDU,
President,
Ramanathapuram
Dt. Co-op. Central Bank, Ltd.
Madurai

Role of Co-operative Urban Banks

DR. P. NATESAN,

*President, George Town Co-operative Bank Ltd.,
and*

General Secretary, Madras State Co-operative Union

When the Co-operative Movement was introduced into our country, the intention was to provide cheap credit facilities to agriculturists who were struggling under the clutches of village money-lender. While explaining the provisions of the Co-operative Societies' Act of 1904 the Government of India said: 'The present legislation is especially designed to assist agricultural credit which presents a far more important and difficult problem than does industrial credit, though it is recognised that societies may probably be started in towns also by non-agriculturists and it is even possible that in some places the establishment of town banks may usefully precede and even assist the starting of purely agricultural societies''

Though emphasis was laid on rural credit, it did not prevent a recognition of the fact that the interests of the smaller artisans, traders, shop-keepers, industrial employees and others in towns also should be protected by providing cheap credit facilities. Just as the agriculturists suffer under the baneful influence of the village sowcar the urban population also groans under the influence of money lenders in towns. A suitable machinery is, therefore, necessary to provide relief to these classes.

Thus the urban banks have come into existence to help persons in an urban area. There are about 25 urban banks in the city of Madras. In view of the fact that Nidhis or indigenous mutual loan funds have been existing here and in view of the majority of the population depending upon various types of profession (urban in character) for their living. Madras can be said to be specially congenial to the establishment and expansion of urban banks. Most of the earlier co-operative urban banks, in fact, have adopted the methods already in vogue in the nidhis.

The main objects of an urban bank are

- (1) Generally to collect funds from members as well as non-members for issuing loans to members.
- (2) To promote thrift and self help among the members etc.

ROLE OF CO-OPERATIVE URBAN BANKS

The urban banks provide to the members as well as non-members banking service to a certain extent. They accept from them current deposits, fixed deposits and savings deposits. So far as the current account transactions are concerned, they are not much in the urban banks. The reason for this could be found in the fact that these urban banks which are mostly small in size cannot afford certain important services such as providing cheque books, clearing facility to the current deposit account customers etc. Further, there are many large commercial banks in the city with whom the urban banks cannot compete in this regard. The urban banks being small in size cannot satisfy the conditions that may be imposed by the Reserve Bank if clearance facility is sought for. Thus we find current account transactions being carried on only in a few urban banks and that to on a limited scale.

Fixed and Savings deposits are, however, popular in these urban banks. As the main object of an urban bank is to promote thrift, attractive rates of interest on the deposits are offered. While the commercial banks exist only for profit, the urban banks exist for helping its members. Profit is only incidental and that too is for payment of a minimum dividend and for creating certain reserves. The urban banks are, therefore, satisfied with a smaller margin of profit. Hence we find that the rates of interest offered by the urban banks are higher than those that of commercial banks. Most of the commercial banks offer less than 3½ per cent while the urban banks offer 5 per cent and more. The urban banks in the city have deposits exceeding Rs. 20 lakhs.

These are all short term resources which an urban bank obtains. The urban banks derive funds by way of share capital from members, by way of deposits mentioned above and very often by way of loans from central banks. Another way of obtaining funds for an urban bank is by the acceptance of recurring deposits which aspect has been well developed in the George Town Co-operative Bank. Under this scheme every one rupee paid per month becomes Rs. 102-8-0 in 84 months. Each rupee subscribed by a member is called a unit. In the George Town Co-operative Bank at present about sixty thousand units have been subscribed and through this the urban bank has been able to tap resources to the extent of Rs. 15 lakhs. This is a long term resource for the urban bank. The necessity and the advantage of this long term resource will be better appreciated when dealing with the mortgage loans. From the point

of view of the subscriber, the benefit lies in the fact that small sums saved every month accumulate after 7 years to a decent amount which could serve as capital to meet productive expenses like education, starting a professional concern etc. The subscriber has also the facility of taking advances against the security of this deposit in times of need. This loan is disbursed to a subscriber in a moment without many formalities.

Loans to Members

The most important object of an urban bank is to provide loans to its members. Loans advanced in these institutions generally come under the following 4 classes. viz: (1) Jewel loans (2) Deposit loans; (3) Surety loans and (4) Mortgage Loans.

Advances against jewels and deposits are common in these urban banks just as they are common even in other commercial banks. The urban banks do not run much risk by sanctioning loans of these types. They should, however, take particular care while appraising the jewels offered as security.

Loans are sanctioned in urban banks on the security of personal sureties also. But these loans are restricted in any well managed urban bank only to reliable and trust-worthy persons. It is not possible to collect the monthly dues compulsorily as could be done in the Employees' Societies. Hence surety loans advanced in urban banks are exposed to greater risks. The option of repayment of instalments in these banks is left to the sweet will and pleasure of the borrower. The urban bank has no hold whatsoever over the borrower to recover the amount except by resorting to arbitration proceedings. The members who borrow surety loans should feel that they should be faithful to the institution which has come to their rescue in times of distress and make up their minds not to commit default and deceive the society. The philosophy underlying the repayment of instalment of this type of loans is the development of duty as well as character of the citizen. The pinnacle of glory and economic prosperity and the highly advanced character could have been reached when all surety loans are repaid voluntarily with pleasure and with no amount of compulsion.

Another most important type of loan which may be said to form the bulk of transactions of a good urban bank is "loans on mortgage of immovable properties."

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President,
Malabar Dt. Co-op. Central Bank,
Ltd., Kozhikode.



SRI A. M. MORTEIRO,
President,
South Kanara Dt. Co-op.
Central Bank, Ltd., Mangalore.

ROLE OF CO-OPERATIVE URBAN BANKS

One feature that requires special mention under this head is the period for which these loans are sanctioned.

Rule VIII-A of the Madras Co-operative Societies Act (1932) restricts the period of loans to 3 years. The Urban Banks' funds consist of deposits and loans from the central bank. The deposits are short-term resources. The central bank cannot sanction loans for more than 3 years. With these restricted resources the urban banks are not in a position to sanction even mortgage loans for more than 3 years. Generally mortgage loans are taken by the borrowers to liquidate prior debts or for some productive expenses like education, starting of a professional concern, going to foreign countries for study etc. Under no stretch of imagination can a middle class man repay the mortgage loan in 3 years even if it is only 20 times his salary. It is, therefore, essential that mortgage loans should be issued for longer periods. No urban bank will be rendering any co-operative service to the members if these loans are sanctioned only for 3 years.

The borrower will naturally default and the only method of recovering the loans would be by resorting to the unpleasant course of auctioning the properties. Depriving the members of their properties should not be the aim of a co-operative institution. The urban banks should devise measures by which they can issue long term mortgage loans to their members so that the latter may be in a position to repay the same in easy instalments.

For this purpose, the urban bank should tap long-term resources. The ability of the George Town Co-operative Bank to issue long-term mortgage loans is mainly due to the monthly savings fund scheme which it has well developed and through which long-term resources to the extent of Rs. 15 lakhs have been tapped as mentioned above.

If every urban bank develops this scheme, it would be possible to help the members by the issue of long-term loans on the mortgage of properties.

As large amounts are advanced against house mortgages, the urban banks should satisfy themselves that the advances made by them are safe. The title deeds of the properties to be mortgaged should be carefully scrutinised by the legal advisers of the urban banks lest the bank should advance against a property for which the applicant has no good title. The valuation also should be very cautiously made and sufficient margin should be maintained between



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Tanjore Co-op. Central Bank, Ltd.
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Dip. in Pub. Admn.
President,
Kumbakonam Co-op.
Central Bank, Ltd., &
Tanjore Dt. Co-op. Central Stores
Ltd.

the real value of the property and the actual amount advanced against it.

Last but not the least, one word about the management. The efficiency of any urban bank depends upon the efficiency of its management: An honest set of directors without any selfish interest will be in a position to manage the affairs in an unbiased manner and do real co-operative service to every one that deserves it. Let Co-operators always remember the basic maxim enunciated by the MacLagan Committee: "In the formation of a society, the first essential is the careful selection as members of honest men, or at any rate, men who have given satisfactory guarantee of their intention to lead an honest life in future."

THE SALEM CO-OPERATIVE CENTRAL BANK, LIMITED.

No. 151
GRAM COPPENBANK " P. B. NO. 8. PHONE: NO. 2.
(THE PREMIER CENTRAL BANK TO BE REGISTERED IN THE
STATE IN 1909.)

	Rs.
Authorised Capital	15,00,000
Paid up Capital	7,29,000
Reserve Fund	5,77,743
Other Reserves	5,29,473
Working Capital	99,93,251
Loan Transactions	60,33,997
Overdraft Transactions	122,47,402

Deposits are accepted at the following rates:—

Fixed Deposits:—			
6 months	2 %	4 years & above.	3 1/2 %
1 year	2 1/2 %	5 years & above	
2 years	2 1/2 %	for deposits of	
3 years	2 1/2 %	Rs. 5,000 and above	4 1/2 %
Savings Deposits and Thrift Deposits	14 %		
Current Deposits	1 %		
Provident Deposits	3 %		

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

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

President.

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

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

Co-operative Finance

SRI V. N. SUBBARAYAN,

Commissioner, Corporation of Madras, and Ex-officio President,
The Madras Corporation Officials' Co-operative Bank Ltd.

I have to congratulate the co-operative movement in India on its completion of 50 years of useful service not only to its members but also to all the Co-operators in general which is now commemorated by the Golden Jubilee Celebration.

Though I cannot lay any tall claim on matters of Co-operation yet as the President of the Madras Corporation Officials' Co-operative Bank Ltd., and as the Vice-President of the Madras Co-operative House Construction Society Ltd., I have come into contact with the important role played by the co-operative enterprise and I have ventured now to give a brief idea of the importance of the Co-operative Finance.

A co-operative society is an association which has as its object the promotion of the economic interests of its members in accordance with co-operative principles. As all economic activity springs from man's material wants, it follows that the satisfaction of some specific want should be the prime endeavour of a co-operative society. The co-operative enterprise is a field not only for the constituents to enjoy the benefits of the co-operative movement, but also for the enthusiastic individuals with zeal for service to the public for the display of their talents for the common good of all. In the present set-up of the Society with its many-sided growth and development individualism is giving place to collectivism and Co-operation acts as a liaison between the two extremes of Capitalism and Communism and it paves the way for the rapid growth of Welfare State Co-operation stands for associated effort for the satisfaction of common economic needs and adopted as its motto, "each for all and all for each" in place of the individualistic motto, "each for himself" and in contradistinction to the communist principle of "each for all and all for all".

The realisation of a common need and the necessity for concerted action for the satisfaction of that need is the incentive to co-operative association. The advantages of co-operative principles and methods are being increasingly recognised in every country. All the International Organisations concerned with social and ameliorative activities of the mankind have all appreciated the social and

economic achievements of co-operative societies and held the view that the co-operative movement has an important contribution to make in establishing a future social order. In India co-operation has done signal service in promoting the well-being of the poor and the lowly.

The co-operative movement in its origin was intended as a shield for the weak and the poor against the evils of capitalism and competition. The application of the co-operative principle is not confined to the problems of rural economy alone. It can be employed for the benefit of all classes of people of limited means both rural and urban, who want to better their economic condition through voluntary association and mutual aid. The co-operative movement in this Province has progressed in two directions, namely the credit side and the non-credit side. In South India, Co-operation has not contented itself with merely confining to purely money lending business and affording credit facilities to the common man, but has expanded its activities in all fields trying to cater to most of the needs of the common folk, whether it be the supply of provisions through Co-operative Stores at cheap prices or supply of milk through Milk Co-operative Unions or supply of cloth through the Handloom Weavers' Co-operative Societies or construction of houses at cheap cost recoverable in easy instalments through Building Co-operative Societies. Co-operation has entered even into the Insurance field.

Recognising the important role played by Co-operation, the Planning Commission's Report states: "as an instrument of democratic planning, combining initiative, mutual benefit and social purpose, Co-operation must be an essential feature of the programme for the implementation of the Plan". The very word, "Co-operation" implies unity of interests, pooling of resources and talents and doing work for the common good of many. The co-operative societies organised by individuals, stand for the benefit of the entire group of such individuals, affording opportunities to one and all of them for the development of virtues like thrift, economy and unity. Having regard to the bearing of co-operation on nation-building and the great part which it is bound to play as a means of post-war reconstruction it is surely up to every one to assist in the expansion of the co-operative movement in all directions, to strengthen it and be benefited by it.

Finance is the bed rock of all prosperity and capital is as much necessary for co-operatives as for other organised systems of doing business. Realising that capital is the result of saving, the co-operative movement regards the practice of thrift among its members as a most essential requisite and places it in the forefront of its programme. The present banking structure is built upon the Reserve Bank as the Banker's Bank. Next to it is the State Co-operative Bank as the apex bank in each State. Dependent on this are the District or Urban Co-operative Credit Societies or Banks and finally the primary societies which at present function only as the financing agencies. In rural areas these unit Co-operative Societies confine themselves only to rendering credit facilities to the villagers and in bigger rural areas there are co-operative stores. In urban areas they enlarge their activities in that they supply provisions, milk, etc., through co-operative societies like the T.U.C.S., Ayanavaram Co-operative Milk Supply Union, etc. These Co-operative Stores have indeed been a blessing in these dark days of scarcity of food stuffs of hoarding and black-marketing.

Madras no doubt rightly prides herself on the solidarity of her co-operative credit structure which is easily the best in India. The Co-operative Movement's greatest achievement in Madras has been in curbing usurious money lenders, hoarding and black-marketing. Co-operation has its own limitations and the success of its activities depends upon proper leadership and public co-operation. Though the public have such confidence in co-operative banking that they are willing to deposit large sums of money in it at very low rates of interest, it is not enough and not commensurate with the expansion of the Non-Credit Co-operative Movement in such striking dimensions as to arrest greater public attention than in the Credit Movement.

In this connection let me give a small gist of the activities of the Madras Corporation Officials' Co-operative Bank. From a mere lending Bank it has become now a Welfare Bank catering to the needs of the members of the Bank who are all employees of the Corporation of Madras. The Bank is supplying on credit basis provisions to members through the various branches of the T.U.C.S. on permit system, milk through the Madras Co-operative Milk Supply Union, Ayanavaram through their various depots, footwear through the Perambur Arundhatheeya Leather Workers' Co-operative Society Ltd., clothing through Messrs. Krishnaswamy and

Suryanarayana and Messrs. N. Ranganathan and cycles through the T. I. Cycles Factory and radios through Messrs. A. V. Thomas & Co., recovering the cost in easy instalments, restricting the total spread over to a monthly commitment of not exceeding 50 per cent of the salary of each member. The Bank has also taken up Group Insurance Scheme for the benefit of the Members in the Vanguard Insurance Co.

If only there is proper leadership, large public support and command of finance, the scope of the co-operative enterprise is boundless and co-operation will certainly play a great role in the success of the Five Year Plan.

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

(Ingr R. S.)

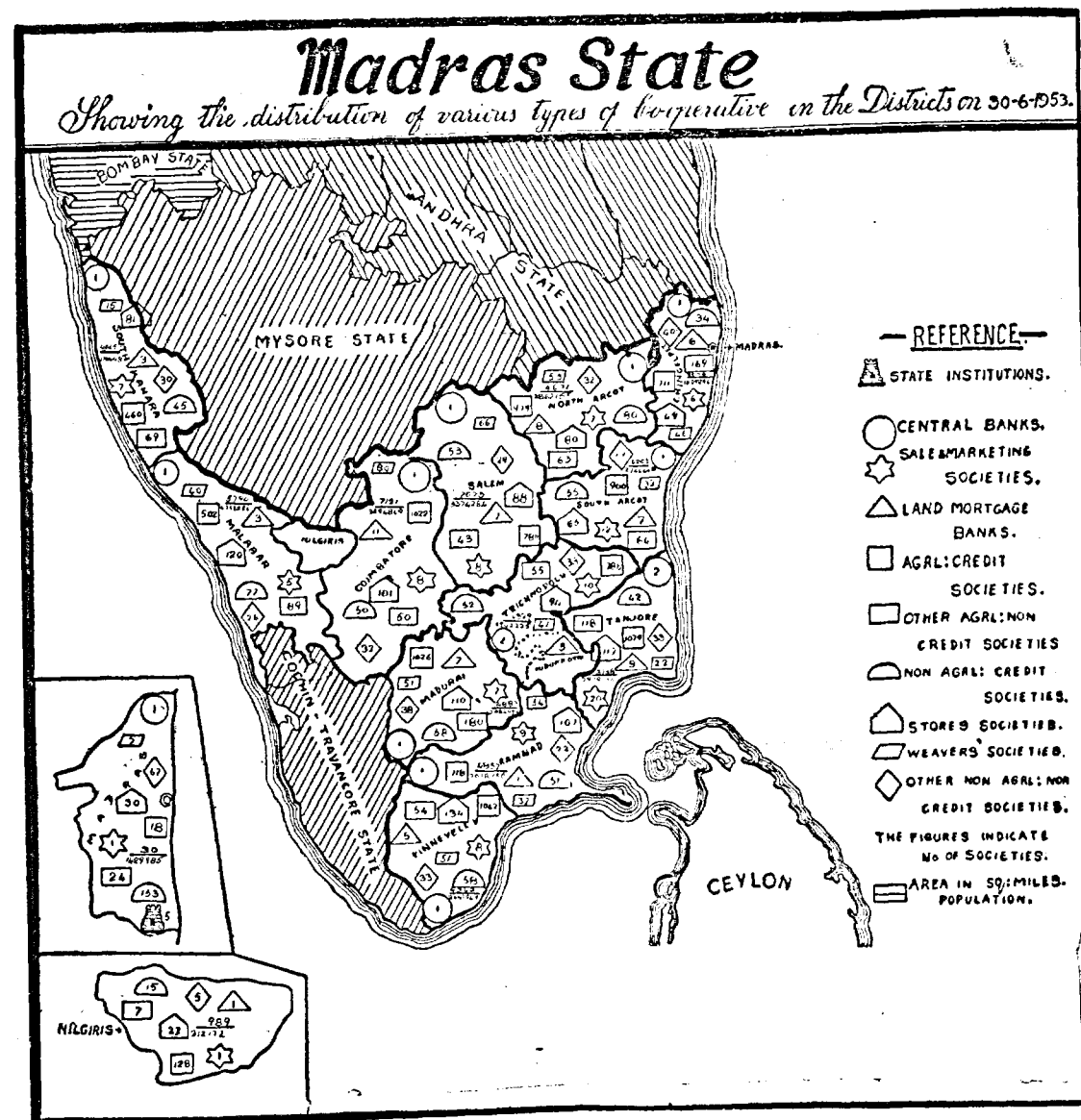
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M. P. NACHIMUTHU, B.A., B.L.
President.



SECTION III

Handloom Weaving

Our Handloom Industry— Its Place in Indian Economy

SRI M. P. NACHIMUTHU MUDALIAR, B.A., B.L.

President, Madras State Handloom Weavers' Co-operative Society Ltd.

The Handloom Industry is the oldest, the largest and the most important Cottage Industry in India. For centuries past, there is evidence to show that cotton fabrics were in existence and in use and that they had enjoyed the patronage of kings and nobles of the land. But this major Industry, next in importance to Agriculture, lost its world-wide monopoly. With the advent of mechanisation and the introduction of powerlooms, mill-made textiles flooded the Indian Markets. Their rapid adjustability to altered conditions and their capacity for mass production at low costs virtually tolled the death-knell to the Indian Handloom Industry with its apparent decadent technique of production. Lack of patronage from courts, the changing habit of dressing, the unscrupulous dealings of small entrepreneurs, and the existence of too many middlemen hastened its decadence and total collapse. Thanks to the discriminating preference shown by Indian ladies for artistic fabrics, the Handloom Industry survived from what seemed to be a living death.

Towards the close of the 19th century, the conflicting interests of mills and handlooms were harmonised. Mill cloth was subjected either to import duty or excise duty and the "Swadeshi" spirit went a long way in protecting the Handloom Industry. With the improvement in production technique, the Handloom Industry consolidated its position in the economic set up of the Country. The World War I gave a fresh impetus to this industry, in that the flow of foreign cloth was arrested and the competition from the indigenous Mill Industry was restricted as a result of the diversion of a greater part to its production to war supplies.

The Handloom Industry was thus found to be really progressing; but this prosperity was short lived, since indigenous mills during the post-war period began to cater to the domestic needs by producing colour sarees, hitherto exclusively woven by handlooms. With a greater output and multiple varieties in designs and texture of the mill-made fabrics, the Handloom Industry, faced with unhealthy competition, dwindled and seemed to be flattened out, by the levy of import duty on yarn in 1922, by the abolition of excise duty

on indigenous mill cloth and the impetus given to the newly started khadi movement.

The Great Depression of the '30s was the last straw on the camel's back for this Industry. The markets for handloom fabrics dwindled, cloth prices declined sharply and the average income of the weaver was reduced to a pittance. "The bones of weavers were thus bleaching the plains of India".

A crisis of such dimensions evoked the sympathy of Government and an Industries Conference was called for at Simla in 1933. Grants were liberally given for approved schemes on marketing, for improvement of designs etc. An annual subsidy of Rs. 5 lakhs to Provincial Government for the said purposes by the Central Government, could not to any appreciable extent, resuscitate the industry. A conference of representatives of Handloom and Mill Industries and certain State Governments in 1940, was convened by the Government of India but no headway was made, owing to the lack of reliable data on many aspects of the Industry.

The Fact Finding Committee of 1941 after much discussions and deliberations on this vital subject, recommended the establishment of an All India Handloom Board, to provide for the supply of raw materials, arrange for marketing of handloom goods and to carry out research. The First All India Handloom Board was set up in 1945, and functioned till 1947. Suitable provisions and controls on mill production such as supply of minimum quantity of yarn to Handlooms, restriction on expansion of powerlooms in mills and factories, and general shortage of cloth in the country helped the Handloom Industry to revive and make some progress.

The All India Handloom Board made several recommendations, the more important among them being the augmentation of yarn supplies to handlooms, the establishment of a Central Marketing Organization, appointment of Marketing Officers, inland and overseas, to study market conditions and popularise handloom fabrics and opening of a research institute.

After a short cessation of functions by the Board, the problem of financial assistance cropped up and the Standing Handloom Committee in 1948 managed to create a Handloom Development Fund with a sum of Rs. 10 lakhs for giving grants for the implementation of approved schemes for developing the Handloom Industry. A further sum of Rs. 5 lakhs was added to the Fund in 1950. The

Committee recommended to Government the reservation of certain varieties of cloth production for Handloom Industry and early in 1950, a Government Notification was issued reserving among other varieties the following important items:—

- (1) Coloured Sarees
- (2) Sarongs, Lungies and Gamchas
- (3) Honey-comb towels
- (4) Gauze, Bandage and Jaconett cloth

As there was severe shortage of cloth in the country, there was an increase in the number of handlooms. The output of handloom cloth did not, however, show a corresponding increase chiefly due to yarn shortage.

The year 1952 brought depression in the place of the business cycle of Handloom Industry, on account of this general fall in commodity prices and decline in purchasing power of the people. Heavy stocks both in the mills and handlooms, began to accumulate. The mills with the assistance of their powerful organisations pushed down their products into villages and made distress sales of cloth at rates comparatively cheaper compared with handloom cloth of similar varieties to consumers. Unemployment and under-employment among handloom weavers became inevitable. The economic distress of the weavers was so acute that the Government of India came in with steps for rehabilitating the Handloom Industry, by delegating comprehensive functions to the All India Handloom Board, imposing cess on mill cloth to promote sale of handloom cloth, penalising mills manufacturing dhoties in excess of 60 per cent of their packing in that variety during the 12 months ending March 1952 and also prohibiting them from piece-dyeing sarees.

The cess so collected was diverted to Handloom Industry, as grants or loans for financing activities necessary for developing the Handloom Industry, the more important among them being to organise the Handloom Industry on Co-operative lines, to expand and establish marketing depots both within the country and abroad, to promote research, improvement of designs and better technique of production, training of personnel, arranging for improved equipment, prescribing standards of quality and to establish machinery to maintain such standards, to encourage co-operative effort among handloom weavers.

A Central Marketing Organisation was set up by Government for developing internal markets. A scheme for tapping external

markets was approved and four Handloom Marketing Officers are stationed one each at Baghdad, Ceylon, Rangoon and Singapore. Emporia are also to be started at Aden, Karachi, Chittagong, Rangoon, Bangkok, and Singapore. In addition, schemes were sanctioned for various States providing for bringing handloom weavers into the co-operative fold, financing of weaving operations in co-operative societies, subsidising sales of handloom goods to consumers by co-operative societies and State Government depots, measures for standardising production and improvement in technique, and organising inter-State marketing and expansion of sales organisation within the States thus ensuring reduction in the cost of marketing.

The need for a separate co-operative Spinning Mill to tide over yarn shortage and a calendering plant for giving finish to Handloom fabrics was also keenly felt and the schemes are in their process of execution.

Government have appointed a Textile Enquiry Committee to examine in detail the various implications of the textile industry in India and its report is eagerly awaited.

In an economy where consumers' sovereignty reigns supreme and where there is the transitional change from sellers' to buyers' market, it is vital for producers to cater to the changing tastes of consumers. With an improvement in designs, better technique in production and lower production-cost, the Handloom Industry has decidedly a role to play in the economy of the country. The cumulative efforts of Government of India and State Governments concerned will go a long way towards the rehabilitation and reorientation of the Handloom Industry in the present economic set up of the country.



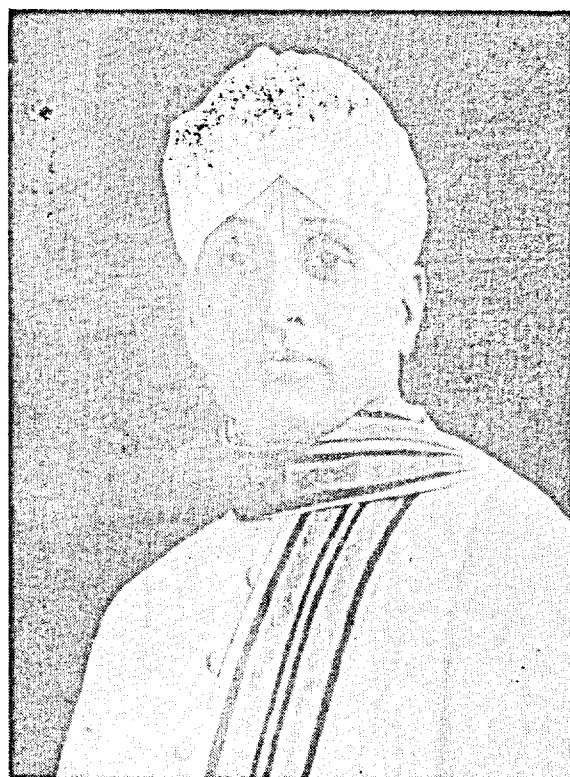
SRI
R. ARUNACHALA AMBALAGARAR,
B.A., B.L.,
President,
Pudukkottai Co-op. Central Bank, Ltd
Tiruchi Dt.



SRI V. S. THYAGARAJA MUDALIAR,
President,
The Tanjore Co-op. Marketing
Federation, Ltd., Tanjore.



SRI K. NACHINARKINIA SIVAM,
President,
The Madras Co-op. Milk Supply Union Ltd.,
Ayinavaram, Madras



CAPT. G. SRINIVASAMURTY,
President,
Madras State Indian Medical
Practitioners' Co-op. Pharmacy &
Stores, Ltd., Adyar, Madras

SECTION IV

Co-operative Milk Supply

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

SRI K. NACHINARKINIA SIVAM,

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

I. Origin and Development.

The question of supplying pure and unadulterated milk to the citizens of Madras was engaging the attention of many, for a number of years. Various attempts were made to solve the problem without success. A company on the joint stock principle was formed but failed. Perhaps the method of work adopted was not conducive to the development of business.

It was felt that the problem could be solved in one way—by starting a co-operative society for producers. The first attempt to organise a milk supply co-operative society was in 1912; it did not produce tangible result. Attempts made in subsequent years also did not produce any results. In the year 1926 the then Joint Registrar, Dewan Bahadur K. Deivasikamani Mudaliar was touched with the plight of the villagers of Chingleput District who had to fight with nature just to eke out a mere sustenance and conceived the idea of producing a second string to their bow to supplement the meagre income, by keeping a few milch cattle and selling the produce to the citizens of Madras. He studied the problem in all its aspects and started in the year 1927 with a handful of societies, and the Union.

The Union started with 13 feeder societies with a share capital of Rs. 242 and has now in its rolls 150 feeder societies with a paid up share capital of Rs. 1,61,623. But the basic idea still remains there. It remains as a producers' organisation. It still keeps in view the fact that it is intended to provide a supplemental income to the villager and that its strength lies not in increasing huge profit for itself, but in gaining the goodwill of the consumer. One instance will illustrate this fact. Since the beginning of the Korean war the prices of all essential commodities have gone high and to the great detriment of the poorer and middle class citizens. The Milk Union is on the other hand the only institution which has firmly set its face against any increase that would upset the health of citizens who on account of increased prices would not be able to purchase the required quantity of milk. To the producer the Union has been a great tower of strength to which he could look during the last 6 years of drought for his living.

From the early years it was felt that unless the Union financed for the purchase of milch cattle and increased the milk yield, the purchase of milk from the villages would only mean depriving them of an important and very nutritious item of food. It has therefore been the policy of the Union to finance the agriculturists by loans repayable in 8 to 10 monthly instalments for purchase of milch cattle. To a greater extent the Government of Madras have helped the Union with the finance for the purpose. With the funds secured from the Government, the Co-operative Banks and its own resources the Union has by now advanced 40,00,000 of rupees for the purchase of milch cattle. These advances are recovered in monthly instalments from out of the milk bills due to the members, leaving a portion for maintenance of the animals and for the upkeep of the family.

It has been the aim of the Union throughout to distribute the funds to as many families as possible. If it is only a matter of producing more milk for sale in Madras, perhaps a few capitalists could have organised one on the outskirts of Madras. The Aarey Colony in Bombay is an example of a big Governmental-cum-Capitalistic organisation for the supply of milk to that great City. In that colony no producer owning less than 50 milk buffaloes could become a supplier and in actual fact most of them own about 500 animals which means that the investment of a person ranges from Rs. 50,000 to Rs. 5,00,000. In the milk supply organisation here in the course of a year about 10,000 families supply milk and derive benefit. Such benefit of course is bound to be small. But it has to be remembered that the income from this source is only to supplement the main source and never takes the place of the main business of the family—agriculture.

The Union now collects about 32,000 lbs. milk on the average per day. All milk accepted is subjected to test at our laboratory, for purity, hygiene and adulteration. The producer member on the average is paid Rs. 1-2-0 and the average selling rate is Rs. 1-4-8 per measure.

II. Pasteurisation.

The pasteurisation plant was installed in the year 1939 and was opened by the then Health Minister, Dr. T. S. S. Rajan under the presidentship of the then Premier the Hon'ble Mr. C. Rajagopalachari. As the capacity of the old plant was limited a new plant was purchased with double the capacity of the old plant to handle the present supply.

III. Medical Aid.

In order to protect the milch animals of the member-feeder societies which supply milk to the Union, Government have sanctioned a mobile veterinary unit consisting of a Dist. Veterinary Officer and one Stockman Compounder for rendering medical aid.

Besides this, 6 first aid posts at Aynavaram, St. Thomas Mount, Kosapet, Amarambedu, Singaperumal Koil and Kilacheri are run to enable the animals of the societies in respective areas to have timely medical aid. The costs are borne partly by the Union and partly by the Government.

IV. Salvage Farm.

Salvaging is an important work in connection with milk supply. The Union has taken this on a small scale and has established a farm with 400 acres at Vattambedu in Nellore Dist. since 1-12-50. Dry animals are taken during dry period and returned after calving. A small sum of Rs. 8 per month is charged as feeding charges. To cheapen the cost, it has installed pump sets to cultivate green fodder and put up sheds for cattle and staff. There are 100 animals at the farm at present. A tractor was also purchased and the Union cultivated paddy in 7 acres of land to begin with. This was successful. Now about 40 acres were under plough and nearly Rs. 35,000 has been invested. A tractor and two pump sets were also bought.

V. Key Farm Centres

The Union has undertaken to work the key farm scheme sponsored by Government of India at Valarapuram and Kilacheri villages. Under this scheme 6 stud bulls are stationed at each centre and artificial insemination is resorted to. It is too early to say about the result. There are one veterinary assistant and 4 live-stock inspectors working in each centre. The scheme is very popular in villages.

Funds for the Purchase of Animals

Till now a sum of about Rs. 40,00,000 has been given both from Government and from the Union funds to purchase animals.

VI. Milk Bar

The Union has taken on lease a piece of land within the High Court compound in the City and a milk bar was opened in order to satisfy the long felt need of the public for the supply of pure milk, ice cream, kova and milk-shake.

VII. Poultry.

As already stated as our agriculture is a deficit economy we are trying our best to improve this economy by introducing mixed farming. As such we have recently taken up the Egg Scheme by which we are up grading the poultry. In the villages all the country cockrels are withdrawn and they are given exotic cockrels such as White Leg Horn, Black Minorca, Rhode Island. The eggs are hatched and cross breed cockrels are again withdrawn and given pure ones, and by this process we are sure to improve our stock. A fair price is paid to them. Before the scheme was introduced they were getting Rs. 0-1-0 per egg. Now they get Rs. 0-1-6 plus Rs. 0-0-2 bonus. So this gives them an additional income.

VIII. Surplus Milk.

Our greatest handicap is the disposing of surplus milk in winter. In summer when we want more milk for curds, ice creams etc, we get less milk as everything dries up and we have less fodder. But in winter we face a heavy surplus and we incur loss on this account. This is the greatest hardship for us which can be solved only by preserving the surplus milk of winter and using it in summer, by installing a milk powder plant. This will help our villagers.

At present we are converting our surplus milk into kova, ghee and curd. By this we lose heavily.

This institution has been doing silent work for the last 25 years to improve the lot of the agriculturist by supplementing his income and uplifting him economically.

Our aim is to cater atleast 50 per cent of the milk requirement of the city for which we are striving hard and about 12 acres of land have been recently purchased at Kodambakkam at a cost of Rs. 37,500 for erecting another plant to serve South of Madras. This scheme has been deferred as there was a reference from the Government whether we will take over the Govt. milk factory. We offered a price and mean while a committee with Dr. A. L. Mudaliar as Chairman was constituted to go into the details of the advisability of using reconstituted milk. The matter is now pending with the Government.

The problem of ensuring pure and unadulterated milk to the public is great. We have one House Delivery Inspector for check on every ten salesmen. Over and above them the Secretary is collecting surprise samples almost daily. The President (myself) takes samples

from the salesmen over and above these people. Suitable action is taken, if we notice any adulteration. The Madras Corporation is also taking samples through their Food Inspectors and punishing cases of adulteration. The two dairy assistants working under the Registrar of Co-op. Societies whose services are exclusively given to help the Union collect samples of salesmen's milk and check in their laboratory and intimate to us in case of mischief for suitable action. So there is enough check on the distribution side. We do our best to prevent adulteration with the co-operation of the customers we hope to serve many more.

Co-operative Dairying

SRI V. BALASUNDARAM, I.A.S.
Joint Registrar of Co-operative Societies

Milk is recognised universally as a most valuable article of food containing animal proteins, important mineral salts and vitamins which help to correct the existing deficiencies in diet. In spite of this fact the per capita consumption of milk in India is the lowest when compared with the other countries in the world. The per capita consumption of milk is only 6.6 ozs. per day in India whereas it is as high as 35.6 ozs. in the U.S.A., 40.30 ozs. in Denmark, 40.70 ozs. in the United Kingdom, 44.40 ozs. in Australia and 56.80 ozs. in Canada. Though dairying is one of the most widely practised subsidiary occupations of the Indian ryot and though India owns a larger number of cattle than any other country in the World, the production of milk is poor. The Dairy Industry as such has been unremunerative and under-developed. In India nearly 95 per cent of the milch cattle are in villages and are owned by ryots of limited means. The animals are often ill-fed and under-nourished and the milk yield is, therefore, low. As a result, the cost of production has been high and men of limited means find it difficult to buy the required quantity of milk to make good the deficiencies in their diet. With the increase of population in urban areas, there has been a great demand for good quality milk. Maintenance of milch cattle in towns is costly and the professional milkmen in the towns have therefore been charging exorbitant rates. The ryots in the villages who own milch animals are also not in a position to take their surplus milk to the neighbouring towns for disposal. Consequently middlemen trading in milk have come into existence. They go about buying milk from the owner of milch cattle in the villages at low prices and sell it to the consumers in the towns at high prices. The quality of milk supplied by these middlemen has not generally been good in spite of various enactments to check milk adulterations.

