The Madras Journal of Co-operation

THE MADRAS STATE CO-OPERATIVE UNION

EACH FOR ALL & ALL FOR EACH

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Thought for the Month

AN ECONOMIST'S TRIBUTE TO THE PIONEERS.

"O, Pioneers to you I return thanks, not only for having given us an organisation, which for millions has obtained comfort and improved conditions of living which as an Economist has said was the only successful social experiment of nineteenth century; but above all for having taught us an admirable lesson in modesty by showing us that all our knowledge, all the wisdom of the Scribes and Pharisees, all that is set down in books and in the law, all in the name of which we instruct and govern mankind, is not worth in foresight and motive power, the action of a few humble workers, who simply lived, laboured, and suffered with no other teaching than is derived from manual labour, the thought of our daily bread and unshakable faith in the advent of justice."

— CHARLES GIDE.

Editorial Notes

THE PROBLEM OF OVERDUES.

The Co-operative Movement is on the threshold of a great purposive expansion. The Integrated Credit Scheme, is bound to invest the Movement with a new significance and in its wake, the Movement has to shoulder new responsibilities as well. Not only will the quantum of credit supply be increased, but also the quality of credit service will be reorientated to suit peoples' needs. The Movement will be so reorganised as to be of real benefit to the small peasants and primary producers of the land.

In this context of expansion of the agricultural credit movement, the need for vigorously checking the size of overdues is apparent. Of late, there has been an increase in the percentage of overdues. The State average for the percentage of overdues was 10.94 per cent in 1953-54: it has gone up to 11.2 per cent in 1954. This is somewhat of a disturbing trend. But a few depressing forces have been at work in the rural economy, like the fall in agricultural prices, and the unfavourable seasonal conditions in certain parts of the State. But, this situation certainly should not give room for complacency. For the presence of overdues, irrespective of size or volume is not a healthy sign. Even a small increase in overdues should put us on our guard and brisk and energetic measures must be taken to arrest this trend.

It does not mean that there is not a brighter side to the picture. The Tirunelveli Co-operative District Central Bank has been doing excellent work for the past 12 years in this direction and the Bank has been unique in reporting 'Nil' Balance under both principal and interest for the past 12 years. This is a splendid achievement, indeed. This year, the Tiruchirapalli Central Co-operative Bank, the Kumbakonam Co-operative Central Bank and Nilgiris Co-operative Central Bank have also reported no overdues either under principal or interest on 30th June 1955. The work of these banks is really commendable.

Bad harvests, lack of proper supervision, lack of proper attention to the granting of loans, without due regard to purpose or repaying capacity of members, indiscriminate granting of extension, the prevalence of benami transactions, the failure of taking prompt and sufficient steps for the recovery of overdues and, last, but not the least, the illiteracy and ignorance of the co-operative principles

among the members of the rural societies are a few of the principal reasons for this increase in overdues. The move for large sized primaries with a technically competent management, the change in credit technique as envisaged by the Integrated Credit Scheme are bound to make the credit machinery, not only useful to the small cultivators and the like, but also highly efficient in its working. But the task of awakening the sense of responsibility in the members and of teaching virtues such as orderliness, foresight, punctuality and strict respect for engagements entered into is an immense problem. The only remedy for this lack of co-operative efficiency is the patient and the persistent education of the members of primary Societies in the principles and meaning of Co-operation. And in fulfilling this task, the Co-operative Financing Banks have a vital role to perform. In this connection, it may be of interest to note that the Registrar has drawn up a workable scheme for training the Panchayatdars and members of the rural credit societies, in consultation with the State Co-operative Union. We would make a special appeal to the Co-operative banks to take a lead in implementing this scheme, when it goes into action. We also appeal to the Central Banks to study the position of overdues and take active, brisk and prompt steps not only to wipe out overdues; but also to ensure the prompt repayment of arrears. On the eve of the All India Co-operative Day, the District Banks may launch a District wide Co-operative Drive, to increase the membership, to increase capital and to increase the business efficiency of Co operatives. Such a drive will give a fresh momentum to the Co-operative Movement in this State.

ALL INDIA CO-OPERATIVE DAY

In a stirring appeal, Dr. Punjab Rao Deshmukh, Minister for Agriculture, Government of India says:

"We are determined to tackle the Co-operative Movement in the same way, and I am confident that we will take Co-operation out of the hum-drum-departmental routine and make it, as it ought to be a live and living force. With this end in view, we have planned to launch a vigorous drive to explain the place and importance of Co-operation in every conceivable field and to create as far as possible an atmosphere in the country where Co-operation will take deeper root and will attract more people. In this big, but more important task I am sure, I will receive the fullest co-operation from you and all other elements in the country."