In the circumstances, it is very necessary that the dairy industry in India should be organised effectively as well as efficiently. It should ensure not only a fair return to the producer for the milk produced by his animals but also an adequate supply of wholesome milk drawn under hygienic and sanitary conditions at a reasonable price to the consumer. Experience in foreign countries has shown that the organisation of the milk trade on co-operative lines alone can

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satisfactorily solve these problems. In countries like Denmark, Sweden and Norway more than 90 per cent of the national output of milk is handled by Co-operatives. Following these examples, milk supply societies were first started in the Madras State in the outskirts of the Madras City in the year 1926-27 with a view to providing a subsidiary occupation to the agriculturists and supplying pure and wholesome milk to the consumers at a reasonable price. Later, a society was formed for the milkmen in the Madras City. These co-operatives joined themselves into a Union known as the Madras Co-operative Milk Supply Union in 1927-28.

The main objects of a Milk Supply Co-operative Society are (i) to enable members to buy and maintain good milch animals, (ii) to buy and maintain breeding animals for the use of the members and (iii) to arrange for the sale of milk or its by-products. The main objects of a Co-operative Milk Supply Union are (i) to make arrangements for the disposal of milk and milk products of its members or the members of the affiliated societies on commission basis or to purchase the milk and milk products and dispose of them to the best advantage, (ii) to instal pasteurisation and other modern dairy machinery, (iii) to purchase and distribute to its members cattle feed and other articles required for dairying, and (iv) to arrange for the purchase of milch cattle required by its members and members of affiliated societies.

Although the Madras Co-operative Milk Supply Union was started in the year 1927-28, progress in the field of Co-operative dairying in the State was rather slow for a period of more than 10 years. On the 30th June 1937, there were only one union and twenty primary co-operatives in the entire State. By the end of June 1940, however, there were 15 unions and 88 societies.

During the year 1940, Government sanctioned a post of a Dairy Expert to advise Co-operative Milk Supply Institutions on technical matters and to train their members and staff in the principles of dairy hygiene etc. In 1946, a Dairy Development Officer was appointed with a skeleton staff to conduct surveys for obtaining data on which dairy development projects could be based and to formulate schemes for increasing milk production. In 1948 Government sanctioned a three-year plan for dairy development through co-operative organisations. The three-year plan, among other things, provided for the following scheme:—(i) organisation of fresh milk

supply societies in areas which were not covered by them, (ii) supervision of the milk supply co-operatives by Government staff and (iii) employment, during a period of three-years, of a staff of 25 Dairy Assistants, 26 Senior Inspectors, and 27 Junior Inspectors for technical advice and implementation of the schemes. This three-year plan was implemented with effect from 15-10-1948, when there were 335 milk supply societies and 26 unions with a total production of about 22,000 madras measures per day. At the end of the first three years *i.e.* by 15-10-1951, there were 486 societies and 37 unions with a total daily production of more than 29,000 Madras measures per day.

On the completion of the first three-year plan successfully Government, after reviewing the position, were pleased to extend the life of the plan for a further period of three years from 15-10-'51. By the end of September 1953, there were in all 41 unions 723 milk supply societies in the composite State of Madras working under the Co-operative plan of dairy development. After the partition of the State, 20 Co-operative Milk Supply Unions and 517 societies are functioning in the Madras (Residuary) State.

The three-year plan referred to above was intended for dairy development in all the districts except the Madras City, for which a special scheme has been in operation since 1945. Mention has already been made about the Madras Co-operative Milk Supply Union, the first and the premier milk supply institution of the type started in this State. This institution which commenced work in December 1927, had to face serious problems in the initial years. On 30-6-'43, it had 38 members and it handled about 7 lakhs Madras Measures of milk during the year 1942-43. It has now 173 members and its average daily production is 7,697 Madras measures. The Union has its own building with pasteurisation plants at Ayanavaram.

It has also purchased a site in Kodambakkam to establish a second pasteurisation unit. It distributes milk throughout the city through cycle vendors and depots at various centres. It is the sole supplier of milk to all the State Hospitals in the City and the Tuberculosis Hospital at Tambaram. It has further plans of expansion and is expected to play a more significant role in the distribution of milk especially in the Madras City.

Government have granted a number of concessions to the milk supply co-operatives started under the scheme. In order to help the

unions and societies to augment production, Government gave loans to these institutions for the purchase of motor vehicles for quick transport of milk and for giving advances to members for the purchase of milch animals. Till 31-3-1952, no interest was charged on the loans issued for the purchase of milch animals but there after interest has been charged at 3 per cent per annum. They also sanctioned subsidies to select institutions for the purchase of stud bulls and for construction of cattle sheds. Veterinary officers have been directed to inspect periodically the milch cattle belonging to the milk supply organisations and the milking yards and render them assistance free of cost. Government have stationed stud bulls at certain veterinary hospitals in order to improve the livestock belonging to the Co-operative milk supply societies and unions. Sales tax at one point only is levied in respect of the sale of milk to consumers. Government Hospitals and Jails have been instructed to encourage these institutions by accepting their tenders for the supply of milk even if the rates quoted by them are slightly higher than those quoted by private contractors.

While they have undoubtedly attained considerable success in many towns in the State, the Milk Supply Co-operatives are also confronted with certain difficulties such as competition from individual milk vendors etc. Though the quality of milk supplied by the private milk men is seldom pure, they have their own ways of canvassing consumers and affording them credit facilities, etc. Co-operative milk supply organisations, on the other hand, observe voluntary price control, discourage credit sales and ensure quality milk. They are not merely business institutions attending to the purchase and sale of milk to the best advantage of the producers; they are conceived as an integral part of a greater milk scheme. Having regard to the need for improving the production of milk, affording adequate incentive to the producer and increasing the per capita consumption of milk in the country, it is of vital importance that the existing milk supply co-operatives should be strengthened and new societies established wherever feasible so that they may be of greater service to the generality of the people.

From the Cow to the Consumer

SRI M. ARULANANDAM, B. Com. Hons.

Secretary, The Madras Co-operative Milk Supply Union Ltd., Ayanavaram.

In the early morning hours the bells of the milk boys resound in the streets of Madras. These lads carry in sealed cans health into the thousand homes where they are welcomed for their cheerfulness, wit and repartee.

When the housewife receives her milk, she knows that she gets a pure and wholesome food which she can give her children without misgivings.

All milk is "mother's milk" in the sense that it is so ingeniously constituted that it contains everything that the infant needs in the first period of his life. The human being is the only mammal robbing the off spring of other mammals of their milk! Why do we do that? If milk is so essential of what does it consist?

Science tells us that milk is an emulsion of waters, fats, proteins, milk sugar, enzymes, lecithen, calcium, phosphates and vitamins A, B, C, and D. Now-a-days everyone is familiar with these terms, which do not call for further explanation. We are here speaking of the pure milk coming direct from the cow, but a lot of things may happen to it before it reaches the consumers. If we want the milk as pure as it is when it leaves the udder, we must not neglect the most stringent requirements in the way of cleanliness control, and cooling. So let me say what we, The Madras Co-operative Milk Supply Union do to give the public pure and unadulterated milk. Milk is collected at a radius of thirty miles around the city from villages. Let me now take you to a village. Here, meet the president and the secretary of the society; they will speak to you now. "Our members bring their milch animals cleanly washed to the common milking place here and milk in our presence. The Union sends the sterilized cans and we put the milk in these cans and seal them. The Union undertakes transport. Once in two days or even more often the union staff (supervisors) visit us and supervise the milking and help us in writing our accounts of the society". Let us now travel in the van and see the Union.

The Union dairy has a small laboratory attached. Here two dairy experts of the Union test the milk before accepting it. They first smell the milk to find out whether it is stale or fresh, then the

THE MADRAS JOURNAL OF CO-OPERATION

lactometer test, boiling test, the fat test and many more tests. According to a standard formula they test and arrive at the *Solids not Fat*. If the S.N.F. is nine per cent and above, it is genuine milk. All milk is accepted only subject to test at the Union laboratory. Then the whole milk is collected in a tank and pasteurised. Pasteurisation is nothing but heating the milk to 75° Centigrade and suddenly cooling it. Under this temperature all the germs and bad bacteria in the milk are killed. The whole milk after pasteurisation is put in well-washed, sterilized cans with sealed caps and is ready for distribution.

The Union lorry drops these cans in convenient places in the city. The cans are taken on cycles by the boys and milk is delivered door to door. This is what happens in our Union. Morning between 9 a.m. to 2-30 p.m. and the same time in the night are the busy hours of our factory.

To check adulteration by the salesmen, the whole city is divided into six zones. There are six persons known as House Delivery Inspectors who have under their supervision ten salesmen. Their duty is to collect samples from these salesmen and send them to our laboratory for testing. If we notice any adulteration suitable action is taken against the salesmen. The Secretary goes by surprise and also collects samples. The President too goes on some days for collection of samples. Over and above, there are Corporation food inspectors taking samples from the salesmen and they notify us the results of their analysis to enable us to take suitable action against them. There are two Dairy Assistants under the Registrar of Co-operative Societies who are exclusively meant to help the Union in our distribution by collecting samples from the salesman and test in their laboratory. They inform us to take action where necessary.

The above is the summary of our milk collection and distribution work. We are doing our best and to do a better and bigger job we need your co-operation.



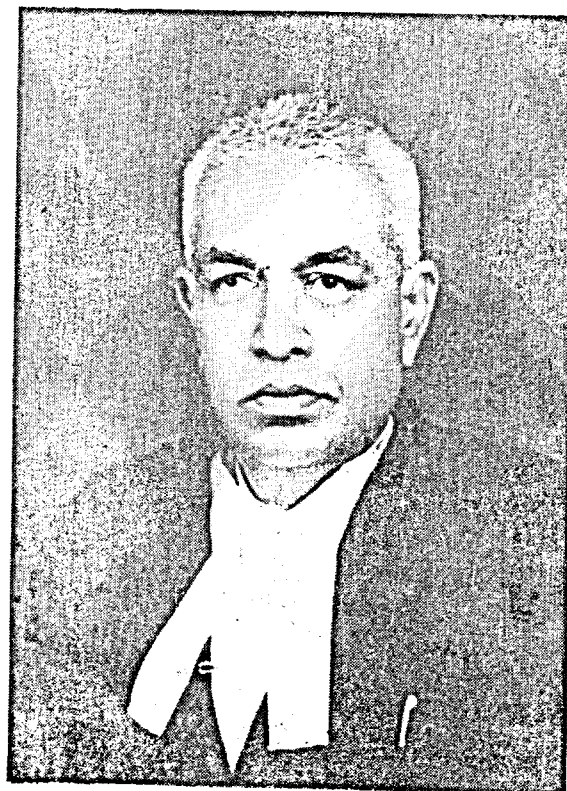
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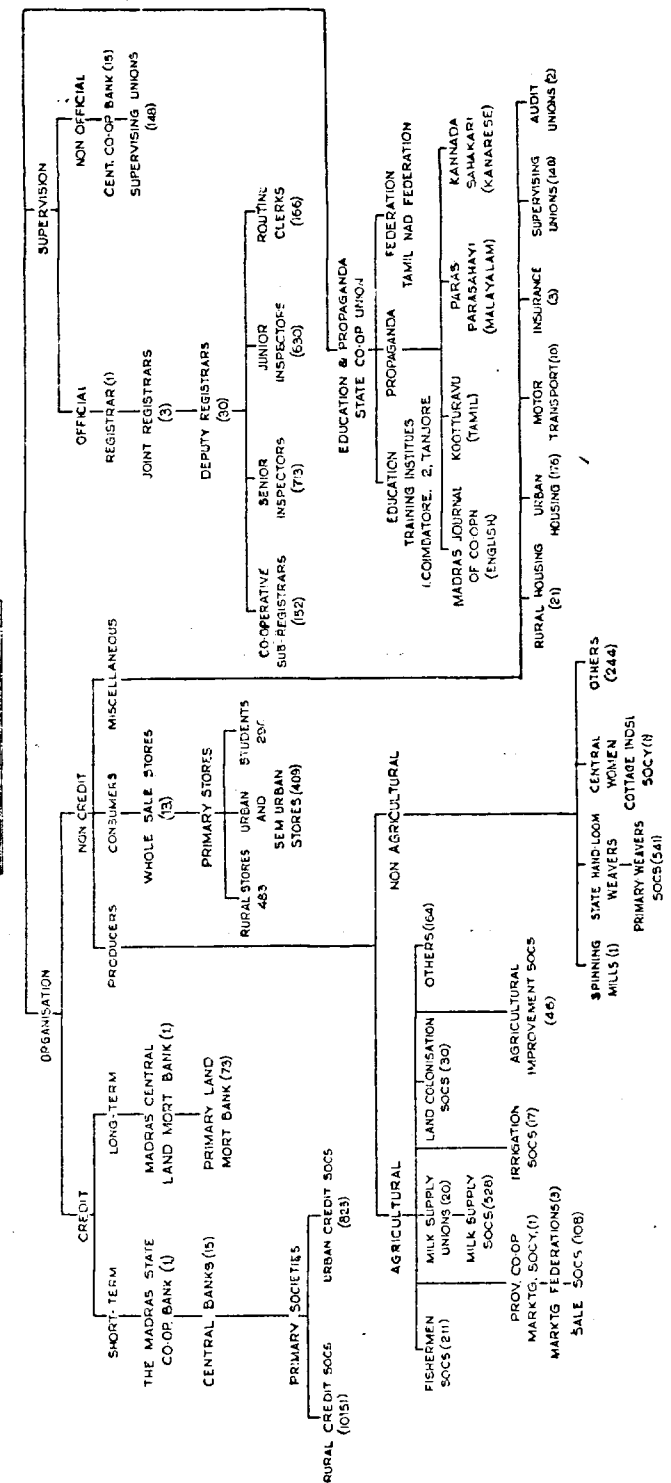
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CO-OPERATION AT A GLANCE IN MADRAS - 30TH JUNE 1953.

NO. OF SOCIETIES 14548.



SECTION V

Agricultural Production & Marketing

The Role of Co-operatives in the Agricultural Sector

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The importance of finance of agriculture has been stressed by the Planning Commission with a view to step up agricultural production and tackle the food problem. It has become more pronounced than ever before. "Agricultural production in this country depends upon millions of small farmers. It is the intensity of their effort and the efficiency of their technique that will help in raising the yield per acre. Because of inadequate financial resources and absence of timely credit facilities at reasonable rates of interest, many of the farmers, even though otherwise willing, are unable to go in for improved seeds and manures or to introduce better methods or techniques. Works of minor irrigation like wells owned by the cultivators either get into disuse or are not fully utilised for want of capital. It is therefore of the utmost importance that the financial requirements of the producers for these purposes should be adequately met".

2. The financial requirements for agriculture are : (1) short-term loans (for periods up to 15 months), (2) medium-term loans (from 15 months up to 5 years) and (3) long-term loans (above 5 years). The short-term loans are for the purpose of purchasing seeds, manures, fertilisers and meeting labour charges, etc. The medium terms loans are required for sinking of wells, purchase of bullocks, of pumping sets, of improved machinery and other implements etc. The long-term ones are for liquidating prior debts, purchase of heavy machinery, for effecting permanent improvements and for increasing the size of the holding. Data regarding the quantitative assessment of each of these requirements are not available. It is to be hoped that the Rural Credit Survey undertaken by the Reserve Bank of India may throw some light on the same.

3. The agencies for providing finance to the cultivators are (1) private and (2) public or semi-public agencies. The former comprise of money-lenders and landlords, and commercial banks. The latter comprise of the State and Co-operative Societies. The recent debt relief legislation, the system of licensing of money-lenders and restriction on the use and transfer of land as security would appear to have affected the operation of money-lenders. The declaration of

moratorium in Madras discloses the height and extent of such debts. As for the finance from bigger landlords, the elimination of the Zamindari and Jagirdari systems has presumably led to the discouragement of investment by them.

4. The need for State assistance and co-operative societies has thus become all the more great. The finance provided by the State in the shape of tackavi loans has increased considerably during the last few years. As against Rs. 1. crore in 1938-39, the amount to tackavi loans sanctioned in the year 1949-50 amounted to about Rs. 15 crores. The State had assumed increased financial responsibilities particularly as a result of the Grow More Food Campaign.

5. As for the finance provided by the co-operative societies, there has been a significant increase. As against Rs. 6.75 crores advanced by 105,301 agricultural societies in the year 1938-39, it rose to Rs. 28.53 crores by 142,394 societies in 1949-50. About two-thirds of the total loans were granted by the agricultural societies in Bombay and Madras States and 22 per cent by the societies in Uttar Pradesh, Madhya Pradesh and the Punjab. The progress of credit movement in other areas is yet to be registered. In regard to long-term loans extending up to a period of 20 years, a sum of Rs. 1 crore has been advanced by about 283 land mortgage banks during 1949-50. Here again a major part of the long-term loans was taken up by the Bombay and Madras States where the movement has progressed fairly well. The co-operative structure at the apex and the district level has yet to be created and developed in some of the Part C and Part B States. The progress and achievement in Madras and Bombay postulates that co-operatives are the most effective agency for providing agricultural finance.

6. The success of the co-operatives will depend on the ability to tap local savings, as ultimately they will have to develop adequate funds of their own. In the initial stages, however, they will need adequate financial and technical assistance from the Reserve Bank. The Reserve Bank has already taken concrete steps in the direction. The Bank provides accommodation under its scheme of concessional finance to the State apex co-operative Banks for seasonal agricultural operations and marketing of crops at $1\frac{1}{2}$ per cent (2 per cent below the Bank rate). The Bank has also liberalised the procedure for grant of advance by extending the period of repayment from 9 to 15 months. As a result of such liberal concessions, the Bank advance to apex banks has increased from Rs. 1.5 lakhs

in 1946-47 to Rs. 12.51 crores in 1951-52. These facilities have at present been availed of mostly by the developed apex banks in Madras and Bombay.

7. The essential features of short-term loans are cheapness elasticity and promptness. The Reserve Bank by its concessional rate of loans helps the co-operatives to reduce the interest paid to the members. The need for the Reserve Bank and the Government to provide even larger assistance is to be stressed. The Planning Commission endorsed the recommendation of the Grow More Food Enquiry Committee that in the next four years, the advance to the cultivators should be steadily increased so as to reach the limit of at least Rs. 100 crores per annum by the fourth year. A detailed plan of agricultural finance has to be drawn by every state in consultation with the leaders of the co-operative movement, the Reserve Bank and the Government of India.

8. Alongside of the short-term loans which are required to meet the current expenses, medium-term loans are required to enable the cultivator to raise the standard of tillage and ensure an improvement in yield. In the context of the Five Year Plan and the need to step up agricultural production, the need for advance of adequate medium-term loans need hardly be laboured. The co-operative societies are more preoccupied with short-term loans in view of their urgency to meet the current needs of the agriculturists and the limited availability of finance with them. These lead the farmer to look for credit to different sources and get indebted to more than one creditor. It is therefore essential to remove the comparative inability of co-operatives to afford adequate credit facilities and to wean away the farmer from recourse to money-lenders. At present, for medium-term loans the societies do not qualify for assistance from the Reserve Bank. The Bank has accepted the proposal to make such advances up to a limit of Rs. 5 crores. Legislation amending the Reserve Bank Act accordingly will help the co-operatives to obtain and grant medium-term loans.

9. As regards long-term loans, the machinery at present providing the same are the Land Mortgage Banks which raise funds for the same by shares, debentures and fixed deposits. These exist only in a few States, viz. Madras, Bombay, Mysore and Madhya Pradesh. The scope for long-term loans is bound to widen consequent on consolidation of holdings and other schemes for the improvement of productivity of agriculture. The Planning Commission indicates

that the responsibility for financing improvements of a long term character which will benefit the community or a group of villagers will increasingly devolve on the State.

10. While finance is important, the problem of marketing is equally important, if not more. The disposal of his stock and the return obtained for it by the farmer have a significant effect on production and the welfare of the cultivator. The agricultural producer even like the agricultural worker is at a disadvantage in comparison with the industrial producer. The industrial producer has all the data before him regarding the manufacturing cost, computes his profits and markets his ware according to his stipulation. Even with "buyers' strike" on now, the fact that prices have not come down shows that there is nothing like distress sale as in the case of the agricultural producer.

11. The facilities that the industrial producer has are many. He can estimate the supply and demand in a more less accurate manner. He has knowledge of the prices and the price trends within the country and abroad. He takes recourse to militant advertisement or persuasive salesmanship.

12. The farmer, on the other hand, has to go through a period of waiting through the season. He has to depend upon rainfall and reckon with forces beyond his control like flood or drought. If the rains fail, woe unto him and to his production. The position is not improved by even partial rain. Even with adequate rainfall, what he has to do is to look forward, almost immediately after harvesting, to a shandy nearby or to a commission agent from the urban area to liquidate his stocks to enable him to meet his commitments. He has no storage facility and the circumstances under which he has to market the goods compel him to part with his produce at prices not favourable to him. It is not enough if only improved seeds, fertilisers and finance are provided. What is needed most is to ensure a fair market for his produce in order to secure a better effect on production and on the producer.

13. If the standard of living of the cultivator is to be improved, his per capita income has to be improved. His income is jammed in between the low price obtained by him and the high cost of living. It is often said that during war time the agriculturists have been benefited by a higher price. On the one hand this overlooks the high cost of living that takes away a good slice of the income; on

the other it ignores the continued low return especially preceding the war during the decade of the slump from 1929 as also the need for putting by something for further cyclical changes in future. It is therefore essential that he must be ensured a fair return and there should be no grousing about it. If industrial production is to be stimulated by tax incentives and so on, the need to provide facilities for agricultural production is even greater. For it is agricultural production that directly sustains 68 per cent of the population and feeds the entire population. Of the needed facilities, marketing is outstanding.

14. The need for a fair and steady market for agricultural produce need hardly be laboured. While agricultural production is seasonal, the distribution and consumption is spread over the year. It should thus not depress the price paid to the farmer on the plea of greater availability immediately following harvest or create scarcity value to be paid by the industrialists and the consumers in the course of the year. The role of regulated markets in ensuring a fair return to the farmer is to be emphasised.

15. The Committee on Marketing of Cotton presided over by Dr. Punjab Rao Deshmukh had made a number of recommendations for the marketing of cotton in particular. The Committee points out that the cotton growers lose 5 to 10 per cent of their value of the crop by selling in villages which they are obliged to do mainly due to their weak financial position. The sale in unregulated markets further is affected by the fraudulent weights and measures.

16. Regulated markets have been established in Madras, Bombay, Punjab, Hyderabad, Mysore, Madhya Pradesh and Pepsu. They do not exist in Uttar Pradesh, West Bengal, Bihar and Orissa. The regulated markets can function to the best interests of the grower and also the consumer. There are many unregulated markets and necessary action has to be taken to see that more and more regulated markets are established in order to ensure that the grower gets a fair return. In Madras, the regulated markets function under the Commercial Crops Market Act, covering cotton, oilseeds and tobacco. In other areas, they function under the respective State Produce Markets Acts.

17. The regulated markets can effectively function for spot trading. There is the forward market which has its economic role in the marketing of agricultural produce. It seeks to provide for

risk-bearing, knowledge of market prices and market trends. It enables marketing not only of specific types contracted for but other grades with differences "off" and "on". It provides a fluid market particularly to manufacturers with limited storage facility to make forward contracts, to obtain goods at a future date and enable them to assess beforehand the cost of raw materials. It has a stabilising influence on prices. This is developed to a high degree particularly in the United States. In our own country forward trading had been carried on cotton, oilseeds, jute and sugar. Under the Essential Supplies (Temporary) Powers Act, forward trading is prohibited except in the manner indicated under the Orders. The Forward Markets Commission, which has recently been established, is seized of the matter and on its recommendations, the Government of India will be announcing from time to time the position in regard to regulation of forward trading in agricultural commodities.

18. Marketing could improve by well-organised regulated markets and healthy forward trading. There is also the role of co-operative marketing under which the number of middlemen and cost are reduced. Madras has made progress in this direction. The Producer-cum-Consumer Societies in Madras have been converted into marketing societies. In U.P., 1600 cane co-operative unions and other primary societies have been organised during the past 10 years. They handle about 85 to 90 per cent of cane supplied to sugar factories.

19. The problems of marketing relate to storage, warehousing, grading, standardisation of weights and measures, etc. The Royal Commission on Agriculture, the Central Banking Enquiry Committee, the Marketing Sub-Committee, the Agricultural Finance Sub-Committee, the Co-operative Planning Committee and the Rural Banking Enquiry Committee have all stressed the necessity for ensuring proper warehousing arrangements in the country, and to that end, have made various recommendations. The Warehouse receipts could serve as collateral for the promissory notes of the borrowing banks. The Reserve Bank has suggested establishment of the licensed warehouses. Necessary legislation has already been enacted in Madras, Bombay, Madhya Pradesh, Mysore, Hyderabad and Travancore-Cochin. But progress in the actual establishment of licensed warehouses is yet to be made. The Planning Commission suggested that State Government, with assistance of the Reserve



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Stores, Ltd.



SRI K. S. SUBRAMANIA GOUNDER,
President,
Salem Dt. Co-op. Wholesale Stores

THE ROLE OF CO-OPS. IN THE AGRICULTURAL SECTOR

Bank, could assist warehousing development by loans to such organisations as are willing to take up the work.

20. Proper grading and standards is another vital matter in regard to the marketing of produce. If the goods are graded, it will help proper evaluation of the produce and enable the farmer to obtain a price commensurate with the quality. Graded produce would serve as basis for the issue of negotiable receipts by warehouses and economical development of public storage facilities. The poor quality of agricultural produce also affects export. When shipments of cashew-nuts, black pepper, turmeric etc. are not of the graded quality or standard, they fetch reduced price and get condemned in the export markets. On the other hand, grading has yielded satisfactory results. The 'Agmark' quality in respect of tobacco and hemp is an instance in point.

21. Similarly, there is need to standardise weights and measures. To ensure a uniform system, the Government of India has enacted the Standard Weights Act in 1939 and commended it to the States. Bombay, Punjab, Bihar, Mysore and Hyderabad have enacted necessary legislation in this regard and are enforcing the same. In Madras, Madhya Pradesh, U. P. and Orissa, necessary legislation has been passed but not fully implemented.

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Co-operative Agricultural Marketing in Madras State

SRI T. S. MUTHUKUMARASAMI PILLAI,

President, Tiruchirapalli District Co-operative Central Bank Ltd.

Marketing of agricultural products is an important subject for economic investigation in any country in the world; it is much more so in India where more than 70 per cent of the population live on agriculture and where the disparity between the final price paid by the consumer and the initial price realised by the producer is larger than perhaps anywhere else in the world. The Co-operative movement was ushered into this country with the main object of ameliorating the general condition of the agriculturists forming the bulk of the population and of gradually freeing them from the crushing burden of debts under which they were groaning.

It is true that the credit structure of the Co-operative movement has developed fairly well. But broadly speaking the agriculturist needs not only co-operative finance but also co-operative supply and co-operative sale. Sale and supply can be rightly undertaken by more or less the same institution and the establishment of marketing societies was essential. It took over twenty years before we discovered that mere credit was not enough, but earnest efforts for co-operative marketing were still conspicuous by their absence. The Great War however has been an eye-opener and Government accepted the necessity of developing agricultural marketing on co-operative lines. Marketing Officers were appointed at the Centre and in the provinces; markets were regulated; the necessary legislations were passed; marketing surveys were made and issued and co-operative marketing societies began to be established.

To day we have special sale societies which only deal in one commodity like the cotton sale societies of Karnatak, Guzarat and Khandesh in the province of Bombay. There are the well known cane societies and unions recently formed in the Uttar Pradesh and Madras. Besides those special societies there have been formed purchase and sale unions at the taluks and district head-quarters, where supply and sale are attended to. Recently (about ten years back) Provincial Marketing Societies also have been established at Bombay and Madras and more recently in the Uttar Pradesh and Madhya Pradesh and Hyderabad. It appears as if the consciousness of the importance of the proper organisation of co-operative marketing has dawned upon all concerned.

CO-OP. AGRICULTURAL MARKETING IN MADRAS STATE

It is a great pity however that at this juncture the acute disequilibrium that faced India in the matter of foodstuffs and other agricultural produce had forced a system of economic controls on the country and strict rationing in foodgrains, sugar etc. This really implied a cessation of work for the marketing organisations. But, now with the decontrol of food grains the time has come for the sale societies to resume their normal activities. They can now lend on the pledge of food grains and help the producers to get a better price for their produce.

There is plenty of work and if we are to completely reorganise rural economy in India we must no longer be obsessed with credit but must turn to supply and sale, that is to marketing. Credit after all is but ancillary. It is needed for purchase and sale and the whole structure of the co-operative movement needs reorientation in which credit is linked up effectively with marketing.

The markets may be classified on the basis of (1) area and space and (2) time as under (a) local (b) national (c) world market and (i) market on any particular day or at a given time (ii) short period market and long period market. Markets may also be grouped into wholesale and retail on the basis of volume of business handled and the nature of competition existing.

The various aspects of marketing may be briefly described as under (1) *Selling* is the personal and impersonal process of assisting and/or persuading a prospective customer to buy a commodity or service to act upon an idea. (2) *Buying* or assembling is an important marketing activity under the modern conditions of production and consumption. (3) *Traffic Management* is a direction and control of all major physical movements of goods throughout the marketing process. It is common knowledge that improved and developed means of transport make possible for large markets, large scale productions and specialisation in industry. (4) *Storage* is a marketing function which involves holding and preserving of goods between the time of production and the time of their use. Storage has the effect of steadying the prices of commodities. (5) *Financing* is the provision and management of the money and credit necessary to get goods from the producer into the hands of the consumer. Financing is an important marketing function which is necessary because, buying, storage, transport or transfer of ownership take time. (6) *Risk management* is the assumption or avoidance of the danger of losing pecuniary value of goods during the process

of marketing them. (7) Standardisation involves (a) the basic limits or grades and (b) the establishment of model processes and methods of producing, handling and selling goods and services.

Marketing is a part of the producing process and marketing costs form part of the overall costs of production. The producer, the middleman and the consumer each looks upon the marketing process from his own individual point of view. A reduction in the cost of marketing benefits the community as a whole and improvements in the process of marketing deserve serious study by one and all interested in marketing.

Let us now examine what is co-operative marketing. It is confined to an association of agricultural producers for the joint sale of their products or an association of consumers for the joint purchase of their requirements. One of the main advantages is that relating to the price secured for the products sold through the Co-operative association. The price advantage is often the result of retention of profits previously going to middlemen, economy in expenditure as a result of the adoption of improved trading technique or improvements brought about in the products handled or improvements effected in the preparation of products for the market or stabilisation of prices. In addition to the price advantage the marketing co-operatives have further been able to raise the general efficiency of the marketing process itself.

For the success of marketing co-operatives certain features in their organisation and working are regarded as fundamental. There are (1) retention of the control of the organisation in the hands of the members who are farmers and who sell the produce through it; (2) loyalty of the members of the organisation as manifested in the sale of produce through it only; and (3) distribution of expenses and profits in a fair and equitable manner. Co-operative marketing of agricultural produce has made considerable progress in some of the States in India viz. Madras, Bombay, Uttar Pradesh etc. The first society that was established was the Kumbakonam Agricultural Society. It was started for the purpose of joint supply of agricultural products, that is to say, for the supply of seed, manure and agricultural implements and later on to effect the joint sale of agricultural produce of its members.

The by-laws of a loan and sale society provide for the following as their objects (1) to advance loans to its members on the security of produce (2) to arrange for the sale of produce of its members (3) to

rent or own godowns, to facilitate the grant of loans to members and to facilitate the sale of their produce and (4) to act as agent of the members which are affiliated societies in the matter of receiving produce for safe custody in their godowns or elsewhere the produce pledged to such societies by their individual members. The area of operations of a loan and sale society varies with the kind of produce dealt in by it and according to local conditions. The management of the society is vested in a committee elected by the members from amongst themselves. The produce of each member is sold in a separate lot and the society merely acts as a commission agent in the disposal of the produce.

The initial difficulty which a loan and sale society had to encounter was in regard to getting prompt payment of the sale proceeds from buyers to whom the produce of members had been sold, as according to the trade custom a period of grace extending from 3 to 15 days had to be allowed. Want of storage facilities was another difficulty experienced by loan and sale societies. In some of the places where loan and sale society had been established there was dearth of suitable godowns to store the produce brought to the society. Though Government had given certain financial facilities to societies (grant of subsidies to the extent of 50% of the cost of construction of godowns by marketing and rural credit societies under the scheme sanctioned in the year 1949) for the purpose of constructing godowns they had not been availed of to any appreciable extent.

Whether a loan and sale society secured adequate amount of business or not it is obvious that it must incur a minimum amount of expenditure on staff to set it going. The State Government should make available the services of an Inspector free of cost to some select deserving societies.

The following shows the progress made by the loan and sale societies during the last two years:

	1951-52.	1950-51.
No. of sale societies	291	274
Number of members	2,37,030	2,29,579
	(Rs. in lakhs)	(Rs. in lakhs)
Paid-up share capital at the end of the year	61.58	66.90
Loans and advances issued during the year	147.45	156.20
Value of produce sold as agent	177.89	213.70
Value of produce sold as owner	235.58	163.98
Value of seeds, manures and agricultural implements sold.	123.85	166.00

In spite of the satisfactory progress recorded by loan and sale societies in Madras it is clear that there has been only one sided development. The following are some of the factors which have contributed to such development.

(1) High transport charges (2) close grip of the middlemen over agriculturist-producers because of their prior indebtedness (3) want of adequate storage facilities and the difficulties experienced by sale societies in owning godowns (4) difficulties involved in lack of facilities for pooling and grading, (5) general dearth of business talent in the personnel of committee or management, (6) lack of proper business training for paid employees, (7) want of sufficient amount of loyalty on the part of the members to their societies, (8) dependence of sale societies on local agents or markets for disposal of their produce on account of a limited volume of transactions, (9) competition with the long established export firms, (10) lack of contact between sale societies and big consuming centres and (11) general ignorance of external and internal markets.

The following measures may be taken to improve the system of co-operative marketing in the State: (1) Producers' societies may be organised and linked with Co-operative stores; (2) transport facilities may be increased and freights reduced; (3) market conditions may be regulated; (4) weights and measures may be standardised; (5) grades in several commodities may be standardised; and (6) market intelligence may be disseminated. The controlled credit scheme, which is a note-worthy feature of Co-operative marketing in Madras State and which is reported to have given a new direction to the non-credit side of the Co-operative movement in the State, should be popularised. The system of controlled credit is successfully linked with marketing and has thus received support from many quarters as being worthy of emulation elsewhere. The scheme was in operation in twenty circles in the State. Forty-four marketing societies worked it through 402 rural credit societies. Reviewing the progress it is observed that the value of produce brought for sale through the marketing societies is not in proportion to the amount of loans granted under the scheme.

The scheme is not free from defects. The co-ordination of the work of the central financing agency, the sale societies and the ordinary village credit societies is rather cumbrous. The scheme is too highly centralised. The cost involved in administration and

supervision of the scheme is said to be prohibitive. But if the people realise the benefit of the scheme it can be easily and successfully worked out.

The working connected with the distribution of chemical fertilisers and iron and steel for agricultural purpose has been transferred from the Agricultural Department to co-operative societies in 1950. The wholesale distribution has been entrusted to co-operative wholesale stores and co-operative marketing federations and the retail distribution is done by co-operative marketing societies, agricultural improvement societies and rural credit societies which have undertaken multi-purpose activities. The marketing societies also distribute compost manure. The co-operative organisations, particularly marketing societies, with their intimate contact with ryots are well-suited for the distribution of agricultural requisites such as improved seeds, manures, steel tyres and axles for carts, implements etc., required for increasing and facilitating agricultural production. They have therefore been interesting themselves in the business.

The future of co-operation lies in marketing and in the development of processing work and subsidiary occupations for the agriculturists. Credit is but a means to this end and need not monopolise our attention and energies. Perfection in the marketing system depends on the attainment of the best possible relationships between the functions, and the value of services rendered by the various agencies, along with the development of dependable and adequate market information. Let us hope that the marketing societies will have a bright future and serve the agriculturists well.

The Madras District Co-operative Central Bank, Ltd.
 13/14, Mukkur Nallamuthu Chetty Street, Madras-1.
 ESTD. 1930 TELEPHONE NO. 2384.

Authorised Capital	Rs. 10 lakhs.
Working Capital	„ 46 „

All kinds of deposits accepted.

Rates of Interest :—

Current Deposits	½ %.	Savings Deposits	2 %
Fixed Deposits For—: 6 ms.	3¼%	For 1 yr.	3½%
		For 2 yrs.	3¾%

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

Co-operative Farming

SRI V. BALASUNDARAM, I.A.S.

Joint Registrar of Co-operative Societies, Madras.

I

There are four types of Co-operative farming societies. They are (1) Co-operative collective farming society, (2) Co-operative joint farming society, (3) Co-operative tenant farming society, and (4) Co-operative better farming society. They are described below :

(1) A Co-operative collective farming society holds lands on free-hold or lease-hold, which are cultivated on the society's account. The members are paid wages and the yield belongs to the society. Out of the profits, the members are paid a bonus on the wages earned by them.

(2) A co-operative joint-farming society is one in which small land holders pool their lands and entrust them to the administration of the society. The lands are cultivated jointly and the members are paid wages. Out of the profits, a member is paid a bonus in proportion to the value of the land contributed by him.

(3) A tenant-farming society holds land by free-hold or lease-hold but the land is divided into smaller holdings, each of which is allotted to an individual cultivator, who is a member of the society. He cultivates the land on his own account and retains the profit. The society helps by supplying credit and by selling his produce.

(4) A co-operative better farming society is one designed to introduce better methods of farming. The society helps the members by supplying improved seeds, manure, implements etc., and by marketing their produce.

The first two types of societies were tried in this State but the results were not found encouraging. Joint or collective effort, especially in agriculture, requires a high degree of honesty, industry, and common bonds which bring the members together.

Co-operative tenant-farming societies and better farming societies have been encouraged in this State. Tenant-farming societies are popularly known as land colonisation societies. Better farming societies are usually called agricultural improvement societies.



SRI A. P. C. VEERABAGHU,

President,

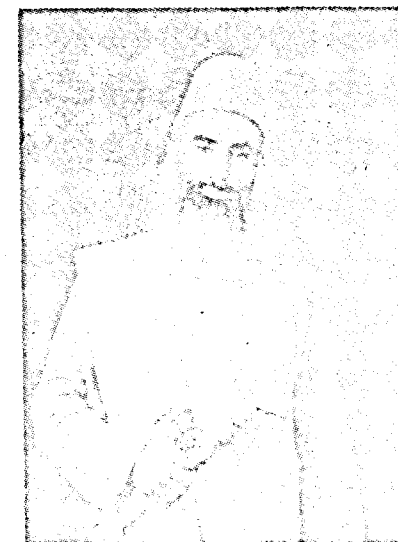
Tirunelveli Dt. Co-op. Central Stores, Tuticorin.



SRI S. NARASAPAYYA, B.A., B.L., M.L.C.,

President,

*South Kanara Dt., Co-op.
Central Stores, Ltd., Mangalore*



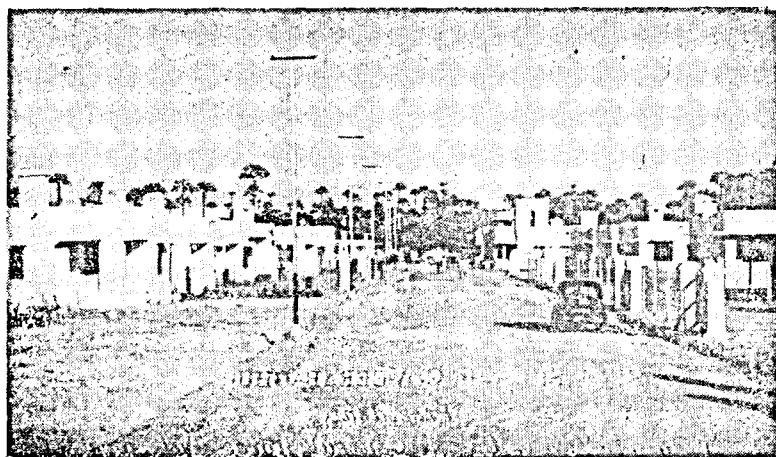
JANAB P. ALLAPICHAJ,

President,

*Madurai Dt. Co-op.
Wholesale Stores, Ltd.*



SRI M. K. NANJA GOWDER,
President,
The Nilgiris Co-operative
Central Stores, Ltd., Ootacamund



A Street in Kasturbinagar Colony, Adyar of
The Madras Co-op. House Construction Society, Ltd.



The Madras Govt. Servants' Co-op House Mortgage
Bank, Ltd., Gopalapuram, Madras

CO-OPERATIVE FARMING

II

Land colonisation societies are generally started in places where cultivable waste lands belonging to Government are available. They are also organised where patta lands can be leased for twenty years or more. There are twenty two land colonisation societies which have been assigned 7839 acres of Government waste lands and there are two land colonisation societies which have taken 617 acres of private land on twenty-year lease. The membership is open to Harijans and landless poor persons who engage themselves in direct cultivation. The object of these societies is thus two-fold: (1) to increase food production and (2) to improve the economic condition of Harijans and landless poor persons.

Government have recognised the need for helping the members of these land colonization societies in the initial stages. They therefore sanction financial assistance on the following scale:

Free Grants.

Share capital	...	Rs. 10 per colonist.
Manure	...	" 5-10 per acre.
Seeds	...	" 5-10 per acre.
Bulls	...	" 125 per colonist.

Interest-free loans.

Bulls	...	125 per colonist.
Implements	...	" 50 "
Reclamation	...	According to the requirements of each case.

Land revenue assessment and water rate are waived for the first three-years. The services of Senior Inspectors of Co-operative Societies are given free of cost to be in charge of these societies.

III

Land colonisation societies have also been organised specially for ex-servicemen as it is one of the important post-war plans. There are six societies of this type in this State. They have been assigned 6553 acres on which 849 ex-servicemen have been settled. The cost of these schemes is shared by the Central Government, the State Government and the Post War Services Reconstruction Fund Committee as shown below:

		Rs.
Central Government	...	500 per colonist
Post War Services Reconstruction	...	475 per colonist under grant
Fund Committee	...	325 per colonist under loans
State Government	...	Land value and the portion of the cost which is not recoverable from any other contributing agency.

IV

Investigation is being made at present to organise one land colonisation society in each area served by the Community Projects or the National Extension Service. Likewise, if large blocks of private lands can be leased for a period of twenty years or more, it will be possible to organise more land colonisation societies on private patta lands.

While land colonisation societies can help to bring fallow lands under cultivation and incidentally provide livelihood for a large number of landless poor persons, Agricultural Improvement Societies help those who already own their lands and cultivate them. Steps are therefore being taken to organise one Agricultural Improvement Society in each area covered by the Community Projects and the National Extension Service. These Agricultural Improvement Societies are intended for the propagation and supply of improved varieties of seeds, manures, implements, etc, and for finding a sale of the produce of the members as their agents. They are intended to supplement the work of the Agricultural Department and to enable the agriculturists to get the benefits of the latest methods in agriculture. One of the important objects of these societies is to encourage mixed farming by the agriculturists, with the help of milch cattle and poultry and by taking to vegetable and fruit gardening.

V

Co-operative farming societies in this State are thus tackling two problems of vital importance to the country: (I) to bring more land under cultivation through colonisation societies and (II) to increase the yield per acre in respect of lands already under cultivation, through Agricultural Improvement Societies. The first represents tenant-farming and the second represents better-farming. With the organisation of a large number of such societies under the present intensive investigation undertaken all over the State, co-operative farming in this State may be expected to make a significant contribution to agricultural production in this State.

SECTION VI

Consumers' Co-operation

A Note on Consumers' Co-operative Stores

(Contributed)

The consumers' movement in Madras received a great stimulus during the World War II and thereafter. They played a most notable role in the equitable distribution of food grains and other essential commodities to the public. Besides they procured food grains and assisted Government in their policy of food control. Thus they helped to maintain the "home-front" in conjunction with other agencies set up for the enforcement of trade and economic controls in the interests of efficient food economy in the State. Co-operative stores have on the whole, subject to their limitations, checked the rise in prices, put down profiteering and blackmarket and generally ensured a fair distribution of commodities in short supply. The consumers' stores have also participated in schemes of statutory rationing of food grains until the decontrol of food grains in June 1952.

2. There are at present 13 co-operative wholesale stores and 946 primary co-operative stores in the State. The wholesale stores together held a paid up share capital of Rs 21.60 lakhs and a reserve fund and other funds of Rs. 101.80 lakhs. During the year 1953 their purchases amounted to Rs. 3.74 crores and their sales were Rs. 3.60 crores. Food stuffs constitute 68 per cent of the total sales. With the decontrol of food grains the wholesale stores undertook the purchase of food grains in the free market for distribution to their members. In this way they purchased food grains to the value of Rs. 20.82 lakhs during the period from 1-7-53 to 31-12-53. The co-operative wholesale stores also distributed chemical fertilisers, iron and steel through select primaries. 21,182 tons of ammonium sulphate, 2,899 tons of superphosphate and 2,756 tons of iron and steel have been distributed by them. Primary co-operative stores had 4.02 lakhs of members and a paid up share capital of Rs. 54.35 lakhs on 31-12-53. They had a working capital of Rs. 244.98 lakhs. The sales of primary co-operative stores amounted to Rs. 10.09 crores during 1953. Of this, the value of food grains sold was Rs. 6.37 crores. This represents 63 per cent of the total sales.

3. The Madras State Co-operative Bank provided funds to the wholesale stores for the import of food grains by borrowing from the Imperial Bank of India on Government guarantee. The amount of guarantee is Rs. 1.50 crores at present. Government have also

A NOTE ON CONSUMERS' CO-OPERATIVE STORES

permitted the co-operatives to take imported food grains on agency basis. With the decontrol and derationing of food grains in June 1952, they were permitted to deal in the free market, subject to certain conditions, even though they held considerable stocks of controlled rice. The wholesale stores and primary stores have been co-operating with the Government in the successful implementation of their decontrol policy. Consequent on decontrol they have to face a new situation. Their past experience in business will, however stand them in good stead and they can be expected to function as effective agencies in wholesale and retail trade and act as a check on private trade. Government have recently entrusted the co-operative wholesale stores with the function of stockist of chemical fertilisers as their agents and for distribution to the ryots. They will also undertake wholesale-cum-retail distribution along with private traders.

THE
Tiruchirapalli District Co-operative Central Bank, Ltd.,
No. 178.
Fort Station Road, Teppakulam P.O., Tiruchirapalli.
ESTABLISHED IN 1909
Tel:—"CO-OP. BANK," Post-Box No. 324. Phone No. 189

Branches:—KARUR & ARIYALUR.

Authorised share capital	..	Rs. 10 lakhs
Paid up share capital	-	" 4.53 "
Reserves	..	" 9.17 "
Working capital	..	" 1.08 Crores

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

Interest allowed on	Current Accounts (upto Rs. 25,000 only)	Per Cent.	P.A.
do. Savings Deposits (upto 5,000 only)	2	"	P.A.
do. Recurring Deposits	3	"	P.A.
do. Provident Deposits (Compound)	3	"	P.A.
do. Fixed Deposits 6 months	3	"	P.A.
do. do. 1 Year	3½	"	P.A.
do. do. 2 Years and above	3	"	P.A.

All banking business transacted. For further particulars apply to:

The Secretary,
The Tiruchirapalli District Co-op. Central Bank, Ltd.,
Fort Station Road, Teppakulam Post, Tiruchirapalli.
Post Box No. 324. T. S. MUTHUKUMARASWAMI PILLAI.
President.

The Co-operative Movement and the National Plan

SRI A. S. KUPPUSWAMY AYYAR, B.A., B.L.,

Vice-President, Tirunelveli District Co-op. Central Stores, Tuticorin.

The Co-operative Movement has been rightly given a place of high eminence in the First Five Year Plan. This is described in the Plan in the following words: "As it is the purpose of the Plan to change the economy of the country from an individualistic to a socially regulated and co-operative basis, its success should be judged, among other things, by the extent to which it is implemented through co-operative organisations. The Planning Commission in consultation with the State Governments, Co-operative Organisations and the Reserve Bank intends to formulate a more specific programme for the expansion of the movement in all the sectors in respect of which co-operative organisation has been considered suitable." Thus the co-operative organisation which in the pre-Plan period was functioning only as a species within the private sector has now been recognised as a major instrument for implementing the National Plan. The Movement has now entered a new era. It has been re-born. As a logical sequence of the same, the entire policy and programme of the Movement have to be completely revised. The movement has thus to answer a new and significant role in the Welfare State.

2. We have to await the publication of the more specific programme for expansion promised by the Planning Commission. It should be duly speeded up. It will be useful at this stage to offer a few suggestions on some important aspects of the Co-operative Movement that are relevant to its new role in the National Plan.

Firstly, Rural Co-operatives:

3. The Madras State Government put forward a scheme under G. O. 5613 dated 12-11-48 to convert all existing rural credit societies into multipurpose societies and to start new societies wherever possible with a view to cover 50 per cent of the villages, and 30 per cent of the population. The scheme has produced good results, as an initial stage in the work of co-operative reconstruction. rural credit societies covered 67.97 per cent of the villages and served 19.49 per cent of the rural population at the end of the co-operative year 1951-52. They are said to have done business to the

extent of Rs. 204.65 lakhs in controlled commodities, agricultural implements, mill cloth, etc., in 1951-52. It is a matter of common knowledge that after de-control, the volume of non-credit business in the societies has slowed down to an alarming extent. The work of expansion which was done with remarkable speed during the period of control has now to be replaced by a well-thought-out programme of consolidation. The Madras Registrar of Co-operative Societies is said to have submitted a scheme to the State Government for undertaking this work in a few good societies with the help of Departmental staff. The scheme which covers only 220 societies in all appears to be under the consideration of Government. This figure represents only a very small fraction of the total number of multipurpose societies in the State. The scheme will have to be replaced by a more comprehensive and swifter programme. Non-official leadership at all levels namely the village level, district level and State level has to do its part in this work of re-construction. A proper atmosphere has to be created for securing the requisite team work between the Departmental staff and the non-official co-operative leaders. The village level worker under the National Extension Service, the co-operative staff of the State Government and the non-official leadership at the village and district levels should be duly co-ordinated in the work of the construction, if the rural Co-operative societies are to strike root in the soil.

Secondly, Community Projects.

4. The authors of the Five Year Plan have stated very clearly in the plan that a broad co-operative pattern should be considered essential for the working of the projects and that in every Community Project, a programme for all round co-operative development should be drawn up. The major and immediate objectives of the Community Project are increased agricultural production and increased supplementary employment as well as the requisite additional housing facilities. A co-operative better farming society, a co-operative cottage industries society, and a co-operative house building society or as an alternative for the above, a multipurpose society concentrating its attention on better farming, development of cottage industries and the improvement of rural housing form an indispensable agency for the proper and successful functioning of the Community Project. This basic factor for the success of the Community Project cannot be lost sight of either by the administration or by the public except at our peril.

Thirdly, The Consumer Co-operative Movement :

5. This movement is passing through a critical phase. Due to de-control of distribution of essential commodities, a number of consumer co-operatives find that their turnover is decreasing at a dangerous rate. The consumer societies have now reached a stage in which their future conditions of survival have to be seriously examined. They form an essential part of the co-operative structure built up during the war period. It will be a serious material and moral loss to the movement if the situation is allowed to drift. Under a recent order of the Madras Government each co-operative wholesale stores society would be the sole distributing wholesale agent for fertilisers and the retail distribution would be shared between the co-operative primary societies and private merchants. This is a welcome gesture in aid of the co-operative movement. In addition to the above, the consumer co-operatives should also be given liberal State-aid in all possible spheres during the present transitional period pending stabilisation. They should be granted liberal subsidies and State loans at concessional rates of interest for the construction of godowns. A suitable concession in the rate of sales-tax payable by primary societies will also be legitimate to enable them to compete on equal terms with private merchants, many of whom are able to evade the sales tax in a number of ways. The ban on sales to non-members should be suspended during the transitional period. When the consumers societies are struggling for bare existence, it is not too much to ask that they should not be hampered by a self-imposed obstacle in the form of prohibition of sales to non-members. The Co-operatives are at present unable to secure the ryots' requirements of galvanised corrugated and plain iron sheets under controlled distribution. They should be given an adequate supply and the distribution should be mainly through the co-operatives. Co-operatives below a prescribed level of turn over should receive a liberal State aid in regard to Audit fees.

6. To conclude :

A new orientation for the Co-operative movement is the immediate need of the hour. It is an indispensable condition for the successful working of the National Plan and Community Projects as a part of the Movement. The present condition of the Movement is a challenge to non-official leadership. A sound and solid structure for the Co-operative Movement is a major essential for the creation of a Co-operative Commonwealth as envisaged under the Constitution.

Some Thoughts on Consumers' Co-operation

SRI S. R. VENKATARAMAN, B.A., B.L.

Secretary, Servants of India Society, Madras

Introduction

The State of Madras has been the pioneer in the field of Co-operation in India in general and the consumers' movement in particular. "The Triplicane Visionaries" as the founders of the Triplicane Urban Co-operative Society were called, seem to have sowed the seeds of this institution at a very auspicious hour. They realised the great potentialities of the co-operative movement for promoting the economic well being of the working and middle classes in a capitalistic system of society, long before the Government of India did, and enacted the Co-operative Societies Act. The fourteen good and great "Triplicane Visionaries" under the lead of the late Rt. Hon. V. S. Srinivasa Sastri started the T.U.C.S. on 9th April 1904.

Purple Patches and Cancerous Spots

Surveying the Co-operative Movement in India during the last fifty years, one sees in it many purple patches. There are some ugly sores and cancerous spots too which threaten to weaken the foundations on which the Movement has been built. In the course of this article I shall try to focus attention on some of them, based on my personal knowledge of several co-operatives in our State and outside it.

Difficulties Inherent

The difficulties that consumers' co-operative movement has to contend against in a capitalistic society cannot be too highly exaggerated. They are both internal and external.

Internal Difficulties

Most members of consumers' co-operatives, who are largely drawn from the middle classes rarely understand the role of the co-operative movement as an effective medium for changing the economic structure of our Society into a socialistic one. This is because the middle classes have not yet emancipated themselves intellectually and emotionally from the infatuation of the capitalistic ideology to utilise fully the benefits of the co-operative movement, for liquidating the objectionable features of the capitalistic system. Every wage earner or a salaried employee who is a member of a consumers' stores aspires to become a

capitalist of a sort himself in course of time. A large majority of co-operators is ignorant of the high moral, ethical and economic principles underlying the co-operative movement. It is natural for such co-operators to be actuated by unco-operative motives. They are too willing and ready to exploit co-operative institutions for their own personal and narrow ends. A few members of this category, weaken even well established and deep-rooted co-operative institutions. It is however a marvel that such institutions have survived the unwholesome and destructive influences of these anti-co-operative elements in its fold because of their inherent strength. This is the story of a large majority of the co-operative institutions in the country, which loyal co-operators have to face from their own "unco-operative" members.

External Difficulties

Co-operative societies have to fight against a far more serious opponent in the person of the private businessman and banker or money lender who competes with the co-operative society in much more subtle and cunning ways. Members of co-operative institutions in some cases have borrowed large sums of money from co-operative institutions at a lower rate of interest, and given it on higher rates of interest. They have thus surreptitiously introduced into the co-operative societies features which are not co-operative. This criticism applies to almost all types of co-operative institutions in our country. But as far as co-operative stores in India are concerned, they are no better. They do not seem to have devoted attention to evolving a more satisfactory method of co-operative business organisation to avoid all these perils.

Co-operative Staff

The third inherent difficulty arises from the permanent staff of the co-operative institutions. Rumours about favouritism, corrupt practices, partiality, adulteration of articles after they are received in the stores are galore most of which are true. For example: prices of articles in a co-operative stores are higher than the prevailing prices in the open market. Dried grape of a given quality is sold at Rs. 5-8-0 a viss while it is sold for Rs. 4-8-0 in the market, the quality of both being the same. Quality articles such as pea-berry coffee beans, old Nellore rice and sugar are readily made available to the favourites of the directors, and the depot managers, and when ordinary members ask for them the depot keeper's reply is

'no stock.' If you complain you are asked to go to the Central Stores to get the quality article. If a member asks for old Nellore rice selling at Rs. 1-4-0 per measure, he is given new Nellore rice costing Rs. 1-1-0 a measure and charged at Rs. 1-4-0, the price of old Nellore rice mulcting the member with three annas more and giving him an inferior quality. If this mistake is pointed out the stores salesman may say "send the rice back; it will be substituted with old Nellore rice."

The salesman must enjoy the confidence of the customer. The point is that employees in co-operatives cannot afford to do this. No employee any where will be permitted to do it. The employees must realise that the co-operative stores are run on the good will of these members and they must be careful to supply articles of the right quality at the correct price. Besides members of the co-operatives are drawn from the labouring and the middle classes and they have not got the time to check up the articles purchased and their prices because they expect a fair deal in a co-operative store. The salesmen and other members of the staff should reciprocate the confidence that members repose in them and bear in mind the high moral import of the co-operative movement. This applies not only to employees, but to all those members who get into the Executives of the co-operatives as Directors and Managing Directors. Managing Directors in some of these institutions are hand in glove with the private business men in defrauding such co-operative institutions. If they are right in their out-look and conduct, the staff too will reciprocate. The staff may have undergone co-operative training and may be aware of its high moral and ethical aims but they never seem to practise them.

Consolidation

There is also need for regrouping the unco-operative and un-economic branches of the Central Consumer Co-operative Stores. Similarly the existence of a unitary co-operative stores with separate membership functioning side by side with a branch of a Central Co-operative Stores does not conduce to the healthy growth of the movement. This is an unhealthy and avoidable duplication. One of the reasons for the existence of such rival co-operative stores is the narrow group loyalties, personal ambition and rivalry among people.

Some method must be evolved to weed out members of the consumer co-operative movement who work against the co-operative movement or misuse the stores. Those who have entrenched

themselves into positions of power and influence to the detriment of the institution, solely for their own selfish ends should be immediately dislodged. A rule that no director should be elected for a second term before the lapse of three years will perhaps mitigate the evil to some extent. More than all, ordinary members of the consumers' co-operative movement must have a decisive voice in the management of the stores and due consideration should be given to their criticism and complaints and the decision taken by the Board of Directors should be published in the Bulletin.

Consumers' Interest

Consumers' co-operative must take steps to put a brake on the rising cost of living and to maintain prices at old levels. It will have to cut down drastically its margin of profit. Such a step will add to its reputation as the protector of the consumers' interest. It must also adjust prices during fluctuations, lowering them and if necessary suffering some loss without in any way affecting the quality of articles sold. I learn consumers co-operatives in the West are making an experiment in this direction.

A credit purchase system against an advance share capital to the extent of the members' three months' average purchase should be introduced.

Home delivery of articles to members may be tried as an experimental measure in an area where members are prepared to take advantage of this facility. To begin with the daily supply of fresh vegetables, fruits, milk, bread, ghee, tea and coffee beans and sugar may be undertaken.

Self service co-operative societies as in the West may be tried in our country as well. It will be a welcome boon to housewives. If the *self service* section is kept open exclusively for the housewife from 12 noon to 3 p.m. each day, she will purchase her needs without detriment to her domestic work. In a self service store, all articles are clearly labelled, showing the quantity and the price. Customers who want toilet articles go directly to the section where they are kept, pick out the articles, pay the price at the counter and walk out. The advantage in this system is that there is no delay; no one need attend to the customer. More business can be transacted with lesser hands. The turn over will be rapid. Customers get fresh stock. There is no delay in weighing and packing as the articles are

previously weighed, packed and priced. One important thing to be observed is that the article packed must be of good quality, of correct weight and reasonably priced.

Promotion of Culture and Science: The Finnish Co-operative Society which was founded about fifty years ago, as many in India made a grant of five million marks recently for the promotion of culture and science! Co-operative institutions in our country ought to finance such projects out of their common good fund and profits.

Medical Service and Marriage and Funeral: In Western countries the co-operatives arrange for medical service, hospitalization, marriages and other ceremonies to its members if proper notice is given. Why not our co-operative stores?

Working Class Movement: The co-operative movement in the West has been catering mostly to the needs of the working class; but in India more middle class people have taken advantage of it. Vigorous efforts are needed to make the co-operative movement a Mass Movement.

Research: There is need for a Research Bureau, for studying trends in co-operative business in the country and suggesting methods by which consumers' co-operative societies may avoid the many unco-operative features that have crept into them so that they may function effectively. The pattern of consumption in India can be a fitting theme for research. For people change their food and sartorial habits from time to time. The study will enable the store to adjust its business operations in such a way as to meet the needs of its members more readily than a private store and it will thus earn the goodwill and loyalty of its members and also command a ready market for its goods.

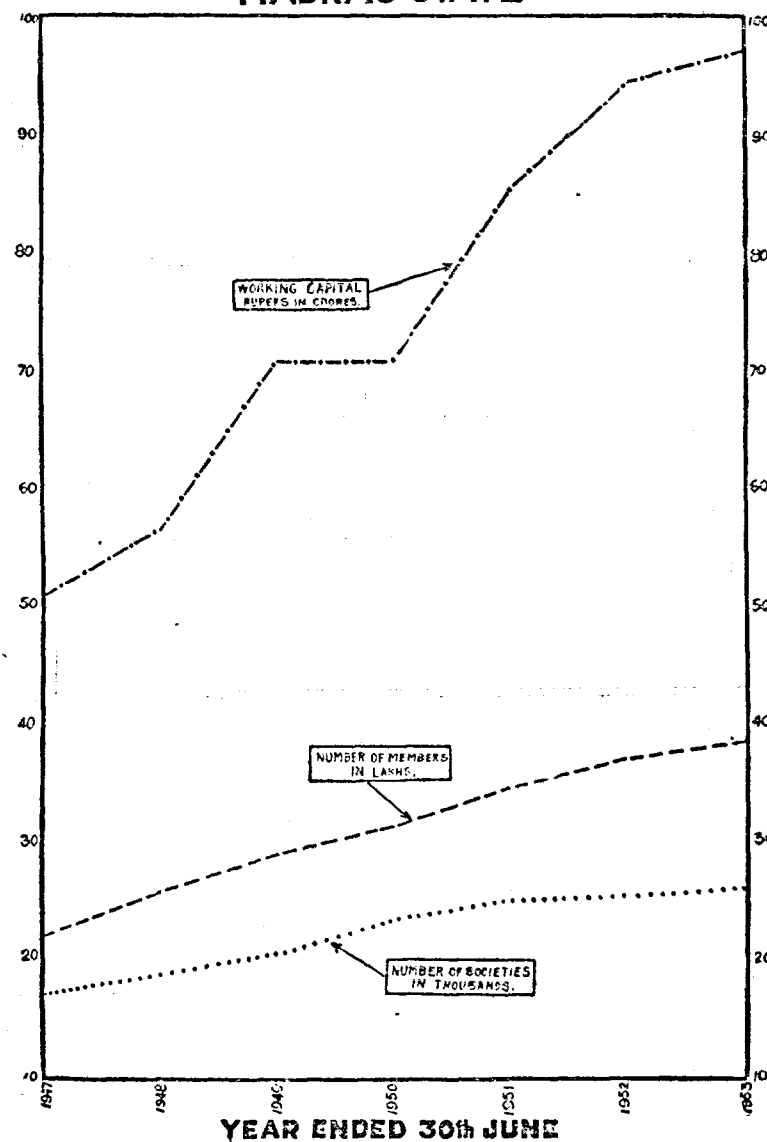
Information and Publicity: Each branch of the central consumers' stores must have an Information and Publicity section. Members of the stores may come forward to do this work as a labour of love if an appeal is made to them. These are days of publicity. A monthly bulletin well got up in popular style with illustrations and attractive features will afford a forum for focussing attention on problems of consumers' co-operation. The high moral and ethical principles on which the co-operative movement was founded namely, 'each for all and all for each' have not been fully realised, not to speak of implementation, by our Indian co-operative institutions solely due to lack of proper propaganda and publicity. Co-operative movement in the

West is blazing a new trail. It is fighting for peace and is struggling and contending against the disruptive elements in society. In fact the aim of such a journal should be not only to promote peace and harmony amongst its members but also to make the entire family of the member and the entire neighbourhood co-operative-minded. Demonstrations, exhibitions and periodical shows and displays of consumer goods, appropriate for occasions like the Navarathree, Deepavali, Pongal etc. may be arranged. We are not aware of any leading co-operative institution having pressed the festive occasions into service for the spread of co-operative principles.

Complaints about the excessive and unwanted interference of Government in the affairs of co-operative institutions are common. No body pauses to think for a moment the reasons for such interference. When the movement was led by non-officials known for their knowledge, character, integrity, public spirit and disinterestedness the Government did not interfere so often as now. In fact it may be said that they shaped the policy of the Government to a very large extent, because of their intimate knowledge of the co-operative movement and the needs of the people. Where are now co-operators of the type of the late Rt. Hon. V. S. Srinivasa Sastri, T. K. Hanumantha Rao, C. N. Krishnaswami Aiyar, T. A. Ramalingam Chettiar, Sir T. Desikachari, V. Ramadas Pantulu, M. Ramachandra Rao, and V. Venkatasubbaiah, in Madras, of the late Lallubhai Samaldas, G. K. Devdhar and Sir Vittaldas Thakersey and Talmaki of Bombay and of Daniel Hamilton of Gosaba in Bengal? Today anybody is a co-operator if he pays his membership fee without knowing anything of the high moral and ethical and economic principles underlying the movement. The qualities that distinguished the Pioneers are rare among many of our present day leaders.

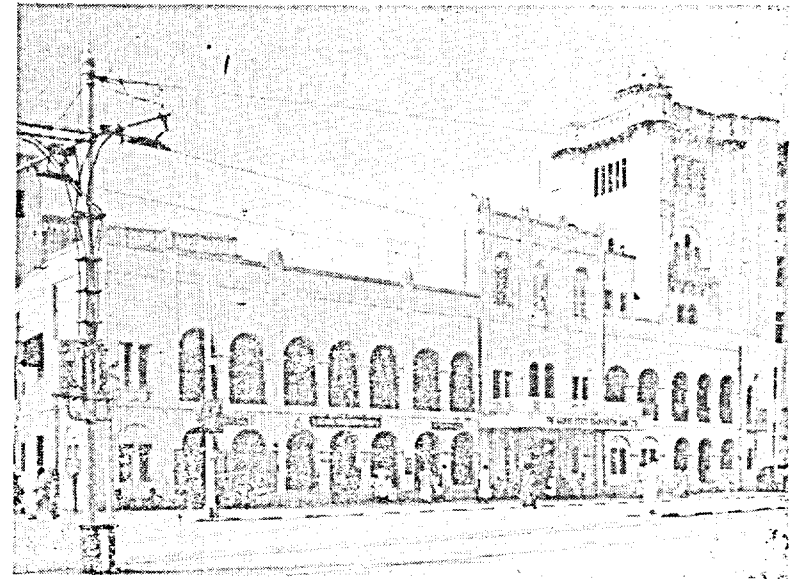
It is no wonder that the movement in spite of its apparent prosperity is troubled with many internal sores. The co-operative movement, particularly the consumers' counterpart of it, will prosper or languish, depending on the circumstance whether a large majority of its members is genuinely interested in upholding and living up to the principles of the co-operative movement and standing by them in the face of difficulties, temptations and provocations or are ready to prostitute the movement for their own nefarious purposes.

PROGRESS OF THE
—CO-OPERATIVE MOVEMENT—
1947 - 1953
MADRAS STATE

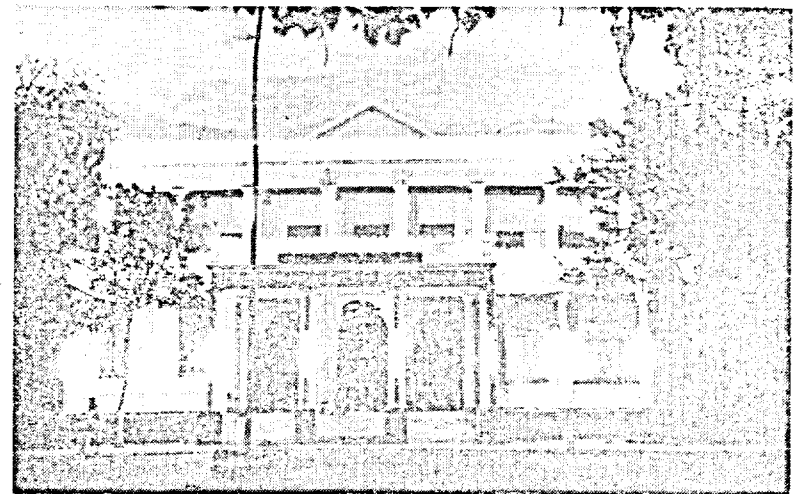


SECTION VII

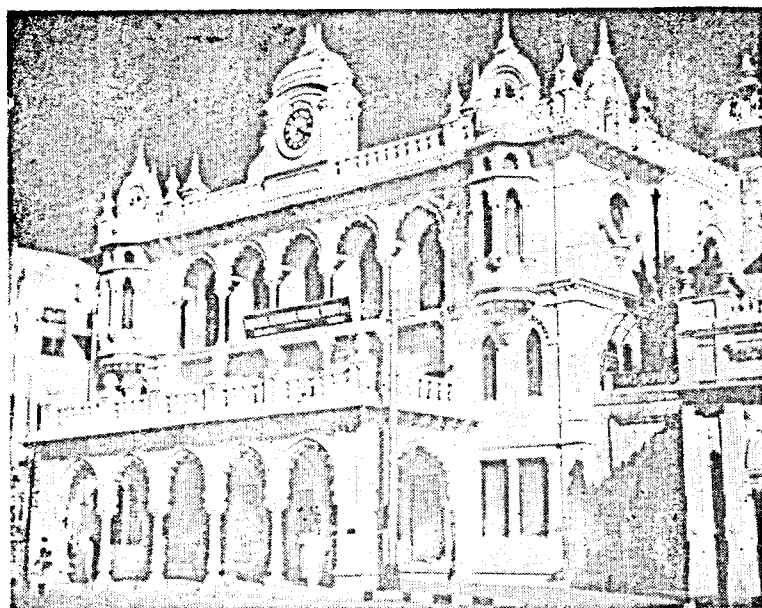
Co-operative Insurance



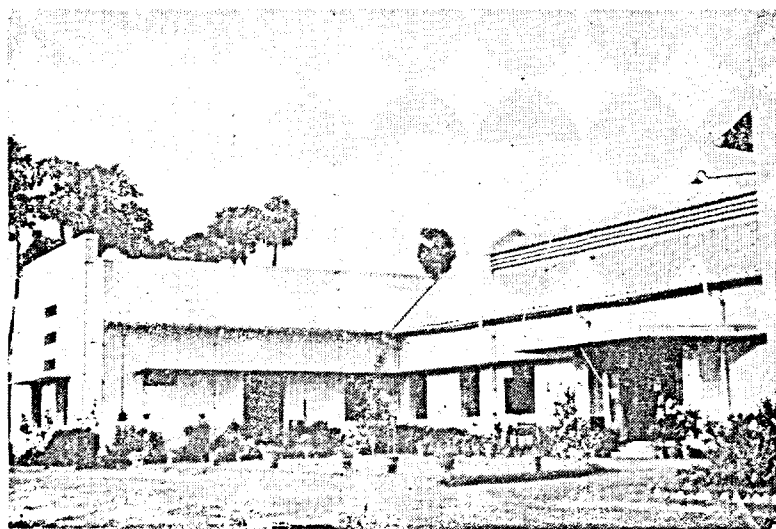
"Ramalingam Chettiar Co-operative Buildings" of
The Madras State Co-operative Bank, Ltd.,
Esplanade, Madras



Head Office of The Madras State Handloom
Weavers' Co-operative Society Ltd.,
Egmore, Madras



"Co-operative Insurance Building" of
The South India Co operative Insurance Society, Ltd.,
Mount Road, Madras



Factory & Office of the Madras State
Indian Medical Practitioners' Co-operative Stores & Pharmacy Ltd.,
Adyar, Madras

The South India Co-op. Insurance Society Ltd., Madras

SRI V. PARTHASARATHY, B.A., B.L.

President, The South India Co-op. Insurance Society. Ltd.

The South India Co-operative Insurance Society Ltd, was registered on 6th January 1932 under the auspices of the Madras Provincial Co-operative Union and the Madras Provincial Co-operative Bank. The first Chairman of the Society was the late Hon'ble Sri V. Ramdas Pantulu, whose vision, zeal and hard work had laid the foundations of the Society on a firm and lasting basis.

The promoters of the co-operative venture in the field of insurance had no misgivings about its potentialities or its future. In answer to the question whether there was any need for a new venture like Co-operative Insurance the promoters had stated without any hesitation: "Were there not joint stock banks—big and small—were there not sowcars catering to the financial needs of the needy ryots? What then was the justification for starting co-operative credit societies, and Central Banks and Provincial Banks? Were there not merchants—wholesale and retail—efficiently discharging their functions of distribution? What then was the need for starting Co-operative Stores? Were there not commission agents both of Indian and foreign firms, almost in every village willing to buy up the standing crop from the field and spare you the trouble of transportation? Why then should Co-operative Sale Societies be organised? The fact is in all such cases, co-operation comes in where the capitalist has been first in the field, to fulfil similar functions but actuated by a different motive."

The ideals and the objectives of the promoters had been realised in an abundant measure in the progress and the achievement of the South India Co-operative Insurance Society Ltd. In spite of the hurdles and handicaps that had to be overcome in the initial struggle for survival, the Society had progressed on sound lines as reflected in the results of the first valuation itself in the brief but eventful period of 4 years.