In response to the call of India's Agriculture Minister and the Registrar of Co-operative Societies, Madras, the Madras State Co-operative Union has modified its programme and has now decided to celebrate the All India Co-operative Day for one week from 5th Nov. 1955 to 11th November 1955 in a fitting manner.

We appeal to all the Co-operatives in this State to celebrate the All India Co-operative Day for one week from 5th to 11th November, 1955 so as to enthuse the people with the spirit of Co-operation. The following may be the broad pattern of the programme.

Date	*Description of the Celebrations*
5th November 1955	All India Co-operative Day.
6th November 1955	Consumers' Day.
7th November 1955	Artisans' Day.
8th November 1955	Students' Day.
9th November 1955	Farmers' Day.
10th November 1955	Womens' Day.
11th November 1955	Planning Day.

We appeal to all Co-operators to form suitable Committees and then plan to celebrate the week in a fitting manner. Public meetings, pageants, processions may be held and the message of co-opera-may be brought home to as many people as possible, with as much attractive force which the Movement can summon with its resources.

BUY HANDLOOM.

The Deepavali season has commenced. People of our State will soon make their annual purchases of cloth. It shall be the most appropriate occasion to remind the consumers to buy handloom and thus support this large household industry, which is the second major provided of employment, in the economy of our State.

Just as we go to the Press, we received some cheerful news. The handloom industry in our State has reached new levels of efficiency both in respect of production and marketing. Average monthly production has stepped up from Rs. 28 lakhs to Rs. 35 lakhs. Besides, arrangements are being made to meet the special Deepavali demand. According to the spokesman, the industry has geared itself to meet the entire demand of Rs. 75 lakhs of cloth. That is an happy trend, indeed.

Happier still is the news that the accumulation of stocks is now on the down trend. Four months ago, the accumulation of stocks

mounted up to Rs. 20 lakhs ; but now it has been cleared, mostly and amounts to only Rs. 6 lakhs. This good result has been to a combination of various factors stimulating demand, namely 10 per cent to 25 per cent price cut in unsold varieties and the grant of rebate to Consumers. There is now a move to grant a special rebate of two annas for purchases made from Weavers Depots and $1\frac{1}{2}$ annas for purchases made from fair price shops, which will be in force from November, 1 to November, 15.

The All India Handloom Board has become a bulwark of strength to the weaver. It is mainly due to the energetic and poineering assistance of the Board that the marketing potential of the handloom industry has increased with such tremendous success. The internal marketing has been strengthened by increasing the number of Sales Depots, Inter-State Depots and by the creation of All India Co-operative Marketing Fabrics Society, Ltd. The external marketing has been intensified by Trade Missions, by conducting Trade Fairs and by sending out expert Marketing Officers. Of late, American interest in the Madras Handkerchiefs, lungis, check pattern cloths are increasing and a bulk order of Rs. 20 lakhs is expected. This is a happy augury. But the permanent way to rehabilitate the industry is to improve the productive efficiency of the Weaver and thereby enable him to increase his earnings. The high reputation that the handloom goods enjoy in the foreign markets must be enhanced. The goods should be standardised and the artistic excellence should be maintained. That is the only enduring method of increasing the marketability of handloom products. For achieving this end, Co-operative organisation is the only efficient agency.

It is redeeming to find that a provision of Rs. 130 crores have been made in the II Five Year Plan, of which Rs. 65.381 crores will be grants, and Rs. 64.619 crores will be loans. By the end of the Second Five Year Plan, the productive potential of the handloom industry will reach 3,000 million yards per annum.

We appeal to the Consumers, who are sovereigns of the market to take a solemn declaration to buy handlooms and thus enable this ancient and useful industry to stabilize itself.

OBITUARY

We regret to report the passing away of Sri N. Satyanarayana, Vice-President of the All India Co-operative Union on the night of 30th September 1955 at Sir Harbindad N. Hospital, Bombay, where he was undergoing treatment for jaundice. Shri N. Satyanarayana was a prominent Co-operator among Andhras for more than a quarter of century and he was connected with numerous Co-operative Institutions. He was the main architect and inspirer of the Rural Bank at Alamuru, which had won the admiration of eminent Co-operators in India and abroad for its new and effective services to its members. He was also for some time the Joint Secretary of the Madras State Co-operative Union and had also served on the Managing Committee of the State Co-operative Bank. Very recently. he was nominated to the Central Board of the State Bank of India. In his death, the Co-operative Movement in India has lost a friend, philosopher and guide. May his soul rest in peace !