Surplus disclosed :	Rs. 29,287	
Bonus declared :	Rs. 15 on Whole life	} per Rs. 1,000 sum assured per annum.
	Rs. 10 on Endowment.	

The aggregate business in force on the books of the Society as on 31st December 1953 and the total Life Fund are as follows :

Aggregate business : Rs. 5 Crores (nearly).
Life Fund : Rs. 1.24 Crores.

The figures speak for themselves and no elaborate comment is necessary to bring home the premier place occupied by the South India Co-operative Insurance Society in the Indian Insurance world.

In reviewing and assessing the record of the co-operative movement in India one cannot escape the conclusion that a great stress had been laid on activities relating to co-operative credit, and in the last decade on co-operative trading. It was perhaps but natural that co-operative credit had come in for larger attention of the co-operatives in India because the crying need of the country was the provision of cheap credit to agriculturists for freeing them from the deadly grip of usurious bankers. The rightful place of Co-operative Insurance in a well proportioned and fully developed co-operative set-up is now adequately recognised. What the South India Co-operative Insurance Society had done for long term Co-operative credit clearly underlines the need for intensifying the efforts of the Co-operative Insurance. One of the foremost considerations in the investment policy of the Insurance Society had been to place its funds unreservedly at the disposal of other Co-operative concerns engaged in long term credit activities. Out of the total assets of Rs. 1,25,87,000 of the Society a sum of Rs. 22,09,800 has been invested in the debentures of the Co-operative Land Mortgage Banks and a further sum of Rs. 20,54,072 in Co-operative House Mortgage Banks. The figures are sufficient to justify the hope that Co-operative Insurance would be the source of a perennial supply of credit to the field of agriculture, especially when co-operative farming is developed on a large scale.

It is obvious that Co-operators can hardly afford to neglect the constructive or fruitful field of Co-operative Insurance. The situation calls for the integration of the activities of all co-operative organisations to intensify the effort and enlarge the ambit of Co-operative Insurance. The aggregate number of co-operative societies in the composite State of Madras is 25,850 and the total membership 38.65 lakhs. This vast net work of co-operative organisations can be effectively harnessed to inculcate habits of thrift among the lower income groups besides providing them insurance protection which they sorely need at

present. Take for example classes like fishermen, weavers etc. The premature death of the bread winner among such groups inevitably results in destitution of the survivors and untold misery. It is not only possible but it is imperative that such classes or groups of manual workers should be protected by the provision of Co-operative Insurance, through the medium of their own Co-operative Societies. The workers lack the initiative and the urge for spontaneous or unaided action. They are also ignorant, for the most part, of the utility of life assurance. A good number of them are members of some co-operative society or other, credit societies or sales societies. It must be the endeavour of these primary societies to build up adequate resources from out of the slender incomes of its members for diversion of the small deposits towards the buying of insurance. The results of a planned and steady effort of the primary co-operatives may very well prove to be a not inconsiderable contribution to the material and social aspect of the Welfare State which the Indian Union is striving to achieve.

It is hoped that as a result of the new awareness of the importance of Co-operative Insurance, its organisation would in a short time absorb the growing needs of the country. The value however does not consist in numbers and size alone, but in the inevitable improvement in quality and in the gradual reduction of the cost. A mass movement of organised thrift and initiative of the cultivating and working classes is bound to be reflected in the equilibrium, stability and progress of the economy of the country. The function of Co-operative Insurance is to direct and accelerate this social and economic regeneration in an ever increasing degree of intensity and utility.

Co-operative General Insurance in Madras

SRI P. SHANMUGAM, B.A.,
Secretary, The Co-operative Fire and General Insurance
Society, Ltd., Madras.

The aim of the Co-operative Movement is to bring within its fold every kind of human activity and with this end in view *The Co-operative Fire and General Insurance Society, Ltd.*, was registered in 1941 under the Madras Co-operative Societies Act VI of 1932.

The proposal to set up a Co-operative Fire and General Insurance Society as a co-operative endeavour for Fire and General Insurance was sponsored by the Co-operative Department of the Government of Madras in 1938 and the Society, was started in 1941 with a Share Capital of Rs. 1,36,000 the authorised capital being Rs. 10 lakhs. The Share Capital had been increased from year to year and as on 31st December 1952 it stood at Rs. 3,53,591. There are two kinds of Shares—'A' class and 'B' class shares. The value of 'A' class share is Rs. 100 and that of 'B' class share Re. 1. Such of the Societies as are not in a position to take 'A' class shares may subscribe for 'B' Class Membership. There were 405 'A' class members and 2,070 'B' class members as on 31-12-1952. A sum of Rs. 2,50,000 had been invested in Government Securities as Security Deposit under Section 7 of the Insurance Act. The first President was Sir M. Balasundaram Naidu, Kt., C.I.E., In 1944 Sri T. M. Chinnayya Pillai, M.A., B.L. Advocate, Madras was elected President. He has been successively elected to the Presidentship and he continues to be the President of this Insurance Institution. Under the Presidentship of Sri T. M. Chinnayya Pillai, the Society has been able to register a good progress both in the matter of building up the Share-Capital and the insurance business as will be seen from the figures for the period from 1945 to 1952 given below:—

	Share Capital.	Gross premium income.
	Rs.	Rs.
1945	3,21,400	2,10,945
1946	3,34,500	2,30,927
1947	3,38,500	2,98,529
1948	3,38,600	3,75,698
1949	3,39,971	3,80,926
1950	3,42,731	3,64,386
1951	3,50,965	3,85,965
1952	3,52,070	3,96,919

700

CO-OPERATIVE GENERAL INSURANCE IN MADRAS

The Society had incurred loss in the first two years but from 1945 it has been able to make a Profit and declare a Dividend of 5 per cent (the maximum fixed under its By-laws) to the Share holders.

The Funds of the Society as on 31-12-1952 were as under:—

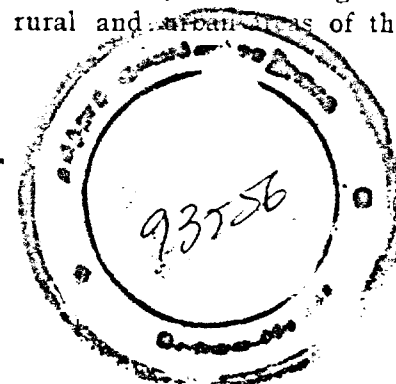
	Rs.
Common Good Fund	11,842
Building Fund	19,601
Investment Fluctuation Reserve	93,361
General Reserve	2,61,178
Reserves for unexpired Risks	3,18,482

The claims paid by the Society for the period of 8 years ended 1952 are as follows:—

	Rs.	A.	P.
1945	6,721	13	0
1946	27,644	2	0
1947	16,577	14	6
1948	14,782	4	7
1949	23,852	15	0
1950	43,673	4	6
1951	42,358	8	4
1952	27,123	15	11

With the introduction of compulsory Third Party Insurance (Death and Injury) in 1946 the Society began to underwrite this class of insurance mainly with a view to cater to the insurance needs of Co-operative Institutions like Ex-servicemen Transport Societies Co-operative Central Stores etc. About the same period the Society has begun to underwrite the Fidelity Guarantee Insurance business. The Society has now extended its operations in the Mysore State also. The Registrars of the Madras, Andhra and Mysore States have been giving the Society their valuable help and guidance in building up its business. It is confidently hoped that the Society will grow from strength to strength and carry the Message of Co-operation through Insurance in rural and urban areas of the States.

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SECTION VIII

Other Special Types of Co-ops.

Co-operatives and Demobilised Personnel

SRI V. BALASUNDARAM, I.A.S.,

Joint Registrar of Co-operative Societies, Madras

The resettlement of the demobilised personnel in civil life was one of the postwar problems which engaged the attention of Government. Various plans were formulated to resettle them. The Employment Exchanges contacted the employers of labour and tried to utilise the ex-servicemen in factories, mills, etc. Technical training centres were started all over the country to give ex-servicemen specialised training in certain crafts and trades, so that after the training they might be absorbed in the various industrial undertakings in the country. In this connection it was considered that the most effective way of settling them in civil life after demobilisation was through co-operative societies. Special types of co-operatives were accordingly organised to absorb them. These societies were of three types, namely, co-operative motor transport societies, co-operative workshops, and co-operative land colonisation societies.

II

Co-operative Motor Transport Societies

Ex-servicemen who were employed during the war as motor drivers, fitters, etc. had to be absorbed. It was not possible to absorb them in the then existing motor transport services. There was a growing demand for lorry transport. With a view to employing these motor drivers and mechanics in civil life primarily and meeting the demand for transport incidentally, motor transport societies were started at important centres in the State. Wherever possible, Government lands were got alienated free of cost to locate the workshops and the offices of the societies. An interest-free loan of Rs. 20 lakhs was given by the Post War Services Reconstruction Fund Committee to these societies to meet the capital cost involved in the purchase of vehicles and M. B. sheds. The Military authorities supplied the vehicles and M. B. sheds at concessional rates. These societies have been doing useful service to the public by running lorries as well as buses. A special feature of these co-operatives is that they have been organised on orthodox co-operative lines, where there is identity of interest between the employees and the employers. In such organisations, loyalty to the societies means loyalty to their own interests. Thus the clash between labour and capital has been eliminated to a considerable extent.

There are at present nine Transport Societies working at Madras, Vellore, Tanjore, Tiruchirappalli, Tirunelveli, Coimbatore, Salem, Cuddalore and Kozhikode with a paid up share capital of Rs. 2,60,000. These societies own 187 lorries and 35 buses and they give employment to 500 ex-servicemen.

Like any other new type of organisation, these societies have their own difficulties and problems. Experience has shown that generally lorry business is not as profitable as bus transport. Steps are therefore being taken in every society to provide itself with as many buses as possible by replacing the lorries gradually.

III

Co-operative Workshops

Medium scale industrial workshops are the second co-operative enterprise started for the resettlement of ex-servicemen who received training in 'Civmil' Centres and were employed in technical jobs while in the Defence Services. The workshops were organised to undertake the manufacture of common consumer goods, such as household utensils, timber products, brassware, cutlery, sanitary wares, etc. In the first instance, the workshops could not be equipped with up to date labour-saving machines owing to the difficulties experienced in securing them, and so, they were functioning on a limited scale undertaking the manufacture of goods by manual labour with the aid of hand tools and small machinery. Subsequently four workshops were reorganised with up-to-date machinery. Sixty per cent of the capital expenditure was met by the (P.W.S.R.) Fund Committee and the balance by Government. The Committee also sanctioned grants towards housing and subsidy towards the cost of the technical staff and for giving training to the ex-servicemen trainees. The workshops were provided with capital from the Indian Bank under Government guarantee for carrying on their business. Government have since ordered that these societies may borrow funds from the Co-operative Central Banks in their districts under Government guarantee. There are at present seven workshops of which four are timber works and three metal works. The metal workshops are located at Madras, Kumbakonam and Olavakkode and the timber workshops at Tiruvottiyur, Katpadi, Tirunelveli and Olavakkode. There are 643 members with a paid-up share capital of Rs. 40,041. These workshops produce goods annually on an average to the value of about Rs. 5 lakhs. The timber workshops generally depend on

contracts secured from Government and quasi-Government organisations. The metal workshops generally produce household articles. The manufacture of agricultural and industrial goods is also receiving their attention. Government recently appointed a special officer to review the working of these workshops and the Special Officer's recommendations are under the consideration of the Government.

IV

Land Colonisation Societies

These societies are intended to resettle such of the ex-servicemen as have an agricultural bias. An economic holding of 5 acres of wet land and 10 acres of dry land is usually allotted to a member. The societies are of the tenant farming type according to which the land is divided into suitable holdings and each holding is allotted to an individual member who cultivates the land on his own account and retains the profit. The cost of these schemes is shared by the Central Government, the State Government, and the P. W. S. R. Fund Committee. The Central Government pay Rs. 500 per colonist, the P. W. S. R. Fund Committee Rs. 475 per colonist under grants and Rs. 325 per colonist under loans and the State Government the land value and the portion of the cost which is not recoverable from any other contributing agency. There are six land colonisation societies, two of which are in the Tanjore District. The remaining four are in the districts of Chingleput, Tiruchirappalli, Salem and Coimbatore. There are 527 members, with a paid up-share capital of Rs. 2,18,650. Out of 6,553 acres assigned to these societies, an extent of 2,601 acres has been reclaimed so far. The organisation of one more society at Nallavanniankudikadu in the Tanjore district is pending finalisation.

The ex-servicemen in some of the societies augment their income from land by taking to subsidiary occupations such as fishing, poultry-farming, carpentry etc.

V

Conclusion.

A beginning has thus been made to place the ex-servicemen in industry and agriculture. Generous help has been given by the Government as well as the P. W. S. R. Fund Committee. The success of these ventures and the prosperity of the members lie in the hands of the ex-servicemen themselves. It is hoped that they will fully avail themselves of the co-operative way and thus improve their economic condition.

Co-operative Printing Presses in Madras State

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

Vice-President, Coimbatore Co-operative Printing Works, Ltd.

The celebration of the Golden Jubilee of the Co-operative Movement marks a new era of development and prosperity to the large masses of our beloved Motherland. Though it is 50 long years since the Movement was introduced in our country, it was after a long time only that it was considered necessary to start Presses on co-operative lines. There were many reasons for this delay. At the beginning, the Movement was concentrated solely on the credit side. There were already Printing Works owned by individuals and by Companies which were catering to the needs of the public. Some of them prospered and some were simply carrying on from hand to mouth. It looked as though that this Industry was not a prosperous one. In those days, it was also not thought feasible to start a Co-operative Press to cater to the needs of individuals who might get their requirements printed in it. When big Co-operative Institutions like the Madras Provincial Co-operative Union, Madras Central Urban Bank and the Triplicane Urban Co-operative Society Ltd, etc. had developed to such a great strength as to try experiments on any field of activity in Co operation the starting of the first Co-operative Press was thought of. The Madras Co-operative Press was started thus in 1921 and was working on a small scale for a long time. Its main function was printing the Co-operative Journal in addition to printing orders placed by the Co-operative Institutions at Madras.

The experiment at Madras was neither a success nor a failure when in 1933, the late Sri. T. A. Ramalingam Chettiar suggested the starting of a Co-operative Press at Coimbatore. Due to his initiative it was started and the "Kooturavu", the Tamil Co-operative Journal, was thence forward printed by it. In addition, the Co-operative Central Bank had all its printing done in this Press. Ten years later, the working of the Madras and Coimbatore Presses was found to be satisfactory with the support of all the big Co-operative institutions in the respective areas. After 20 years of close association in the working and development of the Coimbatore Co-operative Press, I am of firm opinion that the Co-operative Press as an institution had come to stay in the Madras State.

The Co-operative Presses at Pudukottai, Tanjore, Salem, Madurai, Vellore and Kozhikode were started one by one, since then,

CO-OPERATIVE PRINTING PRESSES IN MADRAS STATE

and all of them have started working well and some of them are already on sound basis.

It is worth while for the other District Banks to follow the path of the above institutions and start a Press one each at Conjeeveram, Cuddalore, Kumbakonam, Tiruchirappalli, Nilgiris, Mangalore and Tirunelveli. The other likely places where a Co-operative Press can be started and successfully run are Palghat, Erode, Karur, Tuticorin, Virudhunagar, Karaikudi, Mayavaram and Chidambaram and such other places. All the big co-operative institutions at these places must join to start the Press and support it to prosperity. Provided the Central Bank and the Central Stores give full help at the initial stages and entrust their entire work to the Co-operative Press, they are bound to grow on healthy lines, as the Presses already existing are flourishing.

What is the strength of a Co-operative Press as to consider it superior to other Presses? First of all the entire working capital comes in dribblets as share capital of Rs. 10 or so from hundreds of Co-operative Societies and no return is expected on them. The dividend to be declared on such capital does not exceed 6½ per cent. The advice of the department and guidance of businessmen who come as delegates from the Central Banks and other Co-operatives is given free in the service of the Press. The Press is audited by Government and the defects if any are rectified then and there. All reserves created and accumulated out of the surplus profits become public money with the Co-operative Movement and are ploughed back into the working of the Press by purchasing the latest type of machinery. With so many advantages available, I foresee that in the future there will be a sound Co-operative Press in every big city of our State.

Now-a-days, difficulties are cropping up in the working of a Co-operative Press. The sales tax is a bug-bear and that department levies tax not only on the paper and other materials consumed but also on the cost of labour employed. Fortunately, the High Court has recently decided that labour charges should not be taken into account for sales tax purposes. Another important factor is the applying of the provisions of the Labour Acts to the Co-operative Presses. The labourers in the Press, who were quite happy with the service conditions adopted in the Press regarding leave rules, provident fund, bonus and pay conditions have now begun to agitate under the misleading advice of a few persons, who pose as their

well-wishers. The Labour Officers and the Conciliation Officers even after knowing that the conditions of service in a Co-operative Press are better than in a private press do not persuade the labourers to give up their exorbitant demands but as a matter of course apply undue pressure on the managements of Co-operative Presses to yield to these demands. The yielding to this pressure will entail heavy and unnecessary expenditure on the Co-operative Presses and perhaps in course of time force them to close their business.

It is therefore high time that the Government and the Registrar moved in the matter and set right things. A Co-operative Press which treats its staff and labourers better than the other presses in the locality should not be unnecessarily forced to adopt high rates of wages disproportionate to the market rates. I desire to suggest that the Registrar persuades the Government to set up a Committee to examine to what extent the Labour Acts can be applied to Co-operative Institutions of the type of the Presses and to give its recommendations. The Co-operative Presses themselves can form a sort of a representative Advisory Committee and examine the working of the Presses and give their recommendations about all the matters arising out of their working. One other matter I wish to stress. The Central Banks whose entire printing work was handled by the Co-operative Press during the war period and till now have shown a tendency to call for tenders from other Presses. I feel that it is neither necessary nor advisable. So also the Co-operative Presses are expecting the same kind of profits as in the war years and have not reduced sufficiently their charges to market levels. This attitude must change. The Co-operative Press and the Co-operative Institutions who give them printing work must agree on rates comparable to market rates and help each other and not separate and go each its own way. I hope leading Co-operators who are at the head of these institutions will lead us in the right path and make the Co-operative Press permanent and pave the way for starting one in our State wherever possible and feasible.

The Central Co-operative Printing Works, Ltd., Madras

Brief History.

The movement with which we are pledged stands for the emancipation of the common man in the work-a-day world and to secure for him the benefits of the collective effort. To start with, the economic needs of urban and rural India were investigated by special experts. The inauguration of the co-operative movement in India was thus initiated by the late Sir Frederick Nicholson who was placed on special duty by the Provincial Government as early as 1892. His report was received by the Government of Madras in 1899, this was latter studied by the Government of India and the views of the various Provincial Governments invited. In 1901 the Edward Law Committee considered the views of the various Local Governments and for the first time formulated and placed definite proposals for action. The need for a special legislation was stressed by the Famine Commission appointed in the same year and as a result, the co-operative credit societies act (Act X of 1904) was passed. Many credit and non-credit stores societies, weavers unions were organised under this Act. But the Act of 1904 afforded no legislative status to Central Institutions started for purposes other than credit. These defects were remedied by the Co-operative Societies Act II of 1912 which gave legal recognition to various forms of central organisations. With the introduction of Montague-Chelmsford Reforms in 1918-19, the Government of India Act of 1919 made co-operation a provincial transferred subject and local governments were left free to adopt the 1912 Act or to introduce fresh legislation to suit their requirements. Madras was ahead of some other provinces and introduced different phases of the co-operative movement. The following are special types of co-operative enterprises.

1. Land Mortgage Banks.
2. Consumers Stores.
3. Loan and Sale Societies.
4. Weavers' Societies.
5. Milk Supply Societies.
6. House Building Societies.
7. Insurance Societies.
8. Societies for Scheduled Classes.
9. Fruit Growers' Societies.
10. Printing Societies.
11. Societies for consolidation of holdings.

APPENDIX

The Central Co-operative Printing Works, Ltd., Madras.

PROGRESS SINCE INCEPTION—DECEMBER 1919

Year ending 30th June.	Gross work executed.	Cost of Printing and Binding.	Cost of Labour	Gross profit.	Purchase of types and tools.	Net value of Machinery, types and tools.	Net divisible profit.	Rate of dividend.	Reserve Fund.	Common Good Fund.	Plant Installa- tion Fund.	P. F. of Employees.	No. of Share-holders.	Share Capital.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	No.	Rs.
1920	3,020	1,042	849	1,237	7,800	7,900	87	..	21	..	..	..	59	6,250
1925	25,575	7,391	7,735	10,443	3,523	7,120	2,175	9 %	3,035	351	..	1,987	135	10,603
1930	25,628	10,264	9,463	7,537	360	8,345	2,128	7 1/2 %	6,139	551	2,494	6,898	255	15,745
1931	27,469	11,374	8,936	11,112	7,616	13,615	2,034	7 1/2 %	6,638	650	2,494	7,661	269	16,105
1932	21,644	7,491	7,021	6,333	72	13,075	—494	..	6,638	812	2,491	8,189	267	16,416
1933	14,950	4,240	7,104	2,183	2,563	14,986	—4,195	..	6,668	812	2,494	4,312	265	15,330
1914	15,655	3,319	5,786	5,873	735	14,972	—1,325	..	6,658	812	2,494	6	266	15,565
1925	16,460	3,722	6,983	7,984	591	13,964	—1,886	..	6,668	812	2,494	6	262	15,536
1936	13,037	6,212	5,175	5,085	34	11,412	—2,390	..	6,668	812	2,494	6	253	15,466
1937	16,684	4,833	5,205	6,547	119	11,064	—1,603	..	6,668	812	2,494	6	251	15,331
1938	19,442	6,290	5,446	7,167	65	10,574	1,407	3 1/2 %	7,020	812	2,491	6	245	15,265
1939	21,045	6,318	5,575	7,738	2,234	12,177	3,309	3 1/2 %	7,847	812	2,503	6	248	15,182
1940	25,762	9,253	6,702	10,184	1,133	12,333	4,346	3 1/2 %	8,934	812	3,124	530	254	15,170
1941	28,384	13,178	8,010	8,820	1,018	12,630	2,224	3 1/2 %	9,490	812	3,833	1,389	265	15,122
1942	32,514	14,716	8,298	9,118	581	12,525	2,186	3 1/2 %	10,031	663	3,833	2,433	265	15,078
1943	43,261	23,000	8,809	11,453	316	12,142	2,331	3 1/2 %	10,739	663	3,833	3,390	280	15,160
1944	62,035	32,750	11,837	18,498	1,639	13,129	6,384	3 1/2 %	12,335	663	3,833	4,571	297	15,119
1945	52,262	19,026	14,269	18,318	593	13,008	8,469	6 1/2 %	14,430	663	7,419	5,792	300	15,050
1946	65,313	25,470	21,430	19,530	1,731	18,192	6,546	6 1/2 %	16,086	663	7,561	6,671	299	15,041
1947	76,365	60,926	25,109	22,937	1,830	19,655	6,581	6 1/2 %	17,781	663	8,314	6,330	298	15,041
1948	97,504	41,535	34,514	25,840	9,330	76,993	6,639	6 1/2 %	19,404	663	9,944	8,399	315	24,666
1949	1,45,155	54,120	53,632	33,110	4,396	78,799	6,263	6 1/2 %	20,970	913	10,752	9,833	356	39,332
1950	1,17,369	43,495	33,710	26,578	2,176	81,190	3,600	3 1/2 %	21,870	913	11,657	11,031	363	42,642
1951	1,45,188	72,606	33,666	28,713	3,311	79,155	4,022	3 1/2 %	22,875	913	12,178	13,135	384	48,659
1952	1,65,596	98,453	42,803	26,507	1,933	73,967	2,735	3 1/2 %	23,569	913	12,973	12,743	392	49,283



The Late Sri T. A. RAMALINGAM CHETTIAR,
COIMBATORE



The Late Sri N. R. SAMIAPPA MUDALIAR,
TANJORE

The Late
Sri V. RAMDAS PANTULU,
MADRAS



The Late Sri MOCHERLA
RAMACHANDRA RAO,
MADRAS

THE CENTRAL CO-OP. PRINTING WORKS, LTD., MADRAS

The Press has in ready stock all kinds of ledgers, forms required by the various types of societies; besides, it executes printing orders, special reports, periodicals; co-operative reviews, journals, specially the *Madras Journal of Co-operation*, which is being printed since the inception of the Press and published by the Provincial Co-operative Union, and annually a Co-operative Diary and also job works, etc., to the public. Almost all the State Institutions like the Madras State Co-operative Bank, Central Land Mortgage Bank, South India Co-operative Insurance Society, Madras State Handloom Weavers' Co-operative Society and Co-operative Fire Insurance Society, Ltd., are getting their works executed. It aims at no competitive or excessive charges with a view to profiteering. It is, in fact, most useful and a special type of institution which aims at service to Co-operators. *Maximum benefit at minimum cost* is its motto.

On 13th April, 1949 the Press celebrated its Silver Jubilee under the Presidentship of Sri S. K. Yegnanarayana Iyer and Sri. K. Chandramouli, the then Minister for Co-operation, Madras inaugurated the function.

The Madras Co-op. House Construction Society Ltd.

Its History and Activities

In the year 1947, the problem of the shortage of houses was most keenly felt in the City of Madras as in other big towns and industrial centres in the State. Enough houses could not be built owing to the conditions created by the war, such as an acute dearth of building materials and an abnormal increase in their prices. The unprecedented rise in the cost of house sites also deterred prospective builders from undertaking building activities. The situation arising out of this problem was boldly faced by the Government—thanks to the initiative and efforts of late Hon'ble Sri Daniel Thomas, the then Minister for Housing and Sri J. C. Ryan, Registrar of Co-operative Societies of the Madras State. The Registrar found that the constitution, resources and equipment of the traditional types of building societies which had been in existence in the State for a long time were inadequate to solve the problem and he devised an organisation to build the largest number of houses in the quickest possible time; in short, an organisation to build full fledged colonies and not a few houses here and there. And this organisation was the Madras Co-operative House Construction Society.

The Society was started in May 1947. Its objects are to acquire and lay-out lands making suitable provision not only for house sites, but also for amenities like roads, parks, play-grounds, schools and markets. Members are required to take shares in the Society equal to the value of sites chosen by them and to pay 1/5th of the cost of the house at the time of occupation, the remaining 4/5th being paid in equated monthly instalments spread over a period of 20 years. A member may pay off the entire value of the house at any time, but the ownership of the house will be transferred to him only on the expiry of 5 years. This provision has been made as a safeguard against possible speculative activities.

Gandhinagar

Started under favourable conditions and supported by an able Directorate consisting of men of influence and prestige, the Society found no difficulty in enlisting members for the first of its schemes, on the bank of the river Adyar, subsequently christened Gandhinagar when the colony was opened. The land on this beautiful spot in the City, was purchased by private negotiation from His Grace

THE MADRAS CO-OPERATIVE HOUSE CONSTRUCTION SOCIETY, LTD.

the Archbishop of Madras. The price paid was Rs. 16 lakhs for 131 acres. At a time when it was feared, that the inevitable delays of compulsory land acquisition might damp the expectations of the early organisers and applicants, the expeditious way in which the private negotiation was carried on to a fruitful end, promoted so much confidence amongst the public, that the entire amount of Rs. 16 lakhs required to pay the vendor of the land was contributed practically within a month.

The lay-out of this colony was prepared by Sri K. K. Nambiar, then City Engineer of the Madras Corporation (now Chief Engineer, Highways, Madras State). Out of 131 acres of land, 77 acres were utilised for carving out house sites and the remaining extent set apart for roads, parks, markets, schools and other public amenities.

The foundation stone of Gandhinagar was laid by the Hon'ble Sri O. P. Ramaswami Reddiar, then Premier of Madras, in January 1948, and eighteen months afterwards, in June 1949, the Colony was opened by Dr. Pattabhi Sitaramayya, the then President of the Indian National Congress (now Governor of Madhya Pradesh). The colony had taken a shape by this time and a number of houses made ready for occupation. Aided by facilities given by the Government in the allotment of scarce and controlled commodities, the construction work was completed in record time and there now stands on the Adyar river a beautiful colony of 341 houses, with all essential amenities such as tarred roads, underground sewerage, electricity, park, school, market etc.

Venkatesapuram

Even when land was being purchased for the Gandhinagar scheme, acquisition proceedings were started to acquire a land comprising 21 acres in Ayanavaram named subsequently Venkatesapuram at the time of its opening. The acquisition proceedings were completed in the year 1949. The price paid for the land was Rs. 2.46 lakhs.

The lay-out plan of this colony was prepared by Sri K. K. Nambiar. Fourteen acres were parcelled out into 135 plots and the remaining 7 acres set apart for roads, parks and shops. Being essentially intended for the people of the middle classes, as many as 128 plots have been set apart in this colony for C class against only 7 plots for A and B classes.

The foundation stone of the Colony was laid in August 1950 by the Hon'ble Sri P. S. Kumaraswamy Raja, the then Chief Minister

of Madras ; it was opened in July 1951 by H.E. Commodore Maharajah Raol Shri Sir Krishna Kumarsinhji Bhavsinhji, K.C.S.I., Maharaja of Bhavanagar, the then Governor of Madras. The Colony now consists of beautiful little houses with amenities such as tarred roads, underground sewerage and lighting.

Kasturbanagar

This is the third of the Housing Schemes started by the Society and is adjoining Gandhinagar. The need for starting this scheme was felt, as there were a large number of applicants for sites in Gandhinagar, who could not be accommodated in that colony and for whom sites had to be found in an adjoining locality. This land comprising 33 acres was acquired through land acquisition proceedings, which were completed in 1951 at a cost of Rs. 4.14 lakhs.

The lay-out of this colony was prepared by Sri K. K. Nambiyar. About 9.5 acres out of 33 acres have been set apart for roads and other public purposes and the remaining extent utilised for house sites.

Construction work in this colony was started in January 1952 ; the colony was opened for occupation in January 1954 by H. E. Shri Sri Prakasa, the Governor of Madras. The colony now consists of 145 houses which are neither as big as those in Gandhinagar, nor as small as those in Venkatesapuram. There is a fair distribution of houses among the various income groups.

Mylapore.

The fourth scheme undertaken by the Society is at Mylapore, in the area named by the Corporation as Rajah Annamalaipuram. An extent of 67 acres was acquired through land acquisition proceedings, which were completed in 1952 at a cost of Rs. 14.86 lakhs.

The lay-out plan of this area was prepared by Sri V. T. Abraham, Executive Engineer of the Society. An extent of 15½ acres has been set apart for roads and the remaining extent for 389 house sites of various classes, A, B, C, D, and E.

Construction work in this colony was started about an year ago and the houses are all under construction. A good number of them are nearing the stage of completion, and they will be occupied soon. In about another year, all the houses would have been completed and the necessary amenities provided.

When the construction work in Mylapore is over, the Society would have added 1000 new houses to the City and it can legitimately claim to have played an effective and substantial part in solving the problem of housing shortage in the City of Madras.

The Madras Government Servants' Co-operative House Mortgage Bank, Ltd.,

SRI. V. VENKATACHALAM, Vice-President.,

The Madras Govt. Servants Co-op. House Mortgage Bank Ltd.

Soon after the Madras Government announced their new policy in G. O. No. 312 dated 11-4-1923, a band of enthusiastic men, 17 in number joined together, met and resolved to form a Co-operative Society for Government Servants for the purpose of solving what housing, even then, was a great problem, especially for Government servants. Every effort was being made by a number of enthusiasts since 1919 to form a house building society but could not succeed till 1923. At that time there was no house-building society worth pointing to as a guide and upon which others could build though a few co-operative house building societies existed before none of them had worked successfully. Taking into account the failures of other societies, the original promoters of the society bestowed considerable thought and framed a set of by-laws. Sri. M. K. Venkatachariar who was the then Assistant Registrar of Co-operative Societies rendered all help in forming the Society and ushered it into existence on 30th April 1923. In consequence, the Madras City Co-operative Building Society Ltd., G. 356 was registered by the Deputy Registrar, with its area of operations limited to the town of Madras, under the Co-operative Societies Act 1912 (India Act II of 1912), with its headquarters at 3/7, Car Street, Triplicane. As stated by the Hon'ble Diwan Bahadur T. N. Sivaganam Pillai, the then Hon'ble Minister to the Government of Madras, this was the first co-operative building society and would serve as a model for various other institutions. In May 1923, the name of the society was changed into the Madras Government Servants' Co-operative Building Society, Ltd., with an area of operations limited to the districts of Madras and Chingleput. A Managing Committee was constituted with the late lamented Diwan Bahadur Sri. N. Gopalaswami Ayyangar as its President and Sri P. K. Subbier as Vice President. The Managing Committee put in strenuous efforts in building up the Society and enlisted members who were slow to come in. As the rate of interest on Government loans charged by Government was 6½ per cent per annum many persons did not take advantage of the facilities offered. However, by many dint of severe efforts by the organisers and promoters of the Society the

membership was increased to 87 at the end of the year (30th June 1923).

Gopalapuram. In right earnest the organisers tackled the problem of housing, secured a suitable site in Gopalapuram between Lloyds Road and Mowbrays Road and Mount Road with an extent of 114 grounds purchased from the Official Assignee of Madras and prepared a lay out in consultation with the Director of Town Planning. 29 grounds were reserved for public purposes and the balance of 85 grounds was divided into 51 plots in suitable blocks. Construction in 14 plots was undertaken by the Society in the initial stages with a view to cut down cost. The members undertook construction in the remaining plots. Some of the houses were of street-type and some of cottage type. The former type was decided upon to minimise cost of construction and thus help the poor and middle class Government servants for whom the plots were mainly intended. Thus was born the first Colony, Gopalapuram, named after the first illustrious President the late Sri N. Gopalaswami Ayyangar. In this colony the Society laid the water mains, lighting etc., including the lay out of roads.

Lakshmipuram. In 1928-29, the Society formed Lakshmipuram colony purchasing about 38 grounds of vacant site in Lloyds Road. The Society itself laid the roads and handed them over to the Corporation.

Sriramanagar. The next colony formed by the Bank was in Sriramanagar at the southern end of the Mowbrays Road. A plot extending to about 202 grounds from the Official Trustee of Madras and another triangular plot of about 12 grounds from the Bishop of Madras, were purchased and colonised. The Society laid the roads, water mains, lighting etc.

Conversion into the House Mortgage Bank. In 1945, the Madras Government Servants' Co-operative Building Society Ltd., was reconstituted into the Madras Government Servants' Co-operative House Mortgage Bank, Ltd., Gopalapuram with a paid Secretary. In the original society money could be advanced only for new constructions and that too only to members on active service and by that year practically all loans advanced had been repaid to a very large extent. It was considered that the activities of the Society should be enlarged so as to make it more useful to its members. By conversion into the House Mortgage Bank, funds could be advanced for such purposes

as marriages of children of members, discharge of prior debts incurred by them, improvements, additions or repairs to the houses, purchases of new houses etc. Provision was also made to grant loans to retired Government servants drawing pension. Government could finance only for purposes of new construction. It was therefore found necessary to secure some other financiers. Luckily, the Bank found in the South India Co-operative Insurance Society, Ltd., a suitable financier and with the help of Sri J. C. Ryan, the then Joint Registrar of Co-operative Societies, the conversion was successfully done. The financing of the Bank by an Insurance Society and that too by a co-operative one was a unique achievement and thus a new field was opened for the Insurance Societies to invest their surplus funds in co-operative undertakings.

Mandavalli. The fourth colony was formed by the Bank in Mandavalli. Because of War the progress was slow. The Bank purchased about 52 grounds near Norton Lane, Mandavalli, and prepared a lay out. The Corporation laid the roads, the cost being met by the Bank.

Ganapathinagar. The latest colony formed by the Bank was in Ganapathinagar, Guindy. A few persons employed in the Posts and Telegraphs Department were negotiating for the plots in Ganapathinagar and finding in the Bank an institution which could successfully push through their scheme approached it. The Bank itself laid the roads in this colony after getting the approval to the lay out from the Corporation of Madras as well as the St. Thomas Mount Cantonment authorities, as the layout particularly lay in both the areas. The colony was formally opened by Sri D. Sanjivavya, the then Minister for Co-operation and Housing in July 1953. In opening this colony, the Minister greatly appreciated "the excellent manner in which this Bank has been running and how it has been useful to its members", and "how it has been solving the housing problem in the city".

S. I. C. O. I. S. Ltd. A word must be said here about the unique method of financing of this Bank by the South India Co-operative Insurance Society, Ltd.. The Society, in 1945, discharged the entire debts due by the Bank to Government which were lent to several members for house construction. Subsequently the Society has been advancing to the Bank funds as and when required. The method followed in financing is for the Bank to pay its members first out of its own funds on the mortgage deeds executed by members in favour of the Bank. The Bank gets its money for such initial

lending from members such as fees, etc. and from members and non-members such as fixed deposits. As soon as the loans to members are fully paid, the bonds in favour of the Bank are pledged with the South India Co-operative Insurance Society Ltd. who advanced funds to the Banks on such bonds. The above method has successfully worked for nearly a decade. The Society has been very generous in its financing of the Bank. This mutual co-operation between the Society and the Bank is worthy of being followed by other sister institutions.

Apart from mere lending to members both for house construction as well as for other purposes, the Bank had been rendering useful service to its members in other fields like purchase and distribution of iron and steel, supply of bricks etc. The Bank constructed a brick chamber and had successfully worked it for over 5 years. This activity could not be continued because the Bank could not supply bricks to non-members and without supply to outsiders the chamber could not be run as a business concern.

The Bank has also been running a school for a very long time. The need for a school for such a locality as Gopalapuram was keenly felt even in the twenties. In the common plot reserved at Gopalapuram, a building was put up and the school was being run there. From humble beginnings the school has now become a full-fledged high school for girls. This is the only Co-operative Institution in the State which has been running a school for a large number of years. The school is divided into two sections, the elementary section and high school section, each under a separate headmistress. It will not be out of place to mention that the students sent up for S. S. L. C. examination from this institution have scored very high success in the examinations. The School is managed by a Committee called the School Committee the members of whom are elected by the General Body along with the Board of Management of the Bank. To serve as a liaison between the School and the Bank, the Vice-President of the Bank is the ex-officio member of the School Committee.

The assets of the Bank, accumulated through years of perseverance and toil by men who were in charge from its very inception, include its buildings at Gopalapuram and Sriramnagar, valued at Rs. 80,000 a common plot in Ganapathinagar and about 29 grounds of land in Valasarvakkam and Virugumbakkam villages.

Mention must be made here of some of those who have given their best services to the Bank like the late Sri N. Gopalaswami Ayyangar, Sri P. K. Subbier, Sri V. N. Viswanatha Rao, and the late Sri R. Ramaswami Ayyangar, who were Presidents of the Bank for many years and among the Vice-Presidents are Sri S. Natarajan, Sri S. V. Viswanatha Ayyar and Sri R. Krishna Ayyangar. The Bank is fortunate in having got as its present President Sri L. Venkatakrishnan, Chief Engineer Government of Madras (Retired) now Chief Engineer, Irrigation, Government of Andhra.

The popularity of the Bank has been increasing from year to year and very frequently its share capital had to be increased to provide for more members joining it. Its present share capital limit is Rs. 8 lakhs providing for an overall transaction of Rs. 50 lakhs. Its membership is about 500 and its present transactions are round about Rs. 20 lakhs. The amount advanced by the Bank to each member has been progressively increased from Rs. 5,000 to Rs. 20,000. Government servants of all categories from the lowest rung of the ladder to the highest from all the corners of the Indian Union, servants of Central and State Governments are amongst its members. The Bank has been serving them during the last 30 years and Government servants of all categories have joined without fear and we hope that it will continue to serve them for generations to come.

The 25th year of the working of the bank ended by May 1948, but because of the conditions created by War and the after effects of War and of various other reasons, the Silver Jubilee of the Bank could not be celebrated earlier. The Bank is celebrating its Silver Jubilee in July 1954.

The Madras State Indian Medical Practitioners' Co-op. Pharmacy & Stores Ltd., Adayar, Madras—

Its Working

VAIDYA RATNA CAPT. G. SRINIVASA MURTI, B.A., B.L., M.B. & C.M.

President

History

The idea of starting a Central Institute where genuine preparations of Indian Medicine could be manufactured and made available to practitioners of Indian Medicine at favourable rates was in the air for many years before our Co-operative Society was started. It gathered great momentum in war years due to the great difficulty experienced in obtaining genuine supplies of raw materials as well as prepared medicines. To meet these difficulties, it was proposed to me by a number of practitioners that they should join together and start a joint stock concern registered under the Indian Companies Act. I then pointed out that it would be far more desirable and preferable from every point of view to start a co-operative concern where the ruling motive would be Social Service and co-operative enterprise rather than a joint stock concern where it would be very difficult to resist the dominating influence of the profit motive and the competitive spirit. This was generally agreed to and an application was duly made to the Registrar of Co-operative Societies for registration under Act VI of 1932 and the Society was duly registered on 6th September 1944.

At first the institution was intended to be organised for the benefit of the public through qualified practitioners of Indian Medicine only. The original draft bylaws sent to Government did not provide for Local Bodies to become Institutional members and obtain their supplies from our Co-operative Society. It was only at the instance of the Government that the bylaws were revised so as to permit of Local Bodies to become Institutional Members. This was referred to in the following pronouncement made on behalf of the Government in 1945 by Sir Thomas Austin (the then Adviser in charge of the Medical Portfolio) who recounted certain measures adopted by the Adviser Regime for the Development of Indian Medicine and referred to the organisation of our Co-operative Pharmacy and Stores in the following terms:—"The necessity for a recognised Pharmacy of Indian Medicine and drugs had recently

THE MADRAS STATE I. M. P. CO-OP. PHARMACY & STORES, LTD.

been met by the establishment of the Madras State Indian Medical Practitioners' Co-operative Pharmacy and Stores. The Government had brought the existence of this Stores to the notice of all Local Bodies and permitted them to become Shareholders in the Society by G. O. No. 2591 E, P. H. dated 15-9-1944." In this sense, this Co-operative Concern had the imprimature of the Government from the very start.

Progress

The Society was registered on 6-9-'44 with a Share Capital fixed at Rs. 40,000. This was on the basis that the supplies would be made only to qualified practitioners of Indian Medicine to whom eligibility for membership was then intended to be restricted. When Local Bodies were admitted as institutional Members, indents far in excess of what we were prepared for poured in; and our Institution put forth its best efforts to meet the demand and began making supplies to Local Bodies within 6 months of our starting work. All the Municipalities and Panchayat Boards who are maintaining institutions of Indian Medicine have now become members of the Society and are obtaining their supplies from us. Almost all the District Boards have become members and are obtaining their supplies. To meet the cost of increasing demand, the Share Capital was raised to Rs. 1,00,000.

There were certain compelling reasons why I accepted the heavy responsibility to serve as President of our co-operative concern. While I was serving Government as Principal of the Government School of Indian Medicine and Ex-Officio Controller of Supplies of Indian Medicine to all Institutions maintained or aided by Government and Local Bodies, I had come to know that, from the standpoint of ensuring genuine supplies, the prevailing system of obtaining supplies through the cheapest tenderer had proved very unsatisfactory in many ways. Complaints were being frequently received that the quality of supplies was poor. It was also complained that certain tenderers succeeded in securing tenders by offering low rates, hoping to make high profits by supplying poor qualities, specially of costly medicines, prepared with costly ingredients left out. Such manipulations are in many cases very difficult to be detected before hand by Medical Officers, who would, however, come to know of the poor quality, only later on after using the medicines on patients. I feared that this would inevitably tend to bring down the reputation for

efficacy of Indian Medicines and brought to the notice of the Government the various unsatisfactory features of the prevalent tender system and strongly urged on them the great necessity for the Government opening a Central Store of Indian Medicine to serve the same purpose as that served by Government Medical Stores in respect of Allopathic supplies. It was because of the fact that we had all these facts in our minds, we agreed to the Government's suggestion to admit Local Bodies as Institutional members for the purpose of making supplies of Indian Medicine in the hope that the Government would treat the new Co-operative Institution on the same footing as the Government Medical Stores in regard to Allopathic supplies. I am thankful to say that the Government did take certain steps towards this end and stated, in regard to our stores, that "this Co-operative Stores has been established mainly to supply genuine Indian Medicine prepared under proper supervision for use by its members including Local Boards and Municipal Councils. The Government strongly advise all the Local Bodies to make their purchase from the Co-operative Stores so as to ensure genuine supply of Indian Medicine at reasonable price". They were also pleased to grant us a loan of Rs. one lakh and a half for erection of new building of our own on our own premises specially bought for the purpose.

Membership and Share Capital

At the end of the first year, (30-6-1945) there were 224 members with a paid up Share Capital of Rs. 19,080. Now the Society is having 1,139 Individual and Institutional Members with a Paid up Share Capital of Rs. 52,300 as on 30-11-53 with an area of operation tending over the composite Madras State (Madras and Andhra). The following is the statement showing the particulars of membership and paid up Share Capital in the respective States.

Particulars.	Madras State		Andhra State	
	Members	Share Capital Rs.	Members	Share Capital Rs.
1. District Boards ..	12	6,225	11	6,150
2. Municipalities ..	22	7,070	16	6,895
3. Panchayat Boards and Other Institutions ..	11	510	6	120
4. Individuals ..	618	17,450	448	8,880
	658	31,255	481	21,045
Grand Total ..	1,139		Rs. 52,300	

Business

The Society procures and purchases raw drugs of good quality from various places in Indian Republic for utilization in the preparation of Indian Medicines (Ayurveda, Unani and Siddha). These medicines are prepared under expert supervision of qualified practitioners of Indian Medicines and supplied to the Members who are qualified Practitioners and Local Bodies such as District Boards, Municipalities and other Corporate Institutions maintaining dispensaries of Indian Medicine. Care has always been taken to see that our sale prices are fixed at as reasonably a low rate as possible consistent with the high quality and genuineness which we ever strive to maintain. To this end, we have voluntarily limited our dividend to the maximum of 5 per cent though the Co-operative Societies Act allows 6½ per cent. In recent years there has been a steady increase in demand for our medicines both by Institutional and individual members as may be seen from the following figures.

Year.		Sale of Medicine.	
		Rs.	A. P.
1. 1949-50	...	2,37,859	4 10
2. 1950-51	...	2,66,178	6 9
3. 1951-52	...	3,45,847	4 9
4. 1952-53	...	3,78,918	0 0

Having regard however to the recent evidences of a general slump in trade, we fear there may be a slump in our business also. From the very start of our stores, there has been a demand to throw open the sales of our products to the public generally to enable them to obtain genuine products direct from us. At present our membership is restricted to Individuals coming under the category of recognised medical practitioners only. Throwing the sales open to the public would involve self-prescription by non-medical members which is not considered desirable. With a view, however, to provide some way for making our medicines more readily available to the public through Medical Practitioners and also as a measure against the general slump in trade overtaking our business also, we have decided, to stock our products with the co-operative wholesale and primary stores in all provinces under certain approved conditions.

Finances

The Society is mainly financed by the advances received from the Institutions and Individuals for supply of medicines and the paid up Share Capital.

Provident Fund and Bonus to Employees

Although our concern is not among the Industries required compulsorily by the Government of India to provide for a system of Provident Fund to employees, we voluntarily instituted, years ago, a system of Provident Fund for all our employees. Likewise, we have provided for a system of bonus which is now calculated and paid every year to our employees at the rate of two months' of their basic wages for each employee.

Building and Machinery

The Society purchased about 8 acres of land in Lattice Bridge Road, near Thiruvanniyur Village of Chingleput District and constructed a *pucca* building of its own worth Rs. 3 lakhs with the aid of the Government loan of Rs. one lakh and a half, as already noted above. The Pharmacy and Stores, and office are all located in the new building itself. In addition to these, quarters have also been constructed for some members of the staff of the Society.

In order to improve efficiency in preparation of medicines, certain mechanical contrivances have been recently introduced. In order to meet the demand of our members in the Madras City and nearby, we are running a Sales Depot at Mount Road.

Dairy Farm.

Some of our preparations require pure cows' milk and goats' milk. To meet our requirements of pure milk, a Dairy Farm is being maintained with cows and goats.

Research

In addition to our manufacturing section, we have envisaged, from the very start, the opening of a Research Section and a research institute for undertaking work such as the following :—

1. *Preparation of Pharmacopoeia.* of Indian Medicine (Ayurveda, Siddha and Unani).
2. *Clinical Research.* Organisation of a research institute and clinic for carrying on clinical and therapeutic research and to organise free medical aid to public from the Common Good Fund and other contributions.
3. *Pharmacognosical Research.* Pharmacognosy and the standardisation of raw drugs and prepared medicines is another line of investigation which we consider to be a matter of urgent implementation. Under modern conditions, it frequently happens

that raw herbs and drugs are not collected by the practitioners themselves as in the old days but are brought from bazaar supplies, which are not always of genuine or good quality. Hence the urgent need for Pharmacognosic Research for proper identification of raw ingredients and the setting up of properly organised herbarium and Botanical Garden.

4. *Organisation of a Museum and Herbarium* of Medicinal plants and drugs used in Indian Medicine, and the preparation of a hand-book for the Museum and Herbarium exhibits giving information useful to both medical and non-medical visitors, such as names of exhibits in different Indian vernaculars and according to modern botanical nomenclature, their actions and uses in Medicines, Industries etc.

For carrying on the activities of our Research Section, we have planned, when funds become available, to construct additional buildings by the side of our main Buildings for Pharmacy and Stores etc., completed and occupied in April 1951. Meantime, we have already commenced our research work in a small way. In regard to preparation of pharmacopoeia of Indian Medicine, we published "Vaidyayogaratravali", a work on Ayurvedic Pharmacopoeia in Telugu. This was so popular that our first edition was soon exhausted and we published a second edition in one year to meet further pressing demands. There were also requests from many people not knowing Telugu for an English translation of the work. This we published last year. In the same series, we published in English a Pharmacopoeia for Unani Medicine also, and a Pharmacopoeia for Siddha Medicine is under preparation and we hope to publish the same at an early date. When this is completed, we will have a Pharmacopoeia of Indian Medicine in all its branches Ayurveda, Siddha and Unani on the basis of which it is planned to bring out an integrated work, comprehensive and concise, on the "principles and practice of Indian Medicine" which, we hope, will be used and appreciated by Medical Practitioners everywhere. All such work as also the carrying on of our research work in other directions planned by us will, of course, cost lakhs of rupees and requires teams of experts of first rate ability with a flair for research. Our Common Good Fund amounts to Rs. 7,700 only. This is used mostly for providing free Medical Service and medicines to our employees and is far too meagre for carrying any of our research activities. We desire

THE MADRAS JOURNAL OF CO-OPERATION

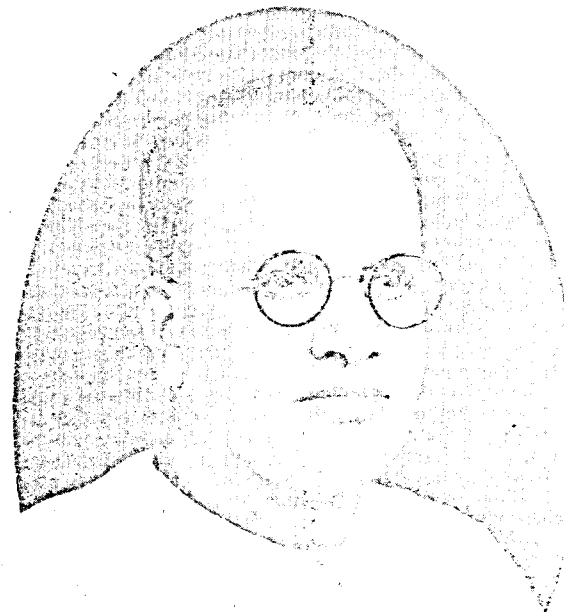
however, to appeal on the basis of work carried already with our extremely meagre resources, for generous contributions for our research plans from our Central and State Governments and other benefactors to whom our work may appeal. Meantime, we want to re-double our efforts and show that we do deserve what we ask for.

General

At present the area of operation of the Society extends over the composite State of Madras. Now that the Andhra State has been inaugurated and also with a view to make our medicines available to the practitioners of Indian Medicine in the whole of Indian Republic, it has been decided to extend the area of operations of the Society to the whole of Indian Union. As a first step in this direction, we arranged for the inauguration on 30th January 1954 of our Regional Office for Andhradesa at Vijayavada.

Ours is a unique and pioneering Institution in the Co-operative line where every one of our members is vitally interested in various multi-purpose activities as producers, consumers, purchasers, manufacturers, sellers, distributors, and research workers, etc., and brings to bear his own share of honorary professional service and enthusiasm to the working and success of the common Co-operative Concern while welcoming government control over the general policy and working of the enterprise. A government controlled Institution (as distinguished from the Government-owned one) has certain features which make for its special success from the stand point of economic working, co-operative management and social service, so far as we could judge from our experience of these few years.

The Late
SRI L. N. PARAMASIVAM PILLAI,
I.AIGUDI, TIRUCHIRAPALLI, Dt.



The Late
SRI K. A. NACHIAPPA GO
SALEM



The Late
SRI V. VENKATASUBBIAH,
MADRAS



The Late SRI V. VIYYANNA,
MADRAS

The Kumbakonam Co-operative Metal Works Ltd.

SRI S. SHANMUGASUNDARAM PILLAI,

Secretary, The Kumbakonam Co-op. Metal Works, Ltd.

The Kumbakonam Co-operative Metal Works was brought into existence in the year 1946 at Kumbakonam by the Madras State Government with a capital cost of Rs. 2,08,400 contributed by the Central and State Governments and the Post War Services Reconstruction Fund Committee of which His Excellency the Governor of Madras is the Chairman. This Workshop is intended to rehabilitate and resettle Ex-Servicemen in civil life. The State Government have given guarantee for a Cash Credit accommodation of Rs. 55,000 from the Kumbakonam Co-operative Central Bank for being used as working capital. They have also placed the services of a Co-operative Sub-Registrar free of cost to serve as its Secretary.

2. Membership & Share Capital

Membership is restricted to Ex-Servicemen with 10 sympathisers from among philanthropic gentlemen of the District. There are 19 members of whom 13 are Ex-Servicemen and 6 are sympathisers with a paid up share capital of Rs. 2,222 as on 31-3-54.

3. Management

The management of the Workshop vests in a Board of Directors consisting of seven members of whom two are workmen. The members of the Board of Directors are nominated by the Registrar.

The Late Rao Sahib C. S. Srinivasa Mudaliar, Land lord, Sirkali was President from the very inception of the Workshop till his death on 14-12-1953. He rendered valuable services to the movement. Sri R. Kandaswami Moopanar is now President and he is taking much interest in the progress of the Society.

4. Business

The nature of business carried on at the Workshop is varied and this may be classified as follows:—

1. Manufacture of household wares:

- | | |
|----------------|--------------------|
| (a) Brass. | (i) Hand made. |
| | (ii) Machine made. |
| (b) Aluminium. | (i) Machine made. |
| (c) Copper. | (i) Hand made. |

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THE MADRAS JOURNAL OF CO-OPERATION

2. *Agricultural fabrication :*

- (a) Manufacture of Agricultural Implements.
- (b) " " " Filter Points for Tube wells.

3. *Miscellaneous Manufactures :*

- (a) Manufacture of Hundi boxes.
- (b) " " Brass bedroom lights.
- (c) " " Steel trays and Office record boxes.
- (d) " " Dies for chalk piece making, soap making etc.
- (e) " " Discs for the looms of Weavers' Co-operatives.
- (f) " " Jaggery pans.
- (g) " " Washers etc. from scraps.

4. *Job Works :*

- (a) Turning, drilling cutting and threading and fittings.
- (b) Repairs to machines and machinery parts.

This Workshop has earned a name and fame for its Filter Points which are highly renowned for their quality, utility and economy. They are considered better than foreign make filter points. The quality has won the appreciation of the Officers of the Agricultural department and all the ryots who have purchased them. It has manufactured from 1st April 53 some 354 Filter Points to the value of Rs .41,073-7-9 and sold 283 filter points to the value Rs. 36,515-11-0 upto the end of 31-3-1954. The brass bedroom lights and steel record boxes and trays are specialities and they are just entering the market. The Workshop is expected to have a bright future in the new lines of activities initiated by its present Secretary.

SECTION IX

Co-operation, Education & Propaganda

Co-operative Education and Propaganda and The Madras State Co-operative Union

VISWANATHAN TEKUMALLA

The need for propaganda in education for the promotion of the co-operative movement was recognised as early as 1914 and the Madras Provincial Co-operative Union was registered on 4th January that year on the application of 13 Members. The main objects of the Union were declared to be: to propagate the principles of Co-operation, to organise co-operative societies, to watch over their interests, and to do all that may be necessary to place the co-operative movement on an efficient basis in the Madras State.

In the same year the Union took over the publication of the Madras Bulletin of Co-operation, from the Triplicane Urban Co-operative Society, which had been publishing it until then, and began to publish in English, Tamil and Telugu. Even during its early years the Union had an ambitious programme. It undertook to conduct the Bulletin, to survey cottage industries, to organise conferences, to carry on propaganda; and it even applied itself to the conversion of the Madras Central Urban Bank into an apex Bank. In 1919, it drew up a scheme for the organisation of the co-operative printing press, and a co-operative life insurance scheme.

In 1920, the Union was reorganised with new objects, such as propagating co-operative principles, organising special types of societies, working as the chief exponent of non-official co-operative opinion and so on. Journals, pamphlets, libraries, conferences, tours, and lectures, were undertaken as some of the effective means in carrying out the work.

Training Classes

The Union gave attention to Co-operative Education in the form of opening training classes. In 1927 the constitution of the Union with regard to the Board of Management was amended. In 1929 there were 421 societies affiliated to the Union, including 20 honorary members. The work of the Union was divided between 4 standing sub-committees, called the editorial, educational and non-credit, rural reconstruction sub-committees. The main activities of the Union consisted in the publication of an English and Tamil journal, and the conduct of a training class in Madras City. The

CO-OP. EDUCATION, PROPAGANDA AND MADRAS STATE CO-OP. UNION

Bulletin was renamed "Madras Journal of Co-operation." During this period the Andhra Desa Co-operative Union and the Tamil Nad Federation also were formed as limbs of the Provincial Co-operative Union. The Union celebrated its Silver Jubilee in the year 1939.

It continues to be the Central Institution charged with the duty of carrying on co-operative propaganda in the State. It had 1,003 Co-operative Institutions of different types on its rolls as on June 30, 1953.

Tasks of Union

The main activities of the Union have been the conduct of the "Madras Journal of Co-operation, and the subsidising of co-operative journals in various regional languages, the running of a co-operative library, publication of propaganda literature, the prescribing of the courses of study and the holding of examination for the students of co-operative training institutes, the celebration of the International Co-operators Day. Besides, the Union conducts periodical conferences on a State basis, and exhibitions of cottage industries products, and also organises public lectures. In carrying on its programme of propaganda and education the Union makes extensive use of the magic lantern specially prepared for its use. It has recently produced its own films relating to co-operative milk supply and cottage industries with the help of a subsidy generously granted by the Government of Madras for the purpose. It also makes use of posters with co-operative slogans. The slides, films and posters of the Union are in great demand in Madras and other States. Similar propaganda is also done in the regional languages by the language journals of which there are four—Telugu, Tamil, Malayalam and Kanarese.

The Journal

The "Madras Journal of Co-operation" has a wide circulation. On June 30 last it had 750 subscribers, and 1,003 affiliated societies. It has been publishing interesting and instructive articles on co-operation, agriculture, rural reconstruction, post-war problems and other allied subjects.

To give broad-based representation to various types of societies in the management of the Union, and also to function as expert bodies for discussion on various aspects of co-operation, and to give opinion thereon, five sub-committees were constituted besides the Executive

THE MADRAS JOURNAL OF CO-OPERATION

Committee and the Board of Management. They are : Credit Committee ; Consumers' Committee ; Education and Propaganda Committee ; Producers' Committee and Marketing Committee.

Co-operative Educations and Training

The Union promotes Co-operative Education and Training through the Traiping Institutes under it. Every year some 500 persons are trained there. The Union prescribes the courses of study consisting in theory for nine months and practical training for two months and conducts the examinations and declares the results. It also acts as an informal employment exchange for the trained persons who are in search of employment by putting them in touch with the Co-operative institutions.

Finances

The funds of the Union are derived from the annual contribution from the member institutions, and subscriptions from subscribers to the "Madras Journal of Co-operation." The Union is being subsidised by the Madras State Co-operative Bank to the extent of over Rs. 11,000 annually. The Government also give subsidies for specific purposes: meeting the basic pay of the Manager-Associate Editor, and occasionally for specific purposes like the production of films. The Government have also lent the services of some co-operative Officials for the training Institutes, besides meeting the cost of some non-official lecturers of the Institutes.

Consequent on the bifurcation of Madras State, this Union also has been bifurcated with effect from January 1, 1954. Now there are 612 member societies. Two Co-operative training institutes—at Tanjore and Coimbatore, come under the jurisdiction of the Union for co-operative training. The Tamil Nadu Co-operative Federation is likely to merge in this Union shortly. The other activities of the Union, continue as before. The Union by its activities, has attracted many visitors from outside every year.

SECTION X

Golden Jubilee Pamphlets

(Released and Distributed during the Celebrations)

Golden Jubilee Release

Issued by The Madras State Co-operative Union, Madras.

17th APRIL 1954.

CO-OPERATION—ITS PROGRESS AND POSSIBILITIES

"The (Co-operative) Movement is essentially a moral one, and it is individualistic rather than socialistic. It provides as a substitute for material assets, honesty and a sense of moral obligation, and keeps in view the moral rather than material sanction. Hence the first condition *obviously is that every member should have a knowledge of the principles of Co-operation*, if this Co-operation is to be real and not a sham. In the formation of a society, the first essential is the careful selection as members of honest men, or at any rate men who have given satisfactory guarantee of their intention to lead an honest life in future.

(FROM THE MACLAGAN COMMITTEE REPORT)

CO-OPERATION IN MADRAS—ITS PROGRESS AND POSSIBILITIES

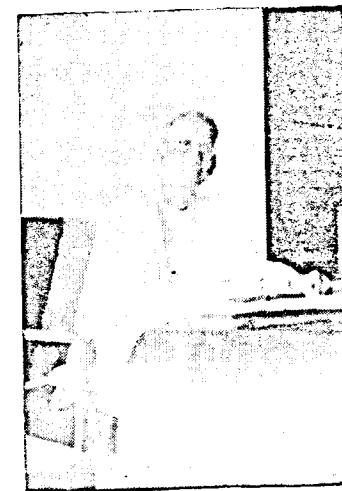
What is Co-operation ?

Co-operation is the voluntary association of persons of common economic needs for the promotion of their common interest by pooling their credit, honesty and labour on terms of equality among themselves, encouraging confidence and credit by open and honest dealings and aiming at the moral and material welfare of all the members. The watchword of Co-operation is "EACH FOR ALL AND ALL FOR EACH". "ONE MAN ONE VOTE" is the golden rule that ensures equality among the members. Thrift, self-help and mutual help are the three cope-stones on which the co-operative edifice rests. The Co-operative Movement in this form is now a world-wide organisation ; and in some countries like, U.S.A., U.K., Canada, Denmark, Germany, France and Australia has progressed so well that it covers lakhs of persons and crores of rupees' worth of business in several of these countries.

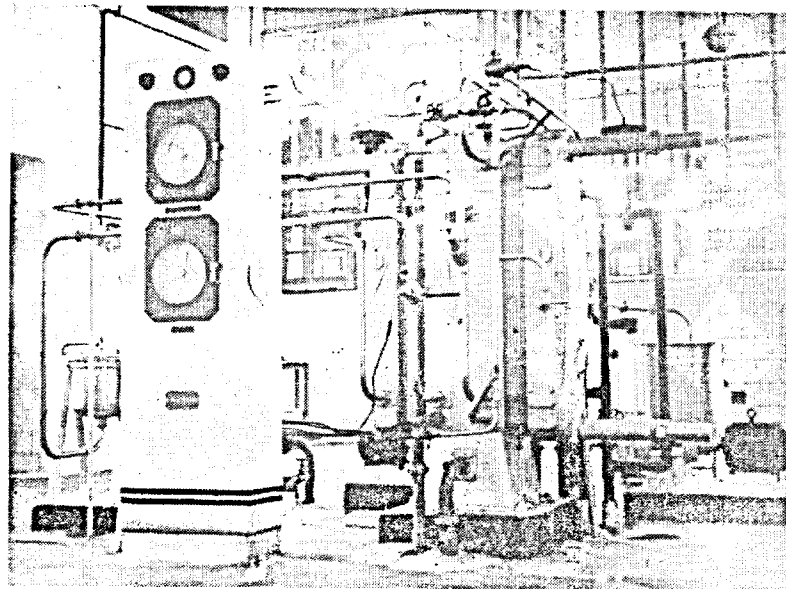
In India, the Movement as such was started early this century due to circumstances which necessitated its introduction : The



The Late
PROF. S. K. YEGNANARAYANA IYER, MADRAS



The Late SRI R. SURYANARAYANA RAO, MADRAS



The New Pasteurisation Plant of the Madras Co-operative Milk Supply Union Ltd., Ayanavaram, Madras
(Capacity 440 gallons of milk an hour)



Palmgur produced by an Ex-tappers' Palmgur society under the ameliorative scheme of the Co-operative Department, Madras

poverty of the farmer was grinding due to frequent crop failures, famines, unhelpful land laws, and prohibitive interest rates of the local credit agencies. It appeared that the indebtedness of the farmer was rapidly increasing from time to time during the last quarter of the last century. Certain remedial measures were adopted by various local Governments such as advancing loans to agriculturists for land improvement; and there were some legislative enactments to protect the farmer and prevent his land from ultimately falling into the hands of the money-lender. The relief was neither effective nor adequate. The Co-operative Movement was then thought of as a possible remedy. Sir Frederick Nicholson, an I.C.S. Officer of the Government of Madras, was deputed to study and report on the agricultural banks in Europe. He recommended the organisation of unlimited liability societies on the "Reiffeisen Model". In U. P. Mr. Duperneix also made a similar recommendation. Embodying their recommendations, the Co-operative Credit Societies Act was passed by the Government of India early in 1904, providing for the formation of unlimited liability societies. Shortly after, the first co-operative societies in our State—the Tirur Co-operative Credit Society and the Triplicane Urban Co-operative Society—were formed. The application of the principle of Co-operation in the various forms of economic activity with which we are now familiar was not then contemplated. Therefore some practical difficulties cropped up; and another All India Act had therefore to be passed in 1912 providing for the formation of societies for other purposes than credit and also for the federation of societies.

When the Government of India Act of 1919 was passed, Co-operation became a "transferred subject" under the management of a Minister in every Province. In 1927-28 the Townsend Committee, appointed by the Government of Madras, recommended measures for ratification, consolidation, and further expansion of the Movement. The Government took up separate legislation for the purpose and passed the Madras Co-operative Societies Act in 1932, enlarging the scope of the Movement. In 1934 they also passed the Madras Co-operative Land Mortgage Banks Act for regulating the working and development of the Land Mortgage Banks in the State.

Throughout its course for about 4 decades, the Movement has had a rather uneven progress due to various economic conditions, particularly during the thirties when the great Economic Depression

held its sway over the country and brought down the purchasing power of the people. But since the outbreak of the recent global war, the Movement had ample opportunities to develop rapidly on account of the scarcity of consumers' goods and services and the relative increase in the demand for them and the consequent imposition of controls by the Government in respect of various goods. During this period not only the Stores but also Weavers' Societies, Housing Societies, Milk Supply Co-operatives, etc., progressed rapidly. Even after the War the situation having continued to be the same, the progress in this direction continued. New enterprise was seen in the shape of resettlement of demobilised soldiers and the ameliorative work among ex-tappers. There was also the scheme of re-organisation of Rural Credit Societies so as to bring 50 per cent of the villages and 30 per cent of the population into the co-operative fold. Thrift and savings also received special attention. The Reserve Bank of India generously extended its support to the Movement by providing short-term credit to farmers at only $1\frac{1}{2}$ per cent interest. There was an all round progress in the State as indicated by the following figures for the Composite Madras State as on 30-6-1953:

No. of Societies	... 25,850
Membership	... 38.65 lakhs.
Share Capital	... Rs. 12.81 crores.
Working Capital	... Rs. 97.03 „

68 per cent of the villages and 20.11 per cent of the population were brought into the Co-operative fold as on 30-6-1953. Of the 25,850 Co-operative Institutions as many as 17,201 were Agricultural Credit Societies, 130 Land Mortgage Banks, 1,191 Weavers' Societies, 1,509 Co-operative Stores, 781 Milk Supply Co-operatives and 286 Marketing Societies, 294 Housing Societies, 278 Cottage Industries Societies besides several other types of co-operative institutions. The Co-operative Movement in the State was at its zenith, leading all the other States and attracted numerous visitors from outside. The place of pride which the Movement in our State achieved in all India has been best expressed by Mr. J. C. Ryan, Registrar, only last year at Vijayawada. He said, "The Co-operative Movement in Madras is the best in the whole of India and the envy of many other States." It is necessary to recollect on this occasion the names of the great builders of the Movement in our State but for whose selfless work and untiring energy this movement could not have attained this

position—Sri T. Adinarayana Chetty, Sri V. Ramadas Pantulu, Sri M. Ramachandra Rao and Sri T. A. Ramalingam Chettiar.

Consequent on the partition of the Composite Madras State in September-October, 1953: the Co-operative Movement also had to be separated into two State Movements for the Andhra and Residuary State of Madras respectively. There are at present in (Residuary) Madras State 14,548 Societies of which 10,151 are Rural Credit Societies, 1,203 Stores, 542 Weavers' Societies, 197 Housing Societies, 548 Milk Supply Co-operatives, 74 Land Mortgage Banks and 823 Urban Credit Societies, besides several other societies. Some of their activities, for instance, the colonies of the Madras House Construction Society in Madras, the Pasteurisation equipment of the Madras Milk Supply Union, the T.U.C.S., and the Women Cottage Industries Society in Madras rank among some of the best in the country and draw visitors and admirers even from outside.

It need hardly be said that this work is the result of the selfless effort, untiring energy and thrilling enthusiasm of our leaders of the Movement. It is our duty to further this great Movement and develop it on sound lines in accordance with our traditions.

The present position of our country offers the best opportunity for such development. The Five Year Plan has accepted the Co-operative form of organisation as an indispensable instrument of planned economic action in a democracy. It also says that there are possibilities of co-operation in the vast fields of primary production, of cottage and small scale industries, of marketing of agricultural produce, of residential housing and of wholesale and retail trade. The Community Development Programme which has also been in operation for sometime purports to promote the well-being of the community to a large extent through co-operative agency. There are thus ample opportunities for the Co-operative Movement to demonstrate its usefulness not only in the fields already covered but in new fields like health and medical aid, youth club movements book-publishing etc.

For the Co-operative Movement to develop on a scale contemplated by the Five-Year Plan and the Community Development Programme, it is necessary to direct it on orthodox lines based on the rich traditions of the past decades.

The first essential requisite is a sound knowledge on the part of the members of the principles of Co-operation, viz., Thrift, Self-help

and Mutual help. Secondly, the Movement depends on moral rather than material assets, on honesty and a sense of moral obligation. Thirdly the promotion of Co-operation depends on its being democratic. An attempt must be made to make it a popular movement and avoid an undue dependence on Government at every stage.

There is no doubt that developed on these lines the Movement will grow from strength to strength in the coming years.

We earnestly appeal to the Co-operators in the State that they should make this Golden Jubilee the occasion to re-affirm their faith in Co-operation and to endeavour to develop on right lines the activities already started and enter into new fields as honest members and inspired workers.

May this Golden Jubilee usher in a new era for the Movement!

Ten Commandments of Co-operation

1. Value service above self.
2. Take a human view of life.
3. Encourage self-help and mutual help.
4. Know your neighbours well.
5. Urge honest dealings.
6. Manage your society yourselves.
7. Actively participate in your society's work.
8. Loyally protect your society.
9. Live economically and save.
10. Always believe in co-operation.

Thrift.

Thrift is an important pre-requisite of all Co-operative Credit. The necessity for laying emphasis on this aspect of co-operation is greater in urban areas where opportunities for wasteful expenditure are more numerous than in villages. There is provision in the bylaws of all classes of societies for encouraging savings and for a system of savings deposits. These provisions are similar to the rules governing the Post Office Savings Banks.

Another system of inculcating thrift habit which is within the ordinary means of wage earners, artisans, traders, etc., is to induce them to part with small sums every day for investment in the nearest co-operative bank. According to this, the daily collections are utilised for the double purpose of either accumulation of their savings

or recovery in dribblets of the loans issued to them. Under this system viz., 'Day deposits' each member makes a deposit every day of fixed sums of four annas, eight annas, one rupee or its multiples. The deposits run for a definite period at the end of which the amounts collected together with interest on the daily instalment paid, are either refunded as savings or adjusted towards the loans, due if any.

The employees' co-operative societies inculcate habits of savings and promote thrift among public servants and wage earners by setting apart a fraction of their earnings every month. They also regulate their business in such a way as to restrict credit and develop thrift and other activities in the interest of the members.

The introduction of Prohibition was followed by other measures for ameliorating the conditions of the people and one of the methods by which the ex-addicts are being rescued from the tentacles of poverty and economic ruin and domestic unhappiness is the organisation of the thrift movement under the auspices of Co-operative Societies. This movement aims at mobilising the savings of the villagers and the ex-addicts by encouraging the habit of thrift among them and by enabling them to invest their savings in a useful manner so that in the end there will be a rise in the standard of living of the people, economic betterment and family and communal happiness.