The Second Madras State Co-op. Conference of Milk Supply Unions and Societies

AN APPEAL

The Second Madras State Co-operative Conference of Milk Supply Unions and Societies, which was tentatively fixed to be held in the last week of October, is scheduled to be held in the last week of November, 1955. The exact date will be notified in due course. Meanwhile, we make an appeal to all the Milk Supply Unions and Societies to send the names of delegates and the resolutions to the Union. We make a special appeal to all bigger Milk Supply Unions and Societies to contribute liberal donations of Rs. 100 and above, in order to convene the conference in a fitting manner.

Brisk arrangements are being made. We appeal to all milk co-operatives to co-operate with the Union and make this conference a brilliant success.

Dr. P. NATESAN,
General Secretary.

MEDAI. DALAVOI. KUMARASWAMI MUDALIAR.
President.

New Godown of Perambalur Multi-Purpose Society

Sri A. Palaniappa Mudaliar, Registrar opened the New Godown of the Perambalur Multi-purpose Co-operative Society on 26—9—55.

Ponneri Rural Bank

Sri M. Bhakthavatsalam inaugurated the Ponneri Rural Bank. Sri A. Palaniappan, Sri T. Purushotham, M.L.C. are seen in the picture.

Silk Weavers' Co-operative at Kancheepuram

A view of Sales Emporium of the Kancheepuram Silk Weavers' Co-operative. A fine display of the Sarees produced by the members.

Co-operative endeavour. Both are at the loom—the weaver and his wife.

SPECIAL ARTICLES

The Madras Co-operatives and the Silk Handloom Industry.

Sri A. Palaniappa Mudaliar, M.A.
Registrar of Co-operative Societies, Madras.

Silk Handloom Industry – Its Importance

The Silk Handloom Industry is an important Cottage Industry of India. Silk has its votaries in all sections of the people. No festive occasion—a wedding or some other occasion of revelry—is celebrated without the use of silk in some form or other and even the poorer sections of the population make it a point to purchase some piece of silk for use on festive occasions. The relatively high cost of the silk fabric and the sense of dignity and charm which it imparts to its weaver, make silk the favourite of the richer classes of society. It may be said that generally a person attired in silk assumes—though perhaps unconsciously—an air of importance and impresses the observer as one "well-bred".

Silk Weaving—Its Hurdles and History

Silk weaving is as old as cotton weaving in this country. A large number of handlooms were weaving silk fabrics all over the country especially in Bengal, the Punjab, Assam, Utter Pradesh, Bihar and Madras and the former princely States of Mysore and Kashmir. Bengal alone employed one million persons in this industry before 1915. The industry was little affected by the Industrial Revolution and the cheap imports from Lancashire in the nineteenth century. But it suffered a severe setback after the Great War (1914-1918) on account of several reasons. There was a large import of artificial silk in this country. This set up a serious competitor to pure silk especially in point of price. There was a definite shift of tastes and dress habits of the people and the public welcomed plain laundered garments. Arising as a result of the low level of income, a craze for simplicity was also in evidence. The silk industry thus faced a steady decline and centres of silk weaving like Poona, Kornad, etc. were hard hit by the development of these unfavourable conditions.

The Structure of Silk Weaving in Madras

In the Madras State, the silk handloom industry thrives in isolated pockets in several centres like Kancheepuram in the Chingleput District, Kumbakonam and Mayuram in the Tanjore District, Trichy, Madurai, North Arcot, Coimbatore and Salem Districts. The pattern of employment of weavers obtaining in the industry closely follows that which is prevalent in the cotton handloom industry. Broadly, there are two categories of silk handloom weavers, viz., the independent handloom weaver and the weaver working under a master-weaver. Due to the poor condition of the average silk weaver and the need for a large outlay to carry on production, it may be safely assumed that the number of independent handloom weavers in the silk industry is not large; the bulk of the weavers is therefore working under master weavers. A master weaver provides raw material to the cooly weaver, sets patterns for production and takes up the responsibility for marketing the goods thus produced. He pays wages at rates which will bring in maximum profits to him and does not give the actual producer a share in the profits. The "master-weaver—cooly weaver" system has not been conducive—but positively detrimental—to the permanent betterment of the poor silk handloom weavers. The profits in silk trade are larger than in the cotton handloom trade, and the workers rightly feel that they are denied a fair share of the fruits of their toil. In Kancheepuram there are about 5,000 silk handloom weavers. One hundred and twenty merchants trade in silk in that place and its neighbourhood. About 1,500 of the weavers ply their profession independently. They purchase raw silk out of their own sources or with funds borrowed at perhaps high rate of interest, convert it into finished goods and sell them to merchants at rates dictated by the latter. More than three thousand weavers work for master-weavers and merchants and earn wages which are often not adequate. Steps were therefore taken to organise them on a co-operative basis so that they might enjoy the benefits of co-operative efforts and be freed from the strangle-hold of the master-weavers. The steps taken are indicated elsewhere in this article.