Most of the Co-operative Societies have provision in their bylaws for home safe deposits. Where this provision is not already there, the department sees that such societies adopt the bylaws and register them on adoption. Provision is made in the bylaws for the payment of interest on these deposits at $\frac{1}{4}$ pice per rupee per month or 4-11/16 per cent per annum. This is an attractive rate of interest and shows the interest the Government is taking in the endeavour to improve the economic condition of the people. The system of thrift in vogue in Co-operative Societies is as follows:

Every society supplies home safes or hundi-boxes to the people who are willing to join the "Thrift and Save" campaign and to save. The safes or boxes are supplied free or at a marginal cost. The boxes will be locked before being given and the keys will be kept with the President of the society. The person who wishes to save money drops it in the box thus supplied. When once the money is put in the box it cannot be taken out without the knowledge of the President.

THE MADRAS JOURNAL OF CO-OPERATION

Each willing man or woman, will be supplied with a box. The box will be left with him. He is free to put in any amount of money, at any time; when a box is supplied to a family every member of the family can put money in it.

Every person who has joined this thrift campaign may be required to state the purpose for which he has undertaken to save and this may be indicated on the hundi-box by writing it out on a piece of paper and pasting it on to the box. The fact that the amount saved will be available for a specific purpose, say the construction of house, or digging of well, will induce the depositor to put in whatever he can save in the hundi-box without frittering it away in wasteful expenditure.

These hundi boxes will be collected once in a month not later than the 4th of every month as interest is not paid if deposited after the 4th and opened in the presence of the depositor concerned. The President of the Society takes the amounts, put in the boxes and gives the depositors printed receipts of the society for the amounts received. Pass books will be supplied to the depositors free of cost.

The depositors, after taking receipts for the amount deposited, return to their homes with the empty boxes to fill them up again during the next month.

This goes on month after month. Deposits to their credit in the society go on increasing. As the savings increase, poverty decreases and ultimately the person who even suffering from the pangs of destitution joined the thrift campaign and began to put one pie a day in the hundi-boxes, may find himself in comfortable circumstances even after one year.

Under the by-laws relating to home safe deposits, the home safe savings are to be received by the society for 12 months and the total amount thus collected, together with the interest accrued thereon, will be repayable to the depositor at the end of the 13th month.

If the amount thus saved for one year is not sufficient to accomplish the purpose for which the depositor has taken to saving, he will, as a matter of prudence, invest that amount as a fixed deposit in the society concerned or invest it in National Savings. Such deposits may be for one year so that at the end of the year, the accumulations of that year in the home safe deposits may be added on to it and invested as a consolidated fixed deposit for the second

GOLDEN JUBILEE RELEASE

year at the rate of interest now obtaining in the societies. This process of consolidation may go on from year to year until the required amount accumulates for being utilised for the purpose for which it was saved.

This process of saving is very easy, and it is within the reach of every villager, whether he be a cultivator or a labourer. The society concerned will facilitate the work of collections by giving the widest possibility, publicity to the scheme and celebrating the inauguration of the campaign. During this period, the hundi-boxes will be distributed amongst those who are willing to join the thrift campaign and to save. Thrift days will also be held every month, in the same way as the inaugural day is celebrated, as days of rejoicing. During these celebrations every month, the hundi boxes will be collected for counting and depositing the money saved during the month.

Before the advent of Prohibition, the people of this State used to spend nearly 29 crores of rupees on drink. If they try to save even one-fourth of what they used to spend on drink, the saving will come to about 7.25 crores, which is a substantial amount and which can play an important part in raising the standard of their own living. The success of this campaign of course depends upon the people joining it, and in no less degree, upon the co-operative authorities, that are in charge of the working of the scheme.

The appeal to the people, therefore is, "join the thrift campaign and save money for your future."

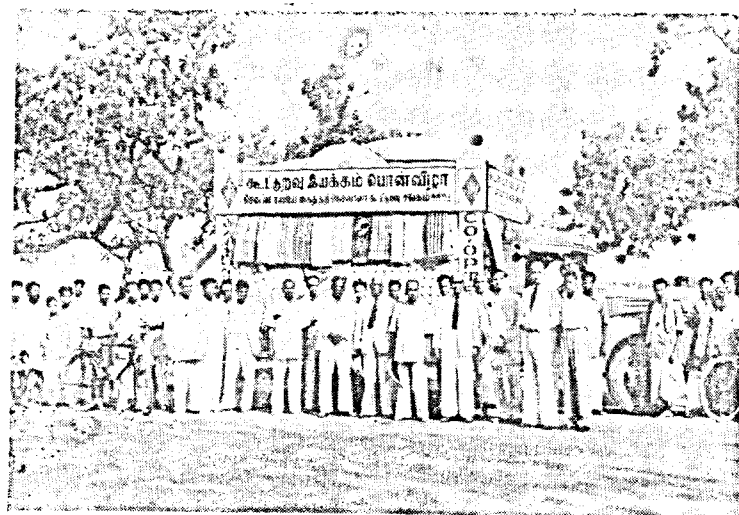
SECTION XI
Proceedings of
Golden Jubilee Celebrations in Madras



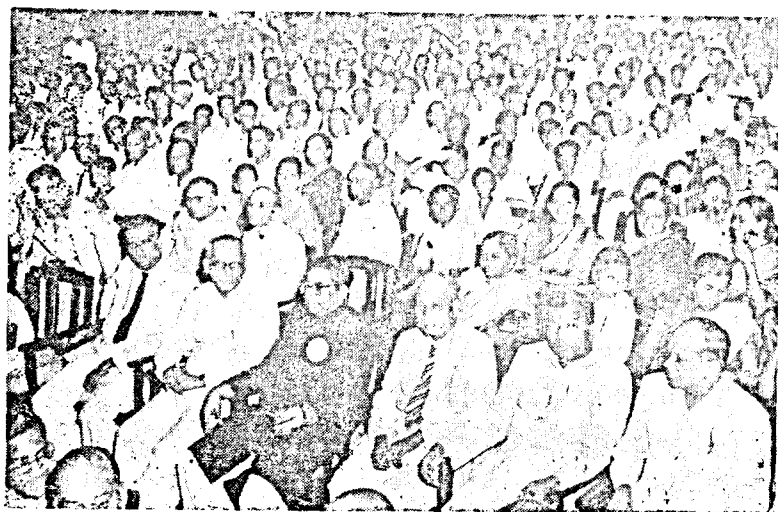
The Hon'ble SRI P. V. RAJAMANNAR,
Chief Justice of Madras
Inaugurating the Golden Jubilee on 17-4-'54



SHRI SRI PRAKASA,
Governor of Madras
Addressing the gathering on 19-4-'54
(Sri K. N. Sivam, *President of the Madras Co-op.
Milk Supp'y, Union L'd.,*
is seen translating the Speech)



The Golden Jubilee procession of Co-operators starts from the Island Grounds, Madras on 17-4-'54



A Section of the Gathering at the Golden Jubilee Celebrations, at the S.I.A.A., Grounds, Madras

Golden Jubilee Celebrations of the Co-op. Movement

Addresses Delivered by Co-operators and Others
at the S. I. A. A. Grounds on 17th, 18th, & 19th April 1954

Saturday the 17th April 1954

WELCOME ADDRESS

DR. P. NATESAN,

General Secretary, Madras State Co-operative Union

"Hon'ble Mr. Chief Justice, Mr. A. B. Shetty, Hon'ble Minister for Co-operation, esteemed Co-operators, Ladies and Gentlemen,

On this very memorable and historic occasion, on behalf of the Golden Jubilee Celebration Committee and also on behalf of the Madras State Co-operative Union which is the supreme State Organisation for propaganda, and policies, I offer a cordial reception and a very warm welcome to the Chief Justice and the Minister for Co-operation and to all those who have assembled here in thousands this evening.

Ladies and Gentlemen, it is now fifty years since the Co-operative Movement was ushered in and we are extremely happy that no less a person than the Hon'ble Chief Justice has graciously consented to inaugurate the Golden Jubilee coming after a solid substantial progress made during the last half-a-century. Sir, (turning to the Chief Justice) your name and fame are known throughout the length and breadth of the country. To have been born of a noble heritage, to have had a bright unprecedented academic career, to have been an illustrious member of the Bar, to have been a distinguished Advocate-General, to have risen to the rank of the Judge of the High Court, and above all to have adorned the Bench as the Chief during the last many years and to have had an unique record as one of the most learned Judges of this continent, are all factors of which we feel proud. In the midst of your onerous and highly responsible duty and in spite of the heavy demands on your time, we are extremely happy, Sir, you have always set apart a part of your precious time for the appreciation of art, especially music. We are extremely indebted to you, Sir, for having so sweetly consented to inaugurate this great function this evening and on behalf of the Co-operative Institutions in this State, I heartily welcome you Sir, once again in our midst.

The Golden Jubilee of the Co-operative Movement synchronises with the assumption of office of the Hon'ble Mr. A. B. Shetty as the Minister for Co-operation. (Cheers) I have been known to him in a

different sphere altogether and that is the field of Medicine. He has been evincing such an extraordinary interest in the portfolio of Medicine that we the members of the medical profession consider him to be an authority on Medicine itself. We are happy that such a learned and highly experienced Minister has taken over the portfolio of Co-operation and the Co-operators of this State congratulate themselves on this occasion that they have an experienced personality to deal with the subject. Sir, I offer you a hearty reception, on this occasion.

I have also great pleasure in welcoming those co-operators in the State of Madras who have kindly responded to the invitation of the Golden Jubilee Committee this evening. The public of Madras have been freely invited to attend the inauguration ceremony and the entertainments that are to follow with a view to provide a stimulus or an impetus in them to take a greater part in Co-operative activities. To them also, I extend my warm welcome.

Friends, on this memorable occasion, I must mention a few words about the history of the Co-operative Movement itself. It was in the year 1904 under the inspiring guidance of Sir Frederick Nicholson, who was one of the highly placed Revenue officials of those days the then Government inaugurated an investigation of the various aspects of credit activity obtaining then with particular reference to rural indebtedness. He made his enquiry and gave his report. It was on the basis of his recommendations that the first Co-operative Credit Societies Act of 1904 was enacted and after it came into force, a number of unlimited liability societies were formed in the villages. A further impetus to the movement was provided by the 1912 Act which empowered the Co-operative Movement to organise a number of federations of financing institutions and also a number of non-credit societies. Then came the Maclagan Enquiry Committee in the year 1914 which examined the working of the Movement and submitted a report. This Report is considered to be an authority on the subject of Co-operation and constitutes almost the Bible for co-operators. One of the passages I have culled out from that report is of great significance. It is said: 'The Co-operative Movement is essentially a moral one and it is individualistic rather than socialistic'. It provides a substitute for material assets—honesty and a sense of moral obligation—and keeps in view moral rather than material sanction. Hence the first condition obviously is that every member should have a knowledge of the principles of co-operation without

which co-operation cannot be real but will be a sham. In the formation of societies, the first essential is the careful selection of members. We must select honest men or at any rate men who have given satisfactory guarantee of their intention to lead an honest life." That is the essence of the Maclagan Committee Report.

In the year 1919, after the introduction of the Montague-Chelmsford Reforms, Co-operation was made a subject to be handled by an individual Minister in every one of the States. Then, in the year 1924, a number of committees were constituted to watch the working of the movement, and one of them was the Townsend Committee. In the year 1932 on the basis of the findings of the Townsend Committee the final Co-operative Societies Act which is in force today in Madras was enacted. Subsequent to that the Vijayaraghavachariar Committee came in 1939 and in the year 1945 the Co-operative Planning Committee was constituted by the Central Government. These two bodies have made their recommendations and based on those recommendations is the Amending Bill to the Co-operative Societies Act. This Amending Bill has been kept in abeyance on account of various factors, the main one having been the partition of the composite Madras State. We hope that with the assumption of office by the Hon'ble Mr. A. B. Shetty as Minister for Co-operation, the day will not be far off when he would take all steps to see that this amending legislation is enacted and that it comes into force as quickly as possible.

One word about co-operation. A lay man like me cannot easily comprehend the university technicalities of co-operation. A lay man's understanding of co-operation is development of character. Hidden under cover of instalment of loans that is paid by the borrower is the philosophy of the movement. The funds for the co-operative institutions are procured through the members who are themselves depositors and the same members' funds are distributed as loans to the needy members. The repayment of the funds derived from his comrade is the duty cast upon the citizen member and the fulfilment of that act makes him realise the duty of the real citizen which is to repay in time the amount that he has borrowed. The amount that he defrauds would really tantamount to defrauding his own comrades, the realisation of which is the realisation of the philosophy of the co-operative movement. As a lay man, in an article written by me, I have said that the pinnacle of glory in character-building and of economic prosperity will be achieved on the

day when all surety borrowers pay the instalments voluntarily and with pleasure. And that is how I understand the co-operative movement. I hope that the celebration of the Golden Jubilee of the Movement to day will usher in a new era of economic prosperity and national well-being, and that the Movement will spread far and wide.

I once again offer a warm welcome to you all and would request the Hon'ble the Chief Justice to inaugurate the Celebrations. (cheers)

INAUGURAL ADDRESS

THE HON'BLE JUSTICE SRI. P. V. RAJAMANNAR,
Chief Justice of Madras

Hon'ble Mr. Shetty, Dr. Natesan and Friends,

I most sincerely thank the Madras State Co-operative Union for the great honour they have done in inviting me to inaugurate these magnificent celebrations of the Golden Jubilee of the Co-operative Movement in this country. I must also thank Dr. Natesan for the very kind words he spoke about me and for his kind references to me. I must confess that though I occupy a very high judicial office in this State, I cannot pretend to be very well acquainted with the intricacies of the co-operative movement. But I trust you will pardon me if I indulge in some observations about the movement and the principles under lying it from a layman's point of view.

It was in the year 1904, as Dr. Natesan told you, that in this country the co-operative movement obtained legal and government recognition by the enactment of the Co-operative Credit Societies Act. That Act was very limited in its scope and was replaced by the Co-operative Societies Act of 1912. There have been subsequently various local Acts in different States and the movement which was started with small beginnings has now assumed a nation-wide character and is one of the potent forces in free India which has become a sovereign democratic Republic with its avowed ideal of securing to all its citizens social, economic and political justice.

On this occasion, persons far more competent than I can ever hope to be will, I presume tell you about the history of this movement in India, and particularly in Madras State and also the principles which have to be applied in the detailed working of the co-operative

movement in all its aspects. I, therefore, propose to content myself with general observations on the fundamental doctrines on which this movement is based and the significance of the movement in a democratic set up. In the Co-operative Societies Act, it is provided that a society which has, as its object, the promotion of the economic interest of its members in accordance with co-operative principles, may be registered under the Act. But the Act does not where give an indication as to what are co-operative principles, nor what is co-operation in the technical sense. We use the word when we speak of a co-operative society. Etymologically, co-operation means "concerted action"; but not all concerted action is co-operation in the special sense. It does not mean mere working together for a common result. It may be said that a good film cannot be produced without the co-operation of the Director, the camera-man, the make-up man, the actors and the actresses and so on. Likewise it may be said, a factory cannot produce goods of quality and with rapidity without the co-operation of the several workmen employed and the superior staff appointed to supervise their work. But these are not instances of the adoption of co-operative principles. In these two instances, the several persons employed are all working for an outside individual organisation. The employees may be paid for their labour, but they do not share in the products of their labour.

There have been several definitions attempted of co-operation. A very early definition was that co-operation means "voluntary concert, with equitable participation and control among all concerned in any enterprise". This definition does no doubt contain some of the essential features of co-operation, but it is not complete; nor is it informing. It is important to realise that first and foremost, the principle of co-operation is that co-operation is a form of organisation, a system of voluntary organisation; secondly, that it is an organisation of human individuals on a basis of equality; and thirdly, that the organisation is for the express purpose of the promotion of the economic interests not of someone else but of the members of the organisation.

I should like the public to be disabused of any sentimental conception that a co-operative organisation is composed of selfless persons. The members of a co-operative society have specific material needs, may be in the way of credit or the supply of necessary goods at reasonable prices or other services. The object of the society to which they belong is to provide them with their needs. So, in one

sense, every member of a co-operative society has a selfish object, but here comes the basic principle of co-operation and that is that no one is allowed to be selfish at the expense of others. In a system based on competition, that would be the inevitable result, but not in a system founded on co-operative principles.

Though at its origin, the co-operative movement was designed to relieve men suffering from comparative poverty, co-operation is not charity and a co-operative society is definitely not a charitable institution. It does not distribute doles among the destitute or the unprivileged. In this respect, it differs from friendly societies and orphanages and the like. A co-operative society is essentially a business organisation. It will be a sad day for the co-operative movement in this country if this is at any time overlooked. As a business organisation, it must be conducted on well accepted business lines with proper insistence on honesty, regularity, punctuality and thoroughness. The unique feature, however, of a co-operative society as a business organisation is that it is an organisation run by its members for the benefit of its members. The essence of co-operation is that each shall work for all and all shall work for each in the attainment of their common needs. This is summed up in the well-known motto of co-operation: "All for Each and Each for All".

By the very nature of its basic principles the co-operative movement is not only an economic movement but also a movement concerned with social morality. Thrift, self-help which leads to self-reliance and honesty in mutual dealings are all developed by this movement. There is just that combination of self-interest and unselfishness which makes for the building up of a true Welfare State. As Calvert says:

"The fact that human beings meet together on equal terms to combine for the satisfaction of a common need affords opportunity for the development of an unselfish spirit which leads to higher things than material advantage so that to many, co-operation is a faith."

The real co-operative spirit consists in the willingness and desire to subordinate purely individual interests to the benefit of the society. "It is this educational and moral value of the movement that attracts the patriotic and the public-spirited. Co-operation not only develops the latent business capacity of farmers and artisans, it

produces leaders, it encourages the growth of the social virtues; honest and loyalty become imperative; the prospect of a better life obtainable by concerted effort is opened up: the individual realises that there is something more to be sought than mere material gain for himself. Co-operation instils into men's minds ideals of hope and progress and revolutionises their outlook on life."

The basic principles of co-operation are also the fundamental principles of a democratic way of life. Nothing is better calculated to introduce the democratic way of life in the community than the spread of co-operative institutions on sound lines, for such institutions not only develop local initiative, but bring together people on a basis of equality for the promotion of their common well-being.

In England, the co-operative movement was initiated to counteract the suffering caused by the Industrial Revolution to the labourers, to ameliorate the woes of workers who were being trampled ruthlessly under the heel of capitalists. Co-operation has always been understood in Great Britain and other European countries as a check on the tyranny of capitalism. Co-operation is not a modification of capitalism but an alternative to it. A well-known European writer draws a glorious picture of the future of co-operation thus:

"As a free movement, neither class-bound nor State-bound, co-operation appears to have before it a magnificent opportunity. Both producers' and consumers co-operation present, it is urged by co-operators, a solution of the industrial problem by showing capital as a hired yet contented servant. Consumers' co-operation further offers the outline of a new economic society in which the workshop is related to the home and economic surplus to human needs, and where industry begins to look to its human ends, instead of simply to profits and money wages".

As the co-operative movement is really economic in its nature, and co-operation is, so to speak, one method of doing business, the scope of co-operation is as large and wide as business itself. That is why it has been employed in many fields, though in the beginning, there were only co-operative credit societies for the benefit of agriculturists. Indeed, co-operation was originally introduced primarily as a remedy for rural indebtedness which is a common feature of all countries

depending largely on agriculture like India. But, subsequently people have found by experience the principle underlying rural credit societies could be well applied in other economic fields. One direction in which this movement has developed considerably is in providing for co-operative buying and selling. The most prominent examples of such co-operative trade are the co-operative stores which are associations of consumers for the supply of their members' requirements. In recent years, co-operative societies have been formed and are working very successfully having as their objects house-building, insurance, sale of handloom products, supply of milk etc. The importance of the spread of the co-operative movement in all directions has been recognised by the Government who have been taking an ever increasing interest in the development of co-operative institutions. There is a regular department with the Registrar of Co-operative Societies as its head and there is provision for training the staff specially for employment in co-operative institutions. Included among the duties of the officers is the propaganda of co-operative principles. But still, there is a great deal to be done and it is in the fitness of things that the Government should encourage the growth of co-operative institutions, because co-operation and democracy are one in their basic principles. As pointed out in the review by the Reserve Bank of India "the villages and towns in the land will have to pulsate with new life and activity and every citizen has to play his due role in the great task of economic expansion, in attaining high levels of production and prosperity, through schemes for harnessing the vast human and natural resources of the country. For this purpose, the co-operative form of organisation will be found highly appropriate as an instrument of democratic planning; no other type of organisation could hope to provide scope for and utilise fully the efforts of the millions of farmers and workers. The attainment of political freedom and the establishment of democratic governments at the Centre and in the States make it possible to visualise enthusiastic governmental encouragement and support to the Co-operative Movement, than which a more democratic and popular socio-economic organisation cannot be thought of". In the field of rural reconstruction, co-operation can and must play an important role. There should be co-operative institutions which should provide for all the needs of the villagers. It is not sufficient to provide only for credit. The co-operative societies should cover the whole of the villagers' lives. This applies to urban areas as well. To illustrate what can be accomplished by a co-operative institution

in this direction I need only refer to the Madras Corporation Officials' Co-operative Bank run under the inspiring guidance of my friend, Sri Satyamurthi. It covers practically every aspect of the average officials' life.

Now that we are celebrating the Golden Jubilee of the Co-operative Movement I humbly venture to make one suggestion: It will be useful to make a survey of the growth and development of the co-operative movement in the past and to provide for systematic research in co-operation having regard to the rapidly changing economic and social conditions. The necessity for research in every department of human activity is now well-established and co-operation is not an exception to the rule. There should be a Co-operative Research Institute maintained by the Government at the Centre with regional branches all over the country for the study of all problems connected with co-operation in the light of the recent developments in India and abroad.

Madras, I believe, leads in co-operation as in several other branches of social activity. But Madras cannot be content to rest on its past achievements. There is then the danger of its being buried in the past. There is yet very much to be done in the way of new things and also much to be done by improving the old. This work is as much the concern of the legislator and the administrator as of every responsible educated citizen. The genius of India ill-accords with the spirit of competition, but it will thrive on the spirit of co-operation. Madras which has cherished and preserved the main features of our traditional culture should be able to demonstrate to the world how co-operation as an attitude to and a way of life can lead to peace on earth and goodwill among men. (Cheers).

ADDRESS OF

SRI. A. PALANIAPPA MUDALIAR,

Joint Registrar of Co-operative Societies

Hon'ble Mr. Chief Justice, Hon'ble Minister for Co-operation and brother co-operators,

I highly value the privilege given by Dr. Natesan, Secretary of the Madras State Co-operative Union to participate in the Golden Jubilee Celebrations and to say a few words on this memorable occasion. It is not my intention to take much of your time as you will all be eager to see the entertainments that are to follow. I wish to take only a few minutes and I shall be brief in my remarks relating

to this evening's function. We are gathered here to celebrate the Golden Jubilee of the movement. What exactly is the object of these celebrations? There is a lot of *thamasha* and entertainment going on. But behind these there is a solemnity about them. There is a certain seriousness about these celebrations which I wish to emphasise. The solemnity of the occasion is that we should re-affirm our faith in the co-operative principles and dedicate ourselves to the lofty ideals and principles of the movement.

During the last fifty years the co-operative movement has been serving in some form or another the ordinary man. It has promoted thrift and self-help. It has helped him in a variety of other ways. It is therefore, fitting that the Golden Jubilee which is a unique occasion should be celebrated in a grand fashion and in a festive manner, with great joy and rejoicing throughout the State. These celebrations are not confined to the City of Madras alone. The Golden Jubilee is being celebrated in every town and in every village as the Madras State Co-operative Union has made it a point that these celebrations should be on a village-wide basis and the message of co-operation should be carried to the homes of the people living in the several villages in the State. This occasion is therefore one when we ought to take stock of what we have achieved during the last fifty years and what we should be able to do in the future.

We have listened with great interest to the speech delivered by the Hon'ble the Chief Justice. I would straightway endorse the very nice suggestion he made, namely, the establishment of a Research Institute to study the trend of the movement in the past, how things have been shaping and how things require to be changed in the light of changing economic conditions and circumstances. That is a suggestion worthy of serious consideration.

I do not want to go into the history of the Co-operative movement in any great detail. But I will be failing in my duty if on this occasion I do not refer to the passing of the Act of 1904, a memorable Act in the history of Co-operative legislation. Mr. Henry Wolff, a prominent co-operator, observed that the passing of the co-operative Credit Societies Act of 1904 was a turning point in the social and economic history of this country. He made this prophesy in the year 1919 and that prophesy has only become too true. The Act was passed with the modest objective of relieving the indebtedness among the agricultural classes. But the cardinal objective of the Act was to encourage the growth of a genuine Indian movement which will help

the agriculturists to carry on the organisation on truly co-operative principles. Since then there has been remarkable progress made by the movement in India.

Gentlemen, about the philosophy of co-operation I wish to say only a few words. There is a tendency in recent years not only among the public but also among the supporters of the movement to belittle the moral aspect of the movement. No doubt a co-operative institution is a business institution first and foremost. But it should not stop at that. The movement is also a moral movement. On this occasion therefore I wish to warn you not to be carried away by the impression that the co-operative movement is merely a business movement. Although co-operation is a form of association which wants to fight the mounting economic ills it is at the same time an organisation which promotes the moral strength of the people by the practice of mutual help, thrift, integrity and joint endeavour. By pooling together all their resources and helping one another people find solutions for the various problems that face them. Therefore it is that the moral aspect of this movement should not be ignored. The celebration of the Golden Jubilee of the movement provides an opportunity to the numerous workers engaged in the movement to rededicate themselves to the lofty principles and ideology of the movement.

Gentlemen, as was observed by the Hon'ble the Chief Justice, to Madras belongs the honour of having started the movement in India. The first step was taken in the year 1892 when the Madras Government appointed one of its senior officers, Sir Frederick Nicholson to study the working of the Land and Agricultural Banks which were functioning in Europe and to report how far those methods could be adopted to suit Indian conditions to relieve rural indebtedness. Based on his report, the Act of 1904 was passed. With the introduction of the Montague Chemsford reforms, Co-operation became a Provincial Subject. The Provinces enacted their own legislation and thus the Act of 1932 was passed. As was observed by Dr. Natesan, subsequently several Committees went into the working of the movement and they made several recommendations. This movement as any other, had its period of growth, expansion, and also depression. It withstood the economic depression which affected all other movements. Before and even during War the movement made very good progress. This movement which was

started with the limited object of relieving rural indebtedness is today in a position to cater to the needs of the people in a variety of ways, in towns as well as in villages. To give you an idea of the extent to which this movement has spread, I may say that about 70 per cent of the villages are covered by these societies and about 20 per cent of the people are served by these societies. Even though it has shrunk after the partition of the State, still it is big enough. The finances of the societies are expanding. The movement has spread in various other directions such as consumers' co-operative societies, milk supply societies, societies for the rehabilitation of ex-servicemen, ex-toddy tappers and others and things like that. I may add that after the attainment of Independence and the advent of popular Government, Co-operation has come to be looked upon as one of the agencies to put through the policies and programmes of the Government. Government make use of these organisations to carry out the various schemes of social welfare. In a Welfare State these Co-operative Societies are best suited to function as the medium to implement the various schemes of Government. In fact according to the Planning Commission, the co-operative form of organisation is an indispensable instrument of planned economic action in a democracy. A policy of co-operative development under State direction and a policy of utilising the co-operative movement as an instrument for the implementation of State policy are not inconsistent with the voluntary and autonomous nature of co-operative organisation. The movement must receive the assistance from Government and be directed and controlled by Government without at the same time sacrificing the independent and autonomous nature of the institutions.

Gentlemen, the record of progress made by the movement in Madras State, as others say, is no doubt very fine. But as the Hon'ble the Chief Justice observed, I too want to sound a note of warning. We should not rest content with our past achievements however great they might be. The celebration of the Golden Jubilee should mark a new era of increased and diversified activity. The field yet to be covered is large such as increased production, developing cottage industries, marketing, residential buildings, distribution of essential commodities and things like that. If Co-operative effort should be intensified and healthy growth assured, there should be incessant propaganda, careful planning, successful execution and vigilant control. Above all there should be no dearth

of leadership. The co-operative organisations provide the best opportunity for social service of a high order and to the extent the movement is able to secure leaders imbued with a missionary zeal and inspired by the high ideals of the movement, to that extent the success of the movement will be ensured. Madras may well be proud of having produced eminent co-operators, official and non-official. The day-to-day administration of the co-operatives calls for sincere, trained and honest workers imbued with the true co-operative spirit and animated by a zeal to work for the benefit of the constituents. It is of the utmost importance, therefore, that the movement should find men of high moral calibre and character to manage the co-operatives. Guided properly by zealous co-operators and well-trained officers the movement has every reason to look forward to an increasingly effective and useful role in shaping the future of our country.

Gentlemen, on this occasion let us therefore re-affirm our faith in the principles of co-operation and let us hope these celebrations will open up a new era of intensified and diversified co-operative activity. Let us hope that men inspired by the high ideals of the movement will be forthcoming in very large numbers so that the ever expanding activities of the movement may be guided on right lines, and let us hope that co-operators will play their legitimate role in the economic advancement of the country and help in the task of building up a new India.

Gentlemen, I have done. I thank Dr. Natesan and the organisers of the Golden Jubilee celebrations for having given me this opportunity to address you this evening. My final appeal to all of you who are gathered here is this: Just enquire what is the significance and importance of this occasion: What does all this celebrations mean? Why is there such a huge gathering as this on this occasion? What are these co-operative societies? What are their principles? Get into touch with the nearest officer of the Department and know everything about this movement. Get yourselves enrolled as member of co-operative organisations. In a co-operative way and through co-operative work, you can avoid all the evils of capitalism or communism.

Thank you, Gentlemen, for your patient hearing.

ADDRESS BY

SRI BHOGARAJU VENKATARATNAM,

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

Mr. President, Ladies and Gentlemen,

We have met here, to-day, to celebrate the Golden Jubilee of the Co-operative Movement which officially began in 1904 with the passage of the Co-operative Societies Act. The achievements of co-operation during this half a century are varied and great. It is, therefore, but right that we should celebrate the occasion with that solemnity which it demands as well as the colour and pageant which represents our joy of the occasion. The Madras State Co-operative Union which has organised the celebrations in the State has, therefore, divided the celebrations into two parts: (1) the solemn part which my Lord, the Chief Justice is to-day inaugurating (2) the joyous part which will begin with the Music Festival, so to say, which will begin at 6-30 p.m. and continue for three days.

It is our duty to take this occasion to pay our humble homage to the great co-operative workers both official and non-official who have laid the foundations of the Movement and built it up over this half a century. Madras had the distinction of inaugurating the Co-operative Movement with an Indian Registrar with wide administrative experience followed by equally eminent Indians in office. The names that come upper-most in this connection are: Sir P. Rajagopalachariar, Dewan Bahadur R. Ramachandra Rao, Dewan Bahadur Swamikannu Pillai, Dewan Bahadur Devasikhamani Mudaliar. While the officials organise co-operative societies it is the non-official co-operators that built up the movement from strength to strength. Co-operation cannot thrive without the self-less work done by the co-operators who toiled hard without any idea and reward. Most of these self-less workers who worked hard in villages and who built up the Co-operative Societies are not known to us today. Some of them who have come into the District Institutions and State Institutions and who have given their very best to the Co-operative Movement should at least be referred to with gratitude on this solemn occasion. I particularly refer to Late Dr. Swaminathan, Sir M. Ramachandra Rao, Sri V. Ramdas Pantulu, Sri T. Audinarayana Chettiar and Sri T. A. Ramalingam Chettiar who are all no more with us to rejoice on this occasion and see the results of their hard labours. It is their great faith in the principles of co-operation and their great belief that the Movement would

lead to economic independence that is largely responsible for the growth of the movement to-day. Many of our National Leaders who are now occupying high positions as Ministers and Governors of States were intimately connected with the Co-operative Movement till their political work demanded all their time. The co-operative movement in Madras State is particularly fortunate and should be proud in having given to the political field some of its stalwart workers. It is but right that we should pay our humble homage and tribute to these great souls, some of whom are happily with us, official and non-official who have built up the movement and handed over to us the rich heritage.

Co-operation is a voluntary association of individuals on the basis of equality for the promotion of their economic interest and it was on this basis that the co-operative societies have been organised all the world over. The basic principle of the people coming together into an Association for their economic betterment is very well known to our people, but the formation of a legally registered society for the purpose has really been introduced in India with the registration of the Co-operative Societies Act in 1904. This Act was the direct effort of hard labour put in by Sir Frederick Nicholson as a sage Administrator, who worked and died in India thinking of the poor agriculturists whose betterment was his only concern both as an Administrator and as a retired Official. In the beginning it was sought to build up the Co-operative Movement with least restrictions and giving the largest scope for the individuals forming the Co-operative Society to exercise their minds and do work in perfect freedom. The rules and regulations framed both under the Act of 1904 and that of 1912 compare the principles very favourably with the subsequent Acts enacted by the various State Governments. Whenever any defects were noticed in working our societies Governments sought to rectify such defects by framing rules restricting the scope for committing such mistakes. These restrictions have grown so much now that the scope for initiative and independent thinking is very limited. One has to think more of the restrictions and pass his work with reference to the restrictions imposed under the Act rather than plan his work with reference to the needs of the situation. In other countries the movement has grown amongst the people because the people concerned worked their institutions without the interference from Governmental agencies and corrected their mistakes with such experience as has been gained by them in actual

working. Co-operation is really a government with a democratic set-up. To the extent it has attracted the people into its fold and made them conscious of the principles governing the economic life of the citizen, it has done a distinct service to the people of the State. If it has not developed to the extent it should have within a period of half a century, the blame should be borne by both the Official and non-Official co-operators. The zeal of the official to regulate and run the administration of these societies through channels approved by him is partly responsible for developing a sort of inertia amongst the non-official co-operators. All of us know that when a certain defect in the movement is pointed out by any body, the non-official co-operator is at once busy trying to locate the official on whom the responsibility for the defect could be thrown. My esteemed friend Sri P. S. Kumaraswami Raja, inaugurating one of the Provincial Co-operative Conferences held in Madras condemned in no unmistakable terms the non-official co-operator who goes there simply for the dignity of the office, who takes no more interest in its working than being guided by the official on the spot, depend upon the co-operative official and look for guidance to the official in every matter so that in the ultimate analysis he may throw the blame on the official for all the short comings. I am just taking this occasion to remind my non-official co-operative brethren here of the pregnant meaning in the observations of Sri P. S. Kumaraswami Raja. If we the non-officials take upon ourselves the full responsibility for the decisions, we take and work with a good conscience and reasonable diligence, the movement would be stronger and more serviceable to the people at large.

It is but right that the official guiding the co-operative movement should understand that it is a people's movement and it should rightly be called a movement only when it is fully run by the people, when its possibilities could be fully explored only if the people can take upon themselves the full responsibility of administering it. Having this important consideration in mind, it is but right that the officers of the Co-operative Department should so guide the movement that they least come into the picture.

Co-operative Movement in other countries has prospered and has achieved very great results because it has mobilised savings of all those members and made them available to the members who were in need of funds for genuine economic betterment. In our country

and particularly in our State after 50 years of co-operation particularly in the credit sphere where only, I have to say, it has made its mark, the movement is still dependent on the outside resources. The apex short-term and long-term co-operative banks are heavily drawing on the resources of the Reserve Bank of India for their daily needs. To the extent that the movement has not been able to mobilise the savings of the agricultural population, I must say, the movement has fallen short of its expectations. The economists have been telling us that the savings have shifted from the wealthy classes to the agriculturists since the beginning of the second world war. But the figures of the deposits in the village co-operative societies will not encourage us to believe that these savings have been to any great extent mobilised by the movement. It is true that two years ago, an earnest attempt was made to mobilise the rural savings and about a crore of rupees was brought into the movement by this drive. All of us however know that not all this amount represents the savings of the rural population. To a great extent it was only the diversion of funds deposited in non-co-operative institutions to the co-operative movement. While to that extent also, it is a great advance, it would have been a great achievement if this one crore deposited into the co-operative societies was a mobilisation of the savings of the rural population. We have therefore to strive hard and induce the well-to-do agriculturists of the village to deposit their savings in the village society which will serve the double purpose of ensuring sound management of co-operative societies and self-sufficiency of the funds required if the savings of the village are deposited in the village credit society and the persons who know how best to administer office come in as directors. This is a most important step and I hope that on the solemn occasion of the Golden Jubilee of the Movement, we shall pledge ourselves to make earnest attempts to achieve this important role.

Sunday, the 18th April 1954.

WELCOME ADDRESS

DR. P. NATESAN

Dr. A. Lakshmanaswami Mudaliar, esteemed co-operators ladies and gentlemen,

On the second day of the celebration of the Golden Jubilee of the Co-operative Movement, I, on behalf of the co-operative institution in the City of Madras, have great pleasure in according a cordal

reception to all those who are assembled here this evening. Your name, Sir, (Turning to Dr. Lakshmanaswami Mudaliar) is well-known throughout the length and breadth of the country. The presence of a noble and singular personality like yourself on this occasion adds unprecedented grandeur to the Celebrations. Your name is not only known all over this country but all over the civilised parts of the world. It will not be easily possible to mention the unprecedented achievements which stand to your credit and glory. To have risen to the rank of an international authority in your medical speciality, to have been the Vice-Chancellor of the University of Madras for more than one and a half decades, to have served with singular distinction on several bodies, constituted by the World Health Organisation, to have been honoured and respected by the seniormost administrators not only of this country, but also of many other countries are all facts which will be recorded in golden letters when the history of this country comes to be written. You have been revered by great men all over and I am sure that all those who are present here this evening will appreciate the mature advice that you may tender on this occasion for the spread of the Movement. Friends, on an occasion like this, we felt, an eminent personality like him should honour us by his presence and advise the co-operators of this State in their work. Therefore, on your behalf, I express my heart-felt gratitude to him for having kindly and graciously agreed to be present with us this evening.

Yesterday, I mentioned a few points about the history of the Co-operative Movement. I would like to mention today about the various achievements of this Movement during the last fifty years. As I said, it was on the recommendation of Sir Frederick Nicholson that the credit movement was started in the year 1904. That credit movement has almost reached its pinnacle to-day. We have several institutions ranging in different forms. Starting from the apex institutions like the Madras State Co-operative Bank for short and medium term credit on the one side and the Central Land Mortgage Bank for long term credit on the other side, there are sixteen district federations called the District Central Banks. For the direct approach of the member there are 11,000 rural credit societies and many primary land mortgage banks which derive their finances from the higher federations. That is as far as the credit service is concerned. Now, in order to estimate the rural indebtedness of the public, the Reserve Bank of India has organised a regular rural credit survey

and when the report is published, we will be in position to know to what extent, the Co-operative Movement has supported the credit activity of the villagers. Apart from the credit movement, its activity has spread in various other directions. One of the most important of these is the organisation of stores. The next one is handloom weaving. A third one is milk supply about which Sri. Nachinarkinia Sivam President of the Madras Milk Supply Union will speak to you. It is well-known that milk is a product which perishes within a few hours and it was the genius of the late Mr. Deivasikamani Mudaliar that introduced co-operation in milk supply. (cheers). It is due to his efforts that we citizens of Madras are able to get to-day unadulterated, pure and safe milk and at the same time we are able to provide a second occupation for the deserving villager.

One other aspect of the economic life of the villager which co-operation has permeated is Insurance and Sri. Parthasarathi, President of the South India Co-operative Insurance Society will deal with the subject of Co-operation and Insurance.

Now, with your permission, Friends, I would request Dr. Lakshmanaswami Mudaliar to address the gathering. (cheers).

PRESIDENTIAL ADDRESS

DR. A. LAKSHMANASWAMI MUDALIAR,

Vice-Chancellor, University of Madras

Dr. Natesan and Friends,

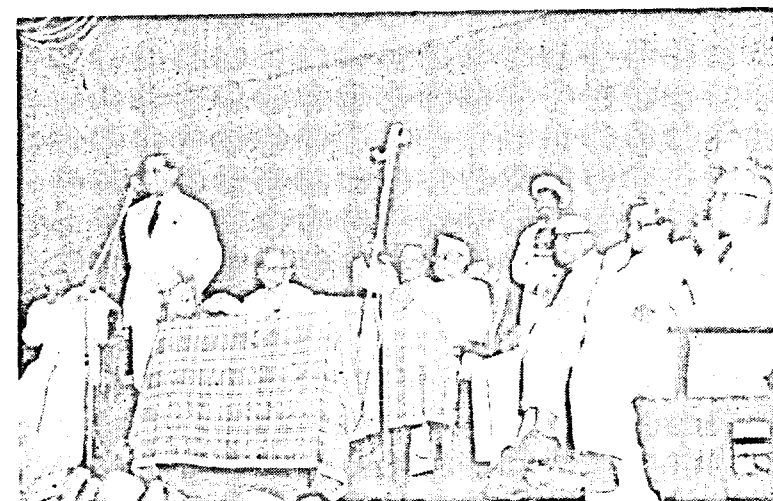
I must thank the organisers of this Conference for having given me this opportunity to be present here amidst you and join with you in the felicitations that are being offered to you on the successful completion of the first half century of the Co-operative Movement in the State of Madras. I must confess, I am myself a little puzzled as to why this honour has been given to me. I must say that I am the latest recruit to the movement of co-operation having become the ex-officio Chairman of the Madras University Hostel Co-operative Society as late as the early part of this year. So while I see co-operators here, all round me and in front of me, I feel naturally a little timid. You know a recruit like me, old in years but very young in the field of co-operation cannot possibly give you any advice worth mentioning nor offer any remarks about the co-operative movement. But as one interested generally in the public life of this State and as one who has followed through the columns of the newspapers the activities of the co-operative movement I must say that Madras is

singularly fortunate in that it has had a succession of eminent persons who have taken such great interest in the co-operative movement and stabilised it throughout the State. I need hardly refer to the line of distinguished Registrars of Co-operative Societies from Sir P. Rajagopala Chariar to our latest Registrar Sri Ryan whose work and whose zeal and enthusiasm I have personally testified to, on many occasions. Sri Ryan has been a source of great strength to all interested in co-operation and by his wise and tactful handling of many a difficult situation and by the interest that he evinces in starting new ventures in the field of co-operation he has spread the ideal of co-operation far and wide.

You Sir, have referred to the several activities of the Co-operative Societies in this State. Starting with the help that was to be given to the rural population, gradually the co-operative societies have worked in many other directions. The co-operative urban bank, the co-operative agricultural bank, the co-operative stores, the co-operative milk supply union, the co-operative transport agency for ex-service men and a host of others have been created during this half century. I therefore feel that all those connected with the co-operative movement deserve our warmest thanks and gratitude for all that they have done. However, when one compares the progress made by the movement here with the progress made by the co-operative movement in some other countries, particularly in Europe and in a country like Denmark where the whole field of activity is more or less concentrated on co-operative enterprise, one realises that there is still a great deal to be done and a great leeway to be made up in every sphere of co-operative activity in this country. In Denmark co-operation is the first and most important activity of the State that being a Welfare State. So it is in every other European country like Switzerland and in some of the countries in America. The co-operative movement is the real answer to many of the problems that await solution. I do not know whether you realise the great part that co-operation can play in solving some of the outstanding difficulties with which we are faced today. On the problem of nationalisation can the co-operative movement give an answer and if so to what extent and in what manner is nationalisation and the plea for more and more nationalisation the right policy in the interest of the citizens and of the State? I do feel that there is a great necessity to consider this question seriously and not to swallow the slogans that are uttered everywhere



DR. A. LAKSHMANASWAMI MUDALIAR,
Vice-Chancellor, Madras University,
Addressing the gathering on 18-4-54



SRI J. C. RYAN, Registrar of Co-op. Societies, Madras
Addressing the gathering on 19-4-'54



The 28th Madras State Co-operative Conference, Dec. 1952
(Inaugurated by Sri C. Rajagopalachari, Madras & Presided over by
Sri Syamanandan Sahaya of Bihar)



Prime Minister Nehru Inspecting Handloom Cloth produced
by the Madras State Handloom Weavers' Co-op. Society in Madras in Oct. '53

PRESIDENTIAL ADDRESS—DR. A. LAKSHMANASWAMI MUDALIAR

without any consideration of the rationale of such slogans, whether nationalisation has the answer or whether co-operation has the more fitting answer to a scheme where the people will benefit, the common man will benefit. Take again another problem which awaits a great deal of solution. We have today various movements connected with labour and capital the Trade Unions and the activities of Trade Unions. I am not one who is competent to deal with the problem effectively nor would I venture into fields where it is dangerous even for Angels to tread. We have a large number of Trade Union leaders, leaders who do not know anything of the work that the persons they have to lead do, leaders who come at the last moment and usurp the leadership from the labourer and the workman consequent upon certain qualities they possess though they may be eminently good. In the present circumstances of the country and with all the international competition that awaits us, is this the best way of looking after the interests of the workers or will the co-operative movement give another solution which may be far more effective, far more reasonable and far more calculated to promote the paramount interest of the workers and the common man? I do not say that that movement has anything to do with the interest of the capital. But the moment you speak of capital there is a tendency, a general tendency for resentment. But I am concentrating on the welfare of the workers and here it is that I feel that the co-operative movement can do a great deal to help them.

There is another direction in which I feel the co-operative movement can do more. From those to whom much is given much more is expected, they say. You have very rightly afforded credit facilities for the agriculturists to get loans, to get loans on short-term basis, to get loans on medium-term basis, to get loans on long-term basis. But I want co-operators to understand this problem: How is it that in spite of all these co-operative banks and grant of loans to the agriculturists, the agriculturists are supposed to be always indebted? Why was it necessary for us to pass a Moratorium Act? Was that the best answer or the co-operative society the better answer instead of a moratorium? What good can a moratorium do except to put off the evil day and so increase the misery of the person who has to pay the debt? Not only that,—it has shaken the faith of credit. An eminent authority in Economics and certainly one who is well versed in co-operation, Dr. B. V. Narayanaswami Naidu, a good friend of mine, has written an article in the papers

that consequent upon this moratorium money lenders are fighting shy of giving loans to farmers. Has the moratorium done any good or has it on the other hand only postponed the evil day with the additional liability that when that day comes those who are indebted will find it more and more difficult to make both ends meet?

Take again this problem: I am told that there are many banks. I am glad that it is so. But when I total up the sum total of the Banks' capital and issues, I must confess that there is a great deal of leeway to be made up. How is it that in this State in particular there are a large number of money lenders, unregistered money lenders, who are yet able to get easy credit from their banks at three per cent and give it at 12 to 24 per cent to the poor agriculturists and the poor men who are struggling to earn a living wage? What is the answer that the co-operative movement has got to this phenomenon which, I know, is rampant in the State of Madras? Have you thought about it? Have you thought of the possibility that in the process of lending there may be certain methods, what are generally called in the Secretariat 'red-tape' methods, that have got to be cut asunder, if people are to be benefited in a wise manner? Let me not be misunderstood as offering criticism: I feel when we are celebrating the Golden Jubilee of the Co-operative Movement, we must have both the prospect and the retrospect in view. The retrospect is the only method by which you can afford to look ahead and see what the prospect is. As I visualise it, I think the spirit of co-operation has spread far and wide in the rural and urban areas and all that is necessary to quicken that spirit is to take bold measures to institute many other methods of scientific and accurate investigation. It is with this view that certain schools have been established for training co-operators. It is with this view that the Madras University in kind co-operation with the Government of Madras has instituted not only Co-operation as a branch of study, but Co-operation as the main study for its Honours course. It is our hope that in this Honours course we will produce men and women who will make a study of co-operation in an intensive manner, who will compare the co-operative movements in this and other countries and will also be in a position to suggest ways and means whereby the co-operative movement can be strengthened taking into consideration the factors as they exist in this country.

I am a great believer in co-operation. I have often ventured to suggest in the Legislative Council that the time has come when an

expert body should be set up, not to review the work of the co-operative department but to see how their work can be strengthened—what the Government and the people should do to strengthen their work and how best it can be made to permeate every possible activity of the common man. That is the way by which the co-operative movement could be spread. After all we who so frequently state that we have been accustomed to Panchayat Raj which is another form of co-operation should not fight shy of extending the principle of co-operation to all our activities wherever they may be.

I should like to state that so far as the Madras State is concerned there is every reason to believe that this movement will be given due encouragement by the people and I hope and trust by the Government of this State also, for there can be in this matter no difference of opinion whatever. We speak very often of a Welfare State and if you ask people, 90 persons out of 100 without exaggeration will not be able to say what is meant by the Welfare State. Co-operation is the basis of a Welfare State. Every activity of the Welfare State based on the principle of co-operation will produce far better results and will tone up the whole public life of the country. I am therefore happy indeed that I have this opportunity to be present here today and join with you in your felicitations and also to say how grateful I am that you have given me an opportunity, a latest recruit to the field of co-operation, to say a few words.

ADDRESS BY

SRI V. BALASUNDARAM,

Joint Registrar of Co-operative Societies, Madras

Mr. Chairman, brother-co-operators, ladies and gentlemen,

I am indeed grateful to Dr. Natesan, the energetic General Secretary of the Madras State Co-operative Union, for asking me to say a few words on this occasion. Yesterday when the Golden Jubilee celebrations were inaugurated there were a number of long speeches dealing with the history and progress of the co-operative movement during the last fifty years, so much so that the Drama by N. S. Krishnan and Party for which the majority of the people presumably had assembled here, could not be started in time with the result that they became restive and showed unmistakable signs of impatience. To-night we are having an entertainment by the popular musician Sri Thyagaraja Bhagavathar. On a festive occasion like this, I do

not propose to expatiate on the history, principles and purpose of the co-operative movement. There is no doubt that the co-operative movement which was started fifty years ago has made phenomenal progress in India and particularly in the Madras State. As is well known, among the States in India, Madras leads in many respects. It is no wonder therefore that it leads in co-operation also. We must bear in mind, however, that although we have achieved political independence we have not yet achieved economic independence. I need hardly say that the economic position of the Commonman is far from satisfactory.

Co-operation has been recognised as one of the methods best suited to solve the economic problems of under-developed countries like India. In the year 1945 the Planning Committee set up by the Government of India recommended that co-operative societies should be started to cover 50 per cent of the villages and 30 per cent of the rural population in the Madras State within a period of ten years. In 1953 about 68 per cent of the villages and 20 per cent of the rural population were served by co-operative societies. These societies cover a multitude of economic activities such as rural and urban credit, agricultural production and distribution, animal husbandry, fisheries, health, better living, insurance, transport, cottage industries and so on. You will agree with me when I say that this is a no mean achievement though we have still to go a long way in our efforts to bring more and more people into the co-operative fold.

The co-operative movement is essentially a popular non-official movement. Its success depends upon non-official leadership. In simple language, co-operation means working together. It is a voluntary association of people for promoting their common economic interests. It is of vital importance that the members of the co-operative institutions should be men of character. They should be actuated by a spirit of thrift, self-help and mutual aid. At the same time they should have the ability to run the societies on sound business lines. In this State we are fortunate in having good men and competent leaders who can not only take up this work but also continue it and develop it in a measure and in a manner which will be worth emulating by others. The remarkable success that has attended the efforts of co-operators in this State has been mainly due to public support. Judging from the present position therefore, I am confident that the future prospects of the co-operative movement in

the state are quite bright. I may in this connection point out that the Government of India have laid very great emphasis on the co-operative method in the implementation of the Five-Year Plan. I hope that the celebration of this Golden Jubilee will give a fillip to the co-operative movement and enable it to contribute vastly to the economic amelioration of the generality of the people in this country.

GIST OF ADDRESS BY

SRI K. NACHINARKINIA SIVAM,

President of the Madras Co-operative Milk Supply Union, Ayanavaram

Sri K. N. Sivam, said that through the Co-operative Movement in India had completed 50 years of its working, it has not really become a peoples' Movement in the sense that the Congress Movement was a Movement of the people. That is because, while the Congress formulated its own rules and worked with its roots amongst the populace, the Co-operative Movement depended to a large extent on official guidance. As things stand at present there is little scope for initiative from the people, as the numerous rules and regulations restricted the scope for individual initiative. This will largely result in the stultification of the Movement in spite of the fact that impressive figures paraded before the public. We are often told that the need for official guidance is great, because of the inability of the people to manage the business affairs of the Societies. Sri Sivam, however, was unwilling to believe that our people are incapable of managing the Movement. If the people of India could manage Rs. 400 crores of annual revenue at the Centre and several hundreds of crores in all the States put together, it is incomprehensible how it could be said that the little money handled by the Co-operatives could not be managed by the self-same people. The strength of the Co-operative Movement in Madras State was often compared by the Registrar by saying that the total resources of the Madras Co-operative exceeded the annual revenues of the Madras State. Perhaps the comparison was a little inappropriate, because, in the one case, it was capital and in the other case, it was revenue. The fact, however, stares in the face that when the peoples' representatives were managing the annual revenues of the Madras State and also the assets and liabilities, it is said that Co-operators could not manage the resources at their disposal. Sri Sivam could not believe that Co-operation which had contributed from its fold some of the front rank public men and Ministers was so weak as not to be able to manage its affairs. It is

true that as a result of too much interference from the Co-operative Departmental Officials, people of ability with a sense of self-respect are not entering the ranks of the co-operators. This is a sad state of affairs and requires immediate remedial measures.

Then, Sri Sivam continued, that there was the provision which said that credit-worthiness of the borrower should be the main consideration in granting loans which meant that a non-propertied labourer could not expect any help from the credit societies. Trust worthiness rather than credit-worthiness should be the criterion in the matter of granting loans and all trustworthy people who needed loans should be given loans on a surety basis.

As regards the non-credit societies like Stores, Sri Sivam said that they were dying though during the War, they had a boom. The reason was that the Stores—the T.U.C.S. for example—had a monopoly of controlled commodities and they were distributing these to members as well as non-members. Now they had to look to members only for sales. In Scandinavian countries, what was being done was that when a non-member bought anything, even though he did not get any bonus on the profits made by the Society on his purchases, yet it was entered in a pass-book and when the amount so entered reached a stage when it was equal to the subscription for membership he was automatically enrolled as a member. Some such procedure he suggested, should be followed in Madras also.

In conclusion, Sri Sivam endorsed the suggestion of Dr. A. Lakshmanaswami Mudaliar, President of the evening, that a Committee should be appointed to enquire into the whole field of Co-operation as it functioned at present. He also suggested that the Committee should enquire into the working of the Co-operative Department to see to what extent the interference of the Co-operative Officials was responsible for the deterioration of the Movement and how it obstructed the entry of desirable persons into the Co-operative Movement. Ways and means should be devised to see that the initiative for the good working of the Movement comes not from the top Co-operative Institutions or the officials, but from the villagers for whose benefit co-operation is working. The Registrar should be only a friend, philosopher and guide and should not be vested with more powers than a Registrar of Joint Stock Companies. Only then, will the Co-operative Movement work in a democratic way. The Constitution of India envisaged the formation of a

Co-operative Commonwealth. If this ideal is to become a reality the present law relating to co-operative societies should be thoroughly changed, so that it may be in accord with the spirit of the times and the ideal as envisaged in the Constitution.

ADDRESS BY

SRI V. PARTHASARATHY,

President of the South India Co-operative Insurance Society, Madras

Mr. Chairman, Dr. Natesan and Friends,

I am deeply grateful to the State Co-operative Union for having given me an opportunity to address you to-night. I take it that the object of inviting so many speakers to participate in the celebrations is to have in effect a symposium on co-operative principles and practice, to have a sort of restatement of the fundamental aims, and objectives of the co-operative movement and to have an appraisal of the potentialities of the movement for the future. Much of what I wanted to say tonight has already been covered by the previous speakers. I shall therefore be very brief.

At the outset I desire to recall to your memory the veterans of the past, the pioneers to whom the credit for the progress of the movement is justly due. The names of Sri V. Ramdas Pantulu, Sri M. Ramachandra Rao, Sri T. Audinarayana Chettiar and Sri T. A. Ramalingam Chettiar are names to conjure with. Their abiding service to the movement and the magnificent contributions made by them are of undiminished utility and merit. The significance of their work is unique in one respect. Their leadership was of that magnetic quality that they drew from the district and taluk level leaders and workers to man the district and primary organisations. I hasten to pay my homage to the unknown co-operators who silently and steadfastly built up the fabric of the mighty co-operative structure during the last fifty years. It is not enough if there is leadership at the apex organisation to direct and control the movement from the top. Co-operation is essentially a movement from the bottom, the movement of the masses, the movement of the workers. For manning the movement at the district and primary levels, it is the initiative and the co-operative and willing association of the people on the spot that are absolutely necessary. The wonderful quality about the leadership of the giants of the past was that they could draw into the fold of the movement voluntary workers of very fine type from all over the State. It is this contribution that

primarily marks their achievement. Besides the non-officials some of whom I have already mentioned, there was a succession of Registrars who were all imbued with missionary spirit and zeal for the promotion of the co-operative movement in this country. On an occasion like this we should be failing in our duty if we do not recall the meritorious services rendered by all these gentlemen to whom we owe the great progress that has been achieved by the movement.

Now, coming to a review of the movement in this part of the country I do not propose to tire you out by giving you a string of statistics of the progress and achievements in the several branches of the co-operative activity. I wish to just mention a few of our leading and prominent societies and institutions. We have got the impressive record of the Madras State Co-operative Bank which on the 30th June 1953 had deposits of the order of 4½ crores of rupees and reserves to the extent of 60 lakhs of rupees not to mention other resources. We have also got before us the admirable record of the Madras Central Land Mortgage Bank in the field of long term credit. We have also got the achievements of the South India Co-operative Insurance Society and the Co-operative Fire and General Insurance Society. We have also before us the achievements of the Madras Milk Supply Union, the Triplicane Urban Co-operative Society, The Madras House Construction Society to name only a few of these societies. They bear ample testimony to the new spirit that has been gaining ground and that has been gaining currency in this country.

Co-operation introduces a new spirit in the social life and in the industry of the country. It is the spirit which is opposed to the spirit of competition. Co-operation is the negation of competition. It seeks to overcome competition and ensures social welfare by a process which eliminates considerations of competition. In this part of the country co-operation has made much headway because we have had the requisite non-official leadership which has brought the movement to its present level.

On an occasion like this we have to look ahead and plan our future action. The Planning Commission devoted a whole chapter in their report on the development of co-operative organisations in this Country. They have laid great emphasis on the part co-operation has to play in the field of agriculture. In fact the Planning Commission have said that the best medium for the promotion of what they call progressive agriculture is co-operation. It is in fact this idea

that must gain more ground and must be implemented. The Chairman referred to the question of nationalisation. This slogan of nationalisation as was stated by the Chairman, has been over-stated and everyone went on repeating that slogan without knowing the implication. Nationalisation may have a certain appeal to different types of people but in the actual application of nationalisation to our economy we have to consider what exactly is the thing that would yield the best results. In so far as the promotion of agriculture is concerned, to meet the present needs of agriculture in our country, the only solution that can be thought of is co-operative farming. For the promotion of co-operative farming we have to evolve the requisite personnel of all ranks. We must have workers at primary level, district level and the provincial level. To train the necessary workers, it is absolutely essential to have co-operative institutes. The Chairman referred to another aspect of the matter, namely, the necessity for conducting research into the working of the co-operative movement to find out the method which will promote co-operation to the best possible advantage. The great organisation over which he is presiding, namely the University, may also have to co-operate and lend support to the Madras State Co-operative Union in the matter of evolving the type of research that would contribute to the promotion of co-operative principles and the agricultural economy of the country. There is another aspect which is now gaining some strength but in which we have to make up much for the leeway. That is the field of co-operative insurance. Co-operative insurance has got a special part to play in the development of the economy of the country. The idea of associating the masses in the movement to thrift and self-help which were tried in the past in other fields should be applied in the field of insurance also. Intensive effort in this direction is bound to give the necessary amount of capital for the promotion of industries. That will give the masses a sort of self-help and a sort of consciousness of their own power, of their own utility in the economy of the country. Therefore it is very necessary to propagate the ideal of co-operative insurance among the masses, particularly in the villages. If the co-operators approach these two essential aspects of co-operation with a due sense of the urgency of the situation, I feel that the co-operative movement can play a worthy part in the economy of the country.

Monday the 19th April, 1954

WELCOME ADDRESS

DR. P. NATESAN,

General Secretary of the Madras State Co-operative Union

Your Excellency, Hon. Minister for Co-operation, Mr. Ryan, esteemed co-operators, ladies and gentlemen,

On the third day of the celebration of the Golden Jubilee of the Co-operative Movement in the State of Madras, I, on behalf of the Madras State Co-operative Union which is the supreme State Organisation for propaganda and policies, offer a cordial reception and a warm welcome to Your Excellency. Your Excellency, this is not the first occasion when you attend functions connected with co-operative institutions. Very recently we had the pleasure and privilege of Your Excellency inaugurating the Tamil Nad Co-operative Conference session at Tanjore, while I had the humble privilege of presiding over the Conference. On another occasion Your Excellency inaugurated the opening ceremony of the Kasturibainagar House Construction Colony. On another occasion we had the unprecedented pleasure of Your Excellency presiding over the tridennial celebrations of the Corporation Officials' Co-operative Bank. In spite of the heavy demands on Your Excellency's time and in spite of the very highly responsible and onerous duties that you have to discharge as Governor of this State, it is very kind of you to have set a part some time for the progress of co-operation.

Yesterday I was dealing with some aspects of the development of the co-operative movement in various spheres and walks of life such as stores, handloom, house construction, rehabilitation of ex-servicemen, insurance, milk supply, coir making etc. To-day I wish just to refer in a cursory manner to what the co-operators would expect to happen in the coming years. Personally I feel that a co-operative hospital for the sick and suffering would be one of the achievements of the co-operative movement if started and run in a proper manner. At Mulai in Ceylon a co-operative hospital has been established with provision for in-patients and out-patients and X-Ray treatment. Members of that organisation have the privilege of getting treated by qualified and able medical men either as in-patients or as out-patients. All facilities of modern treatment are provided in that institution.

Another branch for which one would have a particular fancy is poultry farming. One of the very easy methods by which unforeseen increased profits could be earned by the agriculturists as a second line of occupation is to run a poultry farm, provided the dreadful disease "*Ranikhet*" which attacks the poultry and kills them *enmass* overnight could be warded off. Poultry farming on co-operative sines would really be a food producing factor and also provide a lecondary occupation for many of those agriculturists whose income could be easily augmented by this activity.

Above all these, the Co-operative Movement must lay the foundation for raising the standard of living of the villager who forms 70 per cent of the population and who requires more substantial help from the Co-operative Movement. As was referred to by the learned Vice-Chancellor yesterday, in spite of the easy and cheap credit facilities provided by the various co-operative societies and institutions, the co-operator, namely the villager, is still a debtor. The Moratorium Act itself is an indication that the co-operatives have not given the villagers the relief they expected. And relief from debts is not the one and only thing that will cure the village of his chronic economic disease. Only just now we have begun to think of the villager and three Five-Year Plans must be put through to set the villager in a comfortable condition. It should be the aim of the co-operative movement along with the help rendered by the Government to produce increased resources for the villager. This has got to be done by means of regular research and planning for at least a period of 15 years. Every villager must have ample resources in the form of irrigation facilities; he must have a house construction society through whose help he can build small decent modern houses with supply of cheap electricity. There must be a common godown wherein the villager can stock his foodgrains. There must be a marketing organisation to market his produce. During the off season there must also be a secondary occupation for him with which he can supplement his income. If this millennium is reached probably co-operation would have acheived its objective. Achievement of this obj-ctive means, the achievement of the establishment of a co-operative commonwealth in the country. These aims of the co-operative movement are calculated to increase the standard of living of the villager who forms a major portion of the population of India. That is my hope and that is what every co-operator would hope to achieve in the coming years for the villagers.

Once again I offer Your Excellency a hearty welcome and a very cordial reception and I request your Excellency to address the co-operators."

PRESIDENTIAL ADDRESS

SHRI SRI PRAKASA,
Governor of Madras

" Friends,

We are all assembled here to participate in one of the many functions that have been organised in connection with the celebration of the Golden Jubilee of the Co-operative Movement. I am very grateful for the honour you have done me by asking me to preside on this occasion.

You all know, my friends, that for the last thirty five years and more, we have heard the word 'non-co-operation' more than the word 'co-operation'; and having myself been rather closely associated with Mahatma Gandhi's Non-co operation Movement, I feel very much embarrassed when I am called to a platform where I have to preach 'Co-operation'. (laughter). But let us make no mistake on the subject. Gandhiji's great demand was that we should non-co-operate with all that was evil, and co-operate in all that was good. As our friend, Dr. Natesan, has just reminded us, I have had opportunities of being president at many functions organised in connection with the Co-operative Movement. I am grateful to him for all the kind things that he has said about me personally. I should like to assure him that it gives me very great pleasure to be here with you to-day; and I should thank you rather than that you should thank me for my presence here.

Friends, to one like me who comes from the North, Madras presents many pleasing characteristics, and among them are the existence of many old institutions and the presence of a spirit of social service that enables these institutions to live long. We are here celebrating the Golden Jubilee of the Co-operative Movement; and you have behind you fifty years of solid work and achievement. Last year, at the Co-operative Conference that was held here, Rajaji gave us a history of the development of this Movement. He spoke from personal knowledge, having taken part in the progress of events intimately himself. The fact is my friends, whether the Government is bureaucratic or democratic, it, for the time being, really represents the people. It is indeed a symbol of the will of the

nation as a whole. When the people themselves are bent on some good work, the Government is bound to help them. In spreading the spirit of co-operation among the masses, I am happy to find that the Government of Madras throughout these fifty years, regardless of its complexion, has offered its best assistance, as your history proves. You have had every help from the officers of Government. In fact, Madras provided a very good field for experiment in co-operation.

Since the Co-operative Societies Act was passed fifty years ago, all the States in India have been making experiments along these useful lines. But there is no doubt that you have succeeded in Madras very much more than anybody has done anywhere else; and your claim is justified when you say that every town here has a co-operative bank and every other village has a co-operative society. In most places with which I am familiar, co-operative work takes the form of a co-operative bank. While you have your own co-operative banks everywhere, one in every town, you have also expanded your activities in other directions. Dr. Natesan has already in his speech given an indication of the various directions in which the co-operative spirit has worked. You have milk supply societies. You have weavers' societies. You have wholesale co-operative societies, stores and land colonisation societies. You have also motor transport societies besides co-operative banks. All this is a great achievement, and allow me to congratulate all who are interested in this work on what they have done.

In a way, the Movement of Co-operation in the world is a new one. It expresses a definite and high evolution of the human mind. The more natural spirit has always been that of competition. In fact, the nineteenth century philosophers thought that in competition alone lay the progress of mankind. We are all familiar with what Darwin or Spencer wrote at that time. But even then, there were others like Kropatkin who spoke and wrote a great deal about mutual aid. There is, however, no doubt that in India we have been mostly individualists. It is a good thing that we in Madras are trying to overcome that spirit and imbibe the spirit of co-operation. I believe co-operation and competition can go together and you can see this in this meeting itself. While those in front of me are co-operating and listening to me, others are starting and fighting for their seats. (laughter). So you can yourself realise that in co-operation, there is very much more comfort than in competition. Two days ago, our

Chief Justice described what exactly co-operation meant. He told us that the co-operative movement is an organisation of human beings for mutual help and mutual gain. He told us of the principle of equality that runs throughout co-operative endeavour.

Co-operation does not mean giving out doles or indulging in charity. In a co-operative society, large numbers of humble people meet and put in their small resources in a common till from which all can be helped when in need. We know how in our country generally the poor man is always looking out for some rich man to come and help him. Poor men must realise that despite their small resources, if a large number of them would join together, they can make themselves jointly richer than the individual rich man. In an individualistic society, we found large numbers of middle-men thriving between the consumer and the producer. I know that middle-men have played their own useful part in the evolution of society. By a study of the means and needs of the people, they have carried necessary and useful articles from where they were available, to distant places even to the interior of mountains and forests. But in large cities and in comparatively small towns, co-operation can do much more than the individual middle-man can do. In a co-operative organisation, all members not only get the goods they want at comparatively cheap rates, but are also able to distribute among themselves the profits of the business. No one has to go to another man for a favour, and no one need look helpful to others for doles and gifts. We all take shares in a shop or bank, and are entitled to get the goods and the money that we need. In this arrangement, no one is under any obligation to anyone else. I think this is a great thing. In an arrangement like this, no middle man can misbehave, if I may use that word. Prices cannot shoot up as they do when individual fortunes have to be made.

Friends, you will thus see what great advice you can render to yourselves by working in a co-operative spirit in a co-operative society. It symbolises the desire of large numbers of persons to work for themselves. It brings large numbers of persons in close bonds of mutual friendship. It enables us to know each other's wants and instils in us a spirit of helpfulness towards others. It fills us with the great desire of self-help, and in consequence instils us with the very desirable virtue of self-confidence and self-respect. From whatever point of view we may examine Co-operation, we will find that it is entirely to our advantage. And while I once more express

my gratitude to you for the privilege you have given me of meeting you here, I should also like to express the hope that the spirit of co-operation among the people of Madras will grow and bring happiness and prosperity to them. (Cheers).

GIST OF THE ADDRESS OF

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

Registrar of Co-operative Societies, Madras

Sri Ryan said that though the Golden Jubilee of the Co-operative Movement was celebrated throughout the country, yet the celebrations in Madras had a special significance in that the Madras State had gone far ahead of other States in spreading the movement. For instance, the Land Mortgage Banks in Madras gave loans to the tune of nearly a crore of rupees every year while in other States it was only a matter of a few lakhs of rupees, notwithstanding the fact that it was the Punjab that gave the lead in the matter. It was so in respect of co-operative stores also. The central and primary co-operative stores in the State together handled 42 crores of rupees worth of goods per year under controls. The first co-operative store was established in Madras—the Triplicane Urban Co-operative Stores and to-day its turnover was 130 lakhs of rupees per annum. The successful working of this institution in Madras, has inspired a similar institution in Matunga in Bombay—an area where the majority of the population are Tamilians. In regard to handloom weavers' societies, it was again Madras that led the other States. While societies in the other States bought and sold yarn, in Madras, yarn was bought, woven into cloth and sold as finished goods to the public. Other State Governments had admired the working of these institutions and they now wanted to follow Madras. The handloom weavers' organisation sold to-day cloth worth ten crores of rupees per annum. Besides these, these institutions had joined together to manufacture yarn themselves. In Guntakal, a co-operative spinning mill had been started which supplied yarn to weavers. In Tamil Nad, a similar mill would be started and arrangements for the purpose are under way.

Another field in which Co-operation had made much headway was that of housing. Here too, Madras was leading. Within the last seven years, more than 7,000 houses had been constructed under

the auspices of the Co-operative Housing Societies. They are now delivering four houses a day for occupation.

Sri Ryan then posed the question what it was that brought about this phenomenal popularity of the co-operative movement among the people and answered it by saying that it was due to the fact that good men and true had led the movement in a spirit of service. He recalled the services rendered to the cause of co-operation by such great men as Dr. Swaminathan, Sri Ramdas Pantulu, Sri T. A. Ramalingam Chettiar, Sri Mocherla Ramachandra Rao, Sri Adi Narayana Chetti, Sri Paramasivam Pillai, Sri Nachiappa Gounder and others. He concluded that the Movement had spread because of the selfless services rendered by such men who were in charge of it and hoped that from the huge gathering before him more such men would be forthcoming to serve the cause of co-operation in a spirit of selflessness and public service.

ADDRESS BY

SRI T. M. CHINNAYYA PILLAI,

President, Co-operative Fire and General Insurance Society, Madras

Your Excellency, Hon'ble Minister for Co-operation and Friends,

We are celebrating the Golden Jubilee of the Co-operative Movement in this State for the last three days and it has fallen to my lot to be the last speaker on this occasion. During the last three days I am sure you have heard distinguished persons speak about the aims and objectives of this movement and I think it is unnecessary for me to go over the whole ground again today. As a humble worker in the field of co-operation for the last thirty years, I would like to place before you for your sympathetic consideration one or two aspects of the Co-operative Movement, how it functioned in the past, how it is functioning at present and how it should function in the future. There is absolutely no doubt that the movement has made great progress during the last fifty years. As has been rightly pointed out by His Excellency the Governor and other speakers, the Madrassee has an aptitude for co-operation. It is because of this attitude that the agriculturists—India is predominantly an agricultural country and the majority of the population in India are agriculturists—have been able to get definite and tangible advantages through the co-operative movement. The movement spread quickly in the villages. It is an undeniable fact that the rate of interest to

which the agriculturists have been accustomed to before, these societies were instituted was abnormal, and penal. After these societies came into existence in the villages, the rate of interest came down from 48 per cent to 36 per cent, to 24 per cent to 12 per cent and 9 per cent and now it is 6½ per cent. This is undoubtedly a great advantage that has accrued to the agriculturists because of the co-operative movement. If you ask me the question whether by reason of this low rate of interest the agriculturists have been able to gain any substantial advantage by way of reduction of debts or increased savings, well, I can only answer that the result has not been entirely on the profit side. It is true that the agriculturist is still a borrower. It is true that he is still indebted. But if the societies had not been introduced in the villages, his debts would have been ten fold greater than what they are today, and his savings would have been next to nothing. The agriculturist is now able to get cheap credit, i.e., short term credit, medium term credit, and long term credit from the co-operative institutions in his village. He is making full use of the facilities afforded by these societies. If he has not attained the objective of leading a life without debts and saving something, it is not because of want of effort on his part or on the part of the societies but it is because of the attendant circumstances in which he lives and toils. In this connection I must make mention of the fact that we co-operators are deeply indebted to the agricultural section of the Reserve Bank of India for the interest it is taking in the co-operative movement and the manner in which in later years it has sought to help the co-operative movement. On your behalf, I would request them to extend the same amount of sympathy and consideration and co-operative help in the years to come for the co-operators and the co-operative institutions in the State. The agriculturist in spite of the fact that he has got easy and cheap credit facilities for his agricultural operations and better facilities for selling his produce at reasonable rates, is not a contented man yet. What is the reason for this? He has no work in the off-season. During the off season he must be taught to work. He must be taught to engage himself in some useful effort. He must be made to produce articles by starting and encouraging cottage industries. It should be the duty of the Government and public spirited men to see that the articles thus produced are sold in Madras, or outside Madras or even outside the country. I would earnestly press upon the Government to take up this duty of making the agriculturists engage themselves in useful occupations during the off seasons and of marketing the

articles produced by them. If this is done, the agriculturists can be made a self-sufficient and contented class.