Rehabilitation of Silk Industry—Government Help

The Governments—Centre as well as the State—have been pleased to realise the importance of the silk handloom industry and are taking steps to rehabilitate the workers engaged in it. The Government of India constituted a body called the Central Silk Board and made it responsible for the development of this cottage industry. The resources available with this body were, however, limited. It was therefore suggested that assistance from the cess fund constituted for the development of the handloom industry should be made available for fostering the silk industry as well. The Standing Committee of the All India Handloom Board considered this matter and recommended to Government that the Central Silk Board might be made responsible for the development of silk upto

the stage of weaving and the All India Handloom Board for all aspects from the stage of weaving. This recommendation has been accepted by the Government. Assistance from the Cess Fund has, therefore, been made available for the silk handloom industry broadly on the lines of the general principles applicable for the cotton handloom industry. Weavers organised into co-operatives will be eligible for assistance. Interest-free advances may be given from the Fund to weavers to enable them to pay their share capital and join the societies. The silk weavers co-operatives are also eligible for loans towards their working capital. Assistance may also be sought from the fund for the supply of accessories connected with silk weaving.

Marketing Assistance

In order to stimulate the sale of silk, the All India Handloom Board resolved that the marketing of silk handloom fabrics overseas should be dovetailed with the external marketing scheme for cotton handloom fabrics and that a sum of Rs. 50,000 should be initially sanctioned to enable samples of silk fabrics being bought and sent to the handloom cloth marketing officers appointed under the external marketing scheme, so that they might explore the possibilities of marketing such fabrics. Government accepted this recommendation and promised to sanction a sum of Rs. 25,000 for this purpose in 1955-56.

Organisation of Co-operatives for Slik Weavers

In the Madras State, schemes have been formulated for forming co-operative societies for the benefit of silk handloom weavers and are under the consideration of Government. A scheme for the formation of a Co-operative Production and Sale Society for the silk handloom weavers at Kancheepuram under the Cess Fund Scheme has been approved by Government. To start with, a provision was made for the admission of 120 members. The value of each share is Rs. 100. Twenty five per cent of this amount should be contributed from the weavers own resources and the balance will be contributed by the Government as interest-free advance from the Cess Fund recoverable within two years. Provision has also been made to give working capital at the rate of Rs. 500 per loom. The scheme envisages supply of looms and accessories, charkas, warping frames, reeds, healds, etc., to the members. Its total cost amounts to Rs. 69,700 under loans and Rs. 22,338 under grants. The society formed under the scheme was started on 6-3-'55. The area of operations of the society extends to the municipal limits of the Kancheepuram town and Thirukalimedu, Sevilimedu, Orikkai and Vaiyavoor villages.

There are 124 members on the rolls of the society with a paid up share capital of Rs. 9,465. Seventy five silk hanlooms are working for the society. Government have sanctioned a loan of Rs. 60,000 to the institution towards its working capital. The society purchased materials like raw silk, processed silk, warp, gold thread, dyes and chemicals to the value of Rs. 12,040 for distribution to its members. It produces sarees of 6 to 9 yards length, pavadais and blouse pieces. The total value of goods produced and sold upto the end of August 1955 (Four months' accounts) amounted to Rs. 21,429 and Rs. 16,404 respectively. The value of stock on hand was Rs. 7,569. The average earning of a member of the society, ranges from Rs. 40 to Rs. 45 per month. Government have sanctioned a Co-operative Sub-Registrar and two Senior Inspectors, free of cost for work connected with the society. The society produces cloth of good quality. The purchasers of its products include the Madras State Handloom Weavers Co-operative Society, the Handicrafts Emporium and the All-India Handloom Board.