The next class of people to whom we must pay attention are the weavers. They form a sizeable proportion of our population in this State. For the last fifteen years or more their lot has been very unfortunate. They have been going down steadily in the economic plane. The reasons for this are many. It is unnecessary to detail them at present. Suffice it to say that during the last few years they have reached the depth of starvation and misery not because of want of effort and will on their part to better their conditions but because certain extraneous circumstances have driven them to this state. As a co-operator I must here express my gratitude to the Union Government and the Government of Madras for all the steps that they have taken and are taking for the purpose of bettering the lot of the weavers. Recently the Central Government granted a subsidy of one crore of rupees to help the handloom weavers. I hope this amount will be spent usefully and in a manner helpful to the weavers to raise their heads and live as human beings. To rehabilitate these weavers it is not sufficient to supply them with yarn; it is not sufficient to give them loans for the purchase of yarn, or to keep themselves alive during the period they have no work; it is not sufficient to merely open depots to display the goods produced by them for sale. It is the duty of the Government and also the public to see that the goods produced by them are sold. If the goods cannot be sold within the State or the country, they should be exported to foreign markets and sold there. For the purpose of finding foreign markets for these goods it is absolutely necessary that the goods produced should be of even texture, of moderate price and of attractive design so that they could be sold easily and quickly too. If the goods are not sold and that too quickly, the weavers will continue to remain in the same condition as they are now. Goods worth some thousands and thousands of rupees are lying unsold in the many show rooms all over this State. Why is it so? It is because we, the public and the Government have not taken enough interest in this matter. I am not here trying to blame anybody for this state of affairs. It is unfortunate that in the world ruled by a spirit of competition, people are selfish and try to buy things which are to their taste and which are cheap and also longstanding. But unfortunately handloom goods have not come up to the expectations of the people from the point of view of price as also durability. They are priced high. They

are not to our taste in some respects. And they are not also durable. These are some of the causes that led to the fall of the industry and the present economic condition of the weavers. Once again I pay my tribute to the Government of Madras for the bold way in which they are trying to get a reservation for certain types of cloth for our handloom industry. I hope this will find favour with the Union Government and the mill owners and also the public at large and the goods produced by the handloom weavers will find a ready and easy market and the condition of the handloom weavers will be bettered.

The other subject on which I wish to say a few words is co-operative stores. During the war-period there was a boom and we had stores coming up in the towns, in the villages and in all places. In spite of this phenomenal growth and in spite of the fact that an energetic and able Registrar is now in charge of the Department of Co-operation, I think these co-operative stores will not have a good future before them if they are not able to conduct their business as private businessmen do. The co-operative organisation is not a charitable institution. It is a business organisation. Therefore people in charge of these stores should see to it that the wholesale stores, the city stores and the village stores are manned by people who have business talent and instinct. People in charge of the stores should work in a business like manner. They should know what to buy, when to buy and how to buy. They must also know when to sell and how to sell. If such people man these stores then they will function properly.

Lastly I want to refer to one thing and it is this. We had a band of able co-operators, veterans in the field of co-operation to guide us in the past as was mentioned by Sri Ryan in his speech to-day. These gentlemen have gone. They have done yeoman service for the co-operative movement. In spite of the fact that we still have in our midst many able and public spirited men who take great interest in the co-operative movement, I am sorry to say that we do not find men of that calibre and stature, and independence to lead the co-operators of this State. I wish more men of intelligence, independence, broadvision and integrity will come forward in future to lead the co-operative movement in this State from strength to strength and see that the fair name that we have earned in this field in India is not lowered but on the other hand see that our reputation is raised to still greater heights so that at the time

when the Diamond Jubilee of the movement is to be celebrated ten years hence the co-operators of this State can give a better account of themselves.

Unhappily politics has during recent years tried to find its way into the administration of a few of the co-operative societies and institutions. Politics is all good outside, but it is bad in business. Woe unto that organisation which gives room for politics to influence its working. We must keep politics out of co-operative institutions. We must see that people to whatever group they may belong, owe allegiance only to the institution in which they are members or directors and work together for the benefit of the members of that institution and for the further development of that institution. In recent years there has also been a tendency for the Government official to take the place of the non-official in the matter of administration of these societies. It is not the fault of the Government. A number of societies have now grown up and we find we have not enough non-official personnel to man them. Therefore Government servants have come into administer these institutions. To replace these Government officials by non-officials we must train the required personnel quickly, people who will run these institutions honestly, profitably and efficiently. When we do this we would have done our duty by the Co-operative Movement. I therefore pray that every one of you, ladies and gentlemen, assembled here should take some interest in the co-operative movement and see that in the years to come there is a member of the co-operative institution in every family who will take active interest in the institution and work for its success, and thus get the fullest benefit of co operation to yourself and to your children."

The Golden Jubilee of the Co-op. Movement in Madras

Summary of Proceedings in City

The Co-operative Movement in India having completed fifty years of useful service, the Golden Jubilee of the Movement was celebrated on a nation-wide scale in April 1954. The celebrations were held in the Madras State also as a part of the nation-wide celebrations during the Easter Week, i.e., 18th to 24th April 1954. The Madras State Co-operative Union as well as the Registrar of Co-operative Societies, Madras, issued circulars to the Co-operative Institutions and the Departmental Officials in the State indicating the general lines on which the celebrations could be held, so as to be impressive and educative.

A mass enlightenment campaign was the main feature of the celebrations throughout the State. There were processions, meetings, entertainments, exhibitions etc., at various centres under the auspices of individual co operatives or the joint auspices of several institutions in the locality. The principles of Co-operation were reiterated and the faith of co-operators in their Movement was re-affirmed and the need for developing co-operation as the way of life in the next half century was emphasised. The Golden Jubilee was marked by the adoption of the Co-operative Emblem and the Ten Commandments of Co-operation. Brief reports of the celebration in the Districts are published elsewhere in this issue.

The Jubilee was celebrated in the Madras City also on a grand and impressive scale under the joint auspices of the several co operative institutions in the City, the Madras State Co-operative Union being the Chief Organiser. A Golden Jubilee Celebration Committee was constituted consisting of representatives of the apex co-operatives, central and important primary co-operatives in the City, the Registrar and two Joint Registrars of the Co-operative Societies, the General Secretary of the Madras State Co-operative Union being the Convenor. The programme of celebrations consisted in processions, meetings, entertainments, exhibitions etc., at the S.I.A.A. Grounds, Park Town, Madras and the publication of Co-operative Supplements in some of the dailies—The Hindu, The Mail, The Indian Express and The Dinamani (Tamil).

The celebrations in the City were held on 17th, 18th and 19th April 1954. The celebrations were commenced on 17-4-54 with a

procession of Co-operators and vehicles of some Co-operative Institutions from the Island Grounds to the S. I. A. A. Grounds in the afternoon. Several institutions participated in it.—the Ex-Servicemen's Motor Transport Society Ltd., Madras, the Madras Co-operative Milk Supply Union Ltd., Ayanavaram, The T. U. C. S. Ltd., The Madras State Handloom Weavers' Co-operative Society, Ltd. The Madras State Indian Medical Practitioners' Co-operative Pharmacy and Stores Ltd., Adyar, and the Chingleput Wholesale Stores etc., having sent many of their vehicles decorated to march in the procession to make it impressive and to show the solid strength of the Co-operative Movement. At the pandal which was excellently illuminated and decorated with flags, posters, leaves etc., at the S. I. A. A. Grounds, Park Town, there was a gathering about 40,000 persons to witness the celebrations. On the arrival of the Hon'ble the Chief Justice of Madras who was to inaugurate the celebrations, Nadaswaram (Pipe) was played by Sri T. N. Rajaratnam Pillai. Among those present were the Hon'ble Sri A. B. Shety, Minister for Co-operation, Madras and several prominent Co-operative officials, non-officials and other public men. The proceedings were commenced with a Welcome Address by Dr. P. Natesan, General Secretary, Madras State Co-operative Union, in the course of which he narrated the history of principles of Movement in our country. The celebrations were inaugurated by the Hon'ble Sri Justice P. V. Rajamannar, Chief Justice of Madras. Dr. P. Natesan then read the Messages received from several important personages like the President and Vice-President of the Indian Union wishing the celebrations all success. Sri A. Palaniappa Mudaliar, Joint Registrar of Co-operative Societies, Madras, and Sri Bhogaraju Venkataratnam, President, Madras Central Co-op. Land Mortgage Bank addressed the gathering and explained the principles of Co-operation and how to promote the movement. (These speeches are published elsewhere in this issue.)

A Cottage Industries Exhibition also was held. A Tamil Drama "Manamagal" was staged by Sri N. S. Krishnan & Party to provide entertainment for the large crowds assembled. The drama was appreciated.

On 18-4-54, there was again a very large gathering of about 40,000. Dr. P. Natesan welcomed the gathering. In his address he mentioned the present position of the Co-operative Movement in the State. Dr. A. Lakshmanaswami Mudaliar, Vice-Chancellor,

Madras University, presided and delivered his Address. Sri V. Balasundaram, Joint Registrar of Co-operative Societies, Madras, Sri K. N. Sivam, President, Madras Co-operative Milk Supply Union Ltd., Sri V. Parthasarathy, President, The South India Co-operative Insurance Society Ltd., also spoke about the Co-operative Movement and its value to the Community. (These speeches are published elsewhere in this issue.)

Sri M. K. Thyagaraja Bhagavathar gave a music performance which was greatly appreciated.

On 19-4-'54 the celebration was marked by remarkable liveliness; there was a record gathering of about 50,000 persons at the venue of the celebrations. Dr. P. Natesan, delivered his Welcome Address in the course of which he mentioned the lines on which the Movement could be built up. Shri Sri Prakasa, Governor of Madras, presided and delivered Presidential Address. Sri J. C. Ryan, Registrar of Co-operative Societies, Madras and Sri T. M. Chinnayya Pillai, President, Co-operative Fire and General Insurance Society Ltd., Madras, also spoke about the strength of the Co-operative Movement. (Their speeches are published elsewhere in this issue.)

Dr. P. Natesan proposed a vote of thanks.

The gathering were entertained to a dance performance by Srimathis Lalitha, Padmini and Ragini, which was much appreciated.

Co-operative Supplements were published by "The Hindu," "The Mail," "The Indian Express" and "The Dinamani" (Tamil) during the celebrations, giving a number of articles on several aspects of the Co-operative Movement and a number of photos of men, institutions and events relating to Co-operation. Pamphlets on Thrift and Co-operation were distributed on all the days of celebrations.

As the last item of the celebrations, a film show was held on 6-5-54 under the auspices of the Madras State Co-operative Union at the Little Theater of the U.S.I.S. Madras and Sri. J. C. Ryan, Registrar of Co-operative Societies, Madras presided. In his speech he explained the basic principles of Co-operation. Dr. P. Natesan proposed a vote of thanks.

List of Institutions which participated in the Exhibition.

1. Madras State Handloom Weavers' Co-op. Society, Ltd.
2. Co-operative Fire & General Insurance Society, Ltd.
3. Madras Co-op. Milk Supply Union Ltd.
4. Madras Co-op. House Construction Society, Ltd.
5. Palm-Gur Jaggery Section—Co-op. Dept., (Amelioration)
6. Madras State Indian Medical Practitioners' Co-op. Pharmacy & Stores, Ltd.
7. Strathie Co-op. Engineering Works Ltd.
8. Women Cottage Industries Co-op. Society Ltd.
9. Perambur Arunthatheeyar Leather Workers' Co-op. Society Ltd.

Golden Jubilee Celebrations in Madras
SUMMARY OF PROCEEDINGS IN DISTRICTS

Chingleput District.

Conjeevaram Co-op. Central Bank :

The Bank celebrated the Jubilee at Conjeevaram on the 17th April. Several other local co-op. institutions also joined in the celebration. Sri M. Vedachala Mudaliar, President of the Bank presided. Among the speakers were, Sri K. Srinivasalu Naidu, Vidwan Sri M. Venugopala Pillai, Sri M. Sanjeevi, and Sri P. Rayappa Naidu. The other institutions which celebrated the Jubilee were: The Tiruvallur Co-op. Urban Bank Ltd., The Chingleput Co-op. Supervising Union Ltd., The Tiruvallur Taluk Agriculturists' Improvement and Marketing Society Ltd., The Ponneri Co-op. Land Mortgage Bank, Kilacheri Co-op. Supervising Union and Saidapet Taluk Co-op. Marketing Society. At Saidapet Taluk Co-op. Marketing Society, Sri T. Parushothama Mudaliar, M.L.C. presided. The Hon'ble Sri M. Baktavatsalam, Minister for Agriculture addressed the meeting, in the course of which he said that agriculture should be improved, so that the standard of living of the people may rise.

The Co-operators of Kilacheri celebrated the Jubilee under the Presidentship of Rev. Arul Raj. Sri M. Papiiah Naidu and A. Ganesa Mudaliar spoke about the importance of Co-operation.

Coimbatore District.

Erode:

The Golden Jubilee was celebrated under the joint auspices of several Co-operatives in the Erode Town. The Erode Co-operative Urban Bank, Erode Co-operative Stores, The Erode Co-operative House Mortgage Bank, The Erode Co-operative Milk Supply Society, The Erode Local Co-operative Union etc. participated. Sri S. K. Chinnappa Gounder, Vice President, Coimbatore Nilgiris Co-operative Central Bank, presided. Sri M. P. Natchimuthu Mudaliar, President, Madras State Handloom Weavers' Co-operative Society, Sri R. K. Venkataswami Naicker, President, Erode Co-operative House Mortgage Bank and others spoke. The other Societies of Coimbatore District celebrated were: The Satyamangalam Co-operative Urban Bank, Ltd., The Alangombu Devanga Weavers' Society,

The Coimbatore Devaniga Weavers' Society and The Satyamangalam Co-operative Supervising Union.

Madura District.

The Jubilee was celebrated under the joint auspices of the Madura District Co-operative Central Bank, Madura Ramnad Co-operative Wholesale Stores, Ramnad District Co-operative Central Bank, The Madura City Milk Supply Union and several other Co-operative institutions. A good exhibition of Cottage Industrial and other products was also organised. There were processions, entertainments like dramas, etc. for 3 days from 19th to 21st. Among those who participated were Sir P. T. Rajan, M.L.A., Sri T. Narayana Pillai, Joint Secretary, The Madras State Co-op. Union, Sri G. Alagappan, Secretary, Madura District Co-op. Central Bank, Sri R. Nagulaswamy, President, Ramnad District Co-op. Central Bank, Sri V.M.R. Subbaraman, Sri A. Chidambaram, Chairman, Madura Municipality, Sri C. A. Ramakrishnan, Collector, Madura, Sri S. Rangarajan, District Judge, Madura, and several others.

Some other institutions also celebrated were: The Vellore Co-op. Urban Bank, The Periyakulam Co-op. Stores.

At Kodaikanal also the Jubilee was held under the joint auspices of the Kodaikanal Co-op. Stores, Milk Supply Union, Co-op. Urban Bank, Kodaikanal Observatory Milk Supply Society and Aduvam-patti Milk Supply Society.

Malabar District.

Badagara.

The Jubilee was celebrated under the joint auspices of the Badagara Local Co-op. Union, Co-op. Urban Bank, Producer-cum-Consumers' Society and the Badagara Weavers' Co-op. Society. Sri P. Kunhiraman, President of the Urban Bank presided. Among others participated were: Sri C. H. Kannaran, M. L. A., Sri P. Chathu, Sri V. R. Krishna Iyer, M. L. A., Sri U. P. Kunhirama Kurup, M. L. A. and Sri T. H. Narayana Kurup, President, Badagara P. C. C. Society.

Nilgiris District.

The Jubilee was celebrated at Kotagiri by the Kotagiri Co-op. Stores under the presidentship of Sri M. K. Nanja Gowder, President of the Nilgiris Co-op. Central Stores.

North Arcot District.

Tirupattur.

The Jubilee was celebrated in Tirupattur Town under the joint auspices of several Local Co-operatives. There was a procession and meeting. Among those who participated were: Sri P. S. Rajagopala Naidu, M. P., Sri E. L. Raghava Mudaliar, M. L. A., Sri G. Swamy Naidu, President, Tirupattur Town Bank, Sri Vidwan P. Periaswamy Pillai, Secretary, House Building Society, Dr. T. K. Padmanaban, President, Milk Supply Society, Sri V. S. Veerabhadra Mudaliar, Municipal Chairman and others. An interesting feature of the celebration was the rendering of the achievements of co-operation in folk-songs by Sri Vidwan P. Periaswamy Pillai, which gave a mass appeal regarding co-operation.

Some other institutions which celebrated were: The Gudiyattam Co-op. Urban Bank, Tiruvannamalai Co-op. Marketing Society, The Cheyyar Co-op. Union, The Arani Co-op. Union, The Gudiyattam Taluk Co-op. Union, The Polur Co-op. Union, The Chengam Co-op. Union and the Tiruvannamalai Co-op. Union. At Tiruvannamalai the celebration was held under the joint auspices of several Co-op. institutions in the taluk. Among those who participated were: Sri M. S. Seshachala Iyer, Sri N. Annamalai Pillai, M. L. C., Sri B. S. Srinivasagopala Iyengar, Sri A. Narayanaswamy Mudaliar, Sri T. S. Krishnaswamy Mudaliar, Sri T. S. Badrachalam Pillai, Sri A. Ramachandra Reddiar, and other prominent co-operators of the place.

Ramanathapuram District.

Rajapalayam.

The Jubilee was celebrated at Bupathiraju Co-operative Credit Bank, Rajapalayam, under the joint auspices of 25 societies. There was an exhibition of Cottage Industrial products and agricultural implements. Sri S. Ramaswamy Naidu, M.L.A. presided. Among those who participated were: Sri P. S. Subbaraja, President of the Bupathiraju Co-operative Credit Bank, Sri R. V. Ramasundaram Pillai, Sri R. G. Nallakuthalam Pillai, Sri M. Kalyanam Iyer, Sri A. K. D. Balarama Raja.

The celebration was also held at Paramakudi under the joint auspices of the Local Co-operative Union, Co-operative Stores, Co-operative Urban Bank, Milk Supply Society, Weavers' Society, Sales Society, etc. Among those who participated were: Sri R. Nagulaswamy Naidu, President, Ramanathapuram District Co-operative Central Bank, Sri V. Alagappan, Secretary, Madura

District Co-operative Central Bank, Sri S. R. M. Sankaralingam, Sri T. K. Navalur, Sri M. Ramakrishna Iyer and others.

The celebration was also held at Tirupattur with great pomp and grandeur and also at Srivilliputtur under the auspices of the Srivilliputtur Urban Bank, Local Supervising Union, etc.

At Virudunagar the Jubilee was celebrated under the joint auspices of the Local Urban Bank, Stores, Milk Supply Society, Weavers' Society, Building Society, Agricultural Improvement Society, Women Cottage Industries Society. Sri V. V. Ramaswamy Nadar, M.L.C., Founder-President of the Local institution welcomed the gathering. Sri V. Alagappan presided. Sri M. Venkatachallam and Sri N. Sethu Ragunathan also participated.

Salem District.

The Salem Co-operative Central Bank.

The Jubilee was celebrated at the Salem Co-operative Central Bank under the joint auspices of the Local Societies—Salem Co-operative Central Bank, The Salem Wholesale Stores, The Salem Co-operative Marketing Society, The Salem City Stores, The Swarnapuri Co-operative House Building Society, The Salem Co-operative Urban Bank and The Attur Co-operative Union, and The Tiruchengodu Handloom Weavers' Society. Sri D. Krishnamurthy Gounder, President, Salem Co-operative Central Bank welcomed the gathering. Sri P. Sabanayakam, District Collector, presided. Among those who participated were: Sri T. R. Venugopal, Sri K. Subbaramaniam Gounder, President, Salem Wholesale Stores, Sri S. Doraiswamy Pillai, President, Salem Marketing Society, Sri V. Vanjinatha Iyer, President, Swarnapuri House Building Society, Sri M. Srinivasa Reddiar, President, Attur Co-operative Union, Sri A. Sankaran, Sri A. Ganesh Shankar, Sri G. P. Somasundara Gounder and Sri P. M. Manikyam Chettiar. Two dramas on Co-operative life were enacted by the Tiruchengodu Handloom Weavers' Society troupe.

The celebration was held also by the Dharmapuri Co-operative Union, The Tiruchengodu Co-operative Union, The Harur Co-operative Union, The Hosur Co-operative Union, The Kaveripatnam Town Bank, The Mettur Government Servants' Co-operative Stores, The Kelamangalam Co-operative Marketing Society etc.

At Krishnagiri the celebration was held under the joint auspices of the Krishnagiri Co-operative Union Urban Bank, Land Mortgage

Bank, Co-operative Stores, House Building Society, Weavers' Society, Milk Supply Society, and Students' Stores. Among those who participated were: Sri D. Krishnamurthy Gounder, Sri A. Varadarajan (District Munsiff), Sri R. S. Veerappa Chettiar, Secretary, Dharmapuri Co-operative Union, Sri B. L. Karivanna Mooppanar, Sri K. N. Subramaniam Chettiar, Sri Paravasudeva Iyer, Dr. N. Annaji, Sri M. C. Govindarajulu Naidu, Sri U. P. Gupta, and Sri Vasudeva Rao.

South Arcot District.

South Arcot Co-op. Central Bank, Cuddalore.

The Jubilee was celebrated at the South Arcot Co-op. Central Bank, Cuddalore, under the joint auspices of Central Bank, The District Central Stores, etc. Sri K. Sitarama Reddiar, President of the Central Bank hoisted the co-op. flag. Among those who participated were: Sri S. Gnanadesikan, Sri T. R. Chakrapani Iyengar, Sri N. Gopala Iyengar, Sri R. A. Sivananda Mudaliar, Sri T. K. Narayanaswamy Naidu, Sri A. Uthandaraman, District Collector, Mrs. Rani Manuel, Sri D. N. Duraiswamy Mudaliar, Sri T. A. Srinivasachariar, Sri M. Pachayappa Mudaliar, Mrs. Muthuramakrishnan, Sri, C. V. Srinivasachariar, Sri G. Subramania Pillai, Sri R. Kanakasabai Pillai, Vice-President of the Bank and Sri T. R. Dharanidharan Secretary, of the Bank. The Hon'ble Sri. S. S. Ramaswamy Padayachi, Minister for Local Administration, Madras, also presided on the last day of the celebrations. There was music and other entertainments; the drama "Dream Woven" written by Sri J. M. Lobo Prabhu, I.C.S., Development Secretary, Madras, was also staged. A nice exhibition of the goods of Weavers' Societies, Toy Makers' Societies, Palm-Gur Institute, Milk Supply Union and the activities of the Public Health, Animal Husbandry and Agricultural Departments was held.

The Jubilee was also celebrated by the Tirukoilur Urban Bank, Tindivanam Urban Bank, etc.

Tanjore District.

Kumbakonam Co-operative Central Bank.

The Jubilee was celebrated at Kumbakonam Central Bank under the joint auspices of the Central Bank, Land Mortgage Bank, Bakthapuri Buying Club, Urban Bank, etc. Sri R. Lakshmana Iyer, Sub-Judge presided. Sri R. Kandaswamy Mooppanar, President of

the Jubilee Committee, welcomed the gathering. Among those who participated were: Sri N. S. Ramalingam, President of the Central Bank, Sri K. Rm. Singaram Chettiar, Vice-President of the Central Bank, Sri N. R. R. Narayanaswamy Naidu, Sri K. Sarangapani Iyengar, Sri R. Venkataramana Iyer, Sri Lakshmikanta Mudaliar, Regional Marketing Officer, etc. There were grand procession, poor feeding, elocution competition for School boys and prize distribution, entertainments like Peacock dance, dramas etc. Sri N. S. Ramalingam, proposed a vote of thanks.

Tanjore Co-operative Central Bank.

The Jubilee was celebrated at Tanjore Co-operative Central Bank under the joint auspices of the Tanjore Co-operative Central Bank and other Local Co-operative institutions. Sri K. S. Venkataraman, District Judge, presided. Sri A. Panchapakesa Iyer, President of the Nicholson Town Bank welcomed the gathering. Among those who participated were: Sri N. S. Ramalingam, President, Kumbakonam Co-operative Central Bank. Sri S. Ramalingaswamy, Vice-President, Tanjore Co-operative Central Bank, Sri O. N. Ramaswamy Iyer, Sri S. Ayyaswamy Vandayar, Sri Baskara Thondaiman, Sri A. Sethurama Iyer, Sri K. G. Kariappaswamy, Sri T. R. Subramania Iyer, Deputy Registrar and Sri Sudama Rao, Deputy Registrar. There were an impressive procession and entertainment like music, dance and drama, besides poor feeding.

The Jubilee was also celebrated by the Tiruthuraipundi Local Co-operative Institutions. Sri N. S. Ramalingam welcomed the gathering. Sri P. Paul Pandiyan, District Munsiff presided. Among those who participated were: Sri K. Kalimuthu, Secretary of the Velipalayam Milk Supply Society, Sri V. Vaidyanatha Iyer, President, Tiruthuraipundi Co-operative Stores and Sri C. Sivabramania Mudaliar, Secretary, Tiruthuraipundi Land Mortgage Bank etc.

The Jubilee was also celebrated by the Kumbakonam Co-op. Urban Bank, The Kamalambika Co-op. Urban Bank, Tiruvarur, Shiyali Co-op. Urban Bank, Sri Lakshminarayana Co-op. Urban Bank, Vijayapuram, The Kumbakonam Co-op. Land Mortgage Bank, Tiruvarur Co-op. Supervising Union, Kumbakonam Town Extension Stores and Sundaraperumal Koil Weavers' Society etc.

At Nagapattinam the Jubilee was celebrated under the joint auspices of Nagapattinam Co-op. Urban Bank, Stores, Public

Servants' Co-op. Stores, Building Society, Velipalayam Milk Supply Society, Indian Steel-rolling Mills Co-op. Credit Society, Nagapattinam Egg Society, National High School Students' Co-op. Society, and Nagapattinam Municipal Employees' Co-op. Credit Society. The Jubilee was organised by Sri K. Kalimuthu, Secretary of the Velipalayam Milk Society. Dr. J. Y. Arthur, President of the Milk Society presided. Among those who participated were: Sri K. Sriramulu Naidu, Sri R. Thyagaraja Iyer, Sri A. Ramachandra Naidu, Sri S. P. Kandaswamy Pillai, Sri R. V. Gopal, Sri R. Gopal Iyer, Sri N. Nagalingam Pillai, Sri R. Subramania Iyer, Sri S. Malaya Pillai, Sri J. A. Ryon etc. There were poor feeding, essay competition and prize distribution among school children, etc.

Tiruchirapalli District:

Tiruchirapalli District Co-op. Central Bank:

The Jubilee was celebrated at Tiruchirapalli Co-op. Central Bank, under the joint auspices of several co-op. institutions in the locality. There was a procession with music and elephants etc. The meeting was presided by Sri T. M. Narayanaswamy Pillai, M.L.C. Sri T. S. Muthukumaraswamy Pillai, President of the Bank hoisted the co op. flag. Sri Chengamalam Pillai opened the Cottage Industries Exhibition. Among others who participated were: Sri P. S. Sivagnana Mudaliar, President, Co-op. Urban Bank, Smt. Chellammal, President, Cottage Industries Society, Pavurangam, Sri T. K. Thillaiyvelu Mudaliar, President, Trichy House Building Co-op. Society, Sri Kailai Anantham, Sri P. Venkatachellum etc. There were a Cottage Industries Exhibition opened by Sri S. Chengamalam Pillai, Vice President of the Bank, and an elocution competition in which prizes were distributed.

Pudukottai Co-op. Central Bank, Triuchi District:

The Jubilee was celebrated at Pudukottai in a grand manner under the joint auspices of the Pudukottai Central Bank and 15 other local co-operatives such as The Central Stores, Town Bank, Brahadambal Co-op. Bank, Pudukottai Urban Co-op. Stores, and the T. V. S. Co-op. Stores. Sri R. Rajagopala Iyer, Retd. District Judge of Pudukottai presided. There was a long procession with music and song. School children were given sweets and the poor were fed. Sri Ambalagarar, President of the bank hoisted the Co-op. flag and welcomed the gathering. Among those who participated were: Sri V. S. Ganapati Sastrigal, Sri D. Srinivasa Iyer, Sri

G. Sundaresa Iyer, S. P. Srinivasan, Sub-Collector and Mr. Earnest, Sub-Judge, Pudukottai and Sri Balasubramania Iyer, Hony. Secretary Pudukottai Urban Co-op. Stores. A co-op. drama was also staged. The Jubilee was also celebrated at Alangudi, Karambakudi and Veeralimalai of Pudukottai area also.

Tirunelveli District.

Tirunelveli District Co-op. Central Bank :

The Jubilee was held at the Tirunelveli District Co-op. Central Bank, under the joint auspices of several co-op. institutions of the locality. Extensive arrangements were made for the celebrations by Sri M. D. Kumaraswamy Mudaliar, President of the Golden Jubilee Committee. An exhibition of the products of several Producer Societies was also organised. Sri R. Shunmugam Pillai, President Tinnevely Junction Co-op. Urban Bank hoisted the co-operative flag. Sri A. P. C. Veerabagu Pillai, President, Tinnevely District Central Stores, opened the exhibition. Sri S. M. Balakrishnan Pillai, Collector, inaugurated the celebration and Sri Maharaja Pillai, Municipal Chairman, Palayamkottai, presided. There were dramas and debates etc. Among those who participated were: Sri P. Arunachalam Pillai, Municipal Chairman, Tinnevely, Sri. M. D. Kumaraswamy Mudaliar, President, The Madras State Co-op. Bank. etc.

Apart from this general celebration the Tinnevely District Central Bank separately celebrated on 21-4-54 with special grandeur. Sri K. Sitarama Reddiar, President, South Arcot Central Bank hoisted the co-op. flag. Sri M. D. Kumaraswamy Mudaliar, welcomed the gathering. Sri S. M. Balakrishnan Pillai, Collector, presided. Sri V. V. Ramaswamy Nadar, M.L.C., unveiled the portrait of Sri J. C. Ryan, Registrar of Co-op. Societies, Madras, and expressed how the development of the movement was largely due to the efficiency of Sri Ryan. The hall of the Bank building which has been completed was named "Co-op. Golden Jubilee Hall" and was declared open by Sri T. S. Muthukumaraswamy Pillai, President, Tiruchirapalli District Co-op. Central Bank. Dr. P. Natesan, General Secretary, The Madras State Co-op. Union, gave the valedictory address. Among those who participated were: Sri D. Krishnamurthy Gounder, President, Salem District Central Bank, Sri A. S. Kuppaswamy Iyer, Sri S. Ramaswamy Konar, Sri S. P. Nelliappa

Pillai, Sri. Vidwan K. Arunachala Gounder and Sri T. V. Kantimathinathan.

The Jubilee was also celebrated by the Co-op. Institutions of Ambasamudram Taluk—The Ambasamudram, Kallidaikurichi and Veeravanallur Urban Banks, The Ambasamudram Land Mortgage Bank, The Ambasamudram, Kallidaikurichi & Papanasam Harvey Mill Employees', Pappankulam, Ravanasamudram and Veeravanallur Stores, The Ambasamudram, Kallidaikurichi Old and New, Veeravanallur Sakthi, Sourashtra and Valluvar, Ravanasamudram and Pappankulam Weavers' Societies, The Ambasamudram, Veeravanallur and Kallidaikurichi Milk Supply Societies, etc. Among those who participated were: Sri A. K. Srinivasa Iyengar, President, Golden Jubilee Committee, Sri V. M. Subramanian, Sri Velayuda Mudaliar, Sri A. S. Ramayya Pillai, Sri N. Sankaran Iyer, Sri K. M. Chellayya Pillai. Sri K. V. Ananthanarayana Iyer, old co-operator hoisted the co-op. flag. In the evening a huge procession marched, headed by the garlanded co-operative emblem. Sri Velayuda Mudaliar declared the exhibition open. Sri A. Nataraja Mudaliar presided. Some of the other speakers were: Sri P. A. Ganapathy Mudaliar, Sri Komathi Sankara Dikshitar, Sri K. M. Chellayya Pillai, Sri S. Nataraja Iyer, Sri M. S. Venkatachari. Sri E. H. Parameswaran, M.L.C., Sri D. T. Alwar, Sri K. Palani Mudaliar, Sri A. B. Thangavelu Mudaliar. Sri K. P. Kalyanasundaram, Secretary of the Golden Jubilee Committee etc.

The Jubilee was also celebrated by the Puliangudi Supervising Union.



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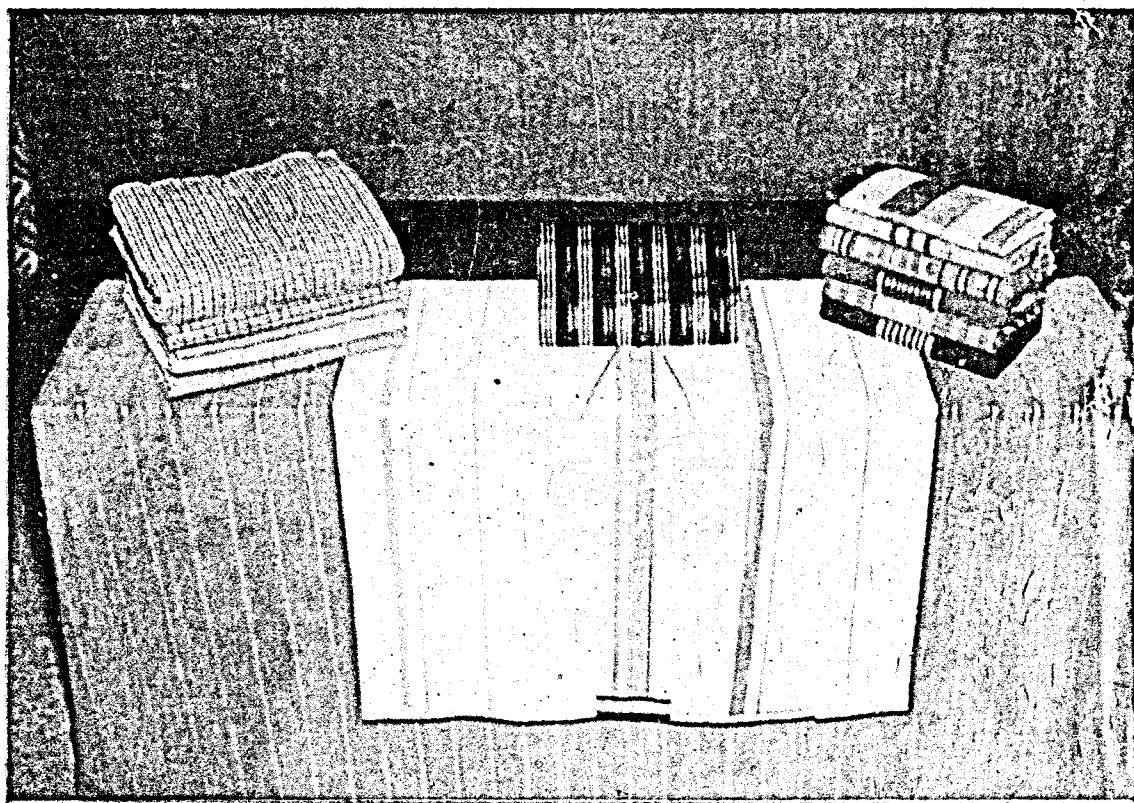
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Summary of Balance Sheet as on 31-8-'53.

Liabilities.		Assets.	
	Rs.		Rs.
Paid up Share capital.	14,24,800	Cash on hand and balance with Banks	5,90,007
Reserve and other Funds	18,22,631	Loans to Primary Banks	3,06,42,210
Debentures	3,50,16,500	Sinking Fund Investments	77,53,694
Deposits, Loans and Overdrafts	29,63,348	Other Investments	23,38,740
Sundry Liabilities	4,20,288	Sundry Assets	7,27,211
Overdue Interest not realised	40,432		
Net Profit	3,64,363		
Total	4,20,51,862	Total	4,20,51,862

O. V. CHINNASWAMY,
Secretary.

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