Expansion Proposals

There is a proposal to extend the activities of the Kancheepuram silk weavers co-operative society by admitting 100 more looms and establishing a pattern weaving unit as an adjunct to it. One other proposal to benefit independent weavers in that town relates to the formation of a marketing co-operative society. The function of this society will be to arrange for the sale of finished goods of independent weavers on an agency basis. One hundred independent weavers will be admitted as members. Provision will be made for advancing upto 75 per cent of the value of the shares as interest free loan from the Cess Fund to the members.

Schemes for the starting of silk weavers co-operative societies in Kumbakonam, Thirubhuvanam and some other places are under the consideration of the Government of India. It is also proposed to start a silk weavers society in Arni in the North Arcot District.

Art and Industry

It has often been said that the artistic excellence of a country is fostered by its cottage industries. Government are taking steps to develop the various cottage industries in India. Special measures have been taken to stimulate the market for cotton handloom goods. As the silk handloom industry also sustains considerable number of people, it is upto the well-wishers of the country to see that this industry does not languish but is revived so that it might reflect the superb skill of India's artisans.

A Plea for Re-organisation of Consumer Stores

Sri C. S. Ramachandran,

Secretary, Chandrasekarapuram Co-operative Stores Ltd.

Consumer Stores—Their Present Position

The Consumer Movement has no doubt failed miserably, since the abolition of controls and nearly 80 per cent of the stores societies are working at a loss. Most of the societies are war babies and were started without any planning and with inadequate share capital. The members were not made aware of the magnitude of the problem of running a consumer society on proper lines. Due to acute shortage of various commodities during the inter-war and post-war years, these societies came into existence. Most of the societies are passing through difficult times and are being liquidated.

Why Consumer Stores Face Crisis?

It was impressed by the authorities at the time of formation of these societies, that the District Wholesale Stores would supply all the requirements of these primaries and that the Central Bank would finance upto 8 times the paid up share capital and reserve fund of each society. Naturally, not knowing the practical difficulties involved in running a business, groups of people joined in various areas and formed societies with the expectation of getting anything and everything from the wholesale stores, and sufficient funds from the Central Bank. When these primaries approached the Central Stores for guidance and for supply of its requirements, the Wholesale Stores which was also concentrating its attention on controlled commodities only, could not do anything better. So, these primary societies not only lost all initiative but also were left in the dark not knowing how to economically carry on a retail business. The fundamentals were either ignored by the primaries or they were not made aware of viz., that a consumer society should be in a position to supply all the needs of its members apart from controlled commodities. The consequent result was the members depended upon their societies for controlled articles only and were forced to get their other requirements from private traders. When control was lifted and supply became plenty, the members began to purchase their requirements from wherever the commodities were cheap.

The Problem of Member Loyalty

The bogey that members are not loyal to their respective societies is a myth. A member joins the co-operative fold with the fond hope of getting his requirements at a cheap rate or atleast at the market rate. No co-operator, however ardent he may be, will pay a pie more for any article whether from a co operative society or from a trader unless there is dearth of supply. If the articles are cheap and the quality is good in a co-operative society, certainly he will patronise, otherwise not.

Holding Fast to Controlled Goods

Only a handful of societies are working satisfactorily at present in the district in spite of the removal of controls and I can dare, say, that such good working societies continue to exist, because they must have been discharging their duties efficiently by catering to all the needs of its members, besides controlled commodities. No doubt the Registrar of Co-operative Societies was dinning into the ears of all the Societies through periodical circulars during the control period, that they could not survive after de-control, if they had not been taking interest in the matter of supply of all the needs of its members.

The golden opportunity afforded for the Consumer Movement to flourish and to establish itself in this State has not been taken advantage of by many of the co operators on account of lack of initiative on the part of societies and more harm than good has been done by making these institutions dependent on Wholesale Stores for supply of goods and Central Banks for finance.

The Weakness of C.W.S.

If we take into account the position of the Wholesale Stores and its inability to guide the primaries, the reason is obvious. The Central Stores was also solely depending upon the Central Bank at all times to meet the huge cost of various controlled commodities, which they were allotted for distribution to the entire district and the Stores had no time to concentrate its attention in making purchases of all the requirements of the primaries. Further, though this is a peoples, movement and the entire board of management consist of non-officials, due to lack of initiative or interest, the administrative machinery was vested in the hands of a departmental officer, on account of the inability of the Directors to administer, who in turn had to be at the mercy of these non-officials. The departmental officials, too, did not have any business experience, nor can they be expected to have any. They did not venture boldly in the matter of purchase and distribution of non-controlled commodities as it involved some risks. The Wholesale Stores being assured of a profit in the matter of controlled commodities, naturally concentrated its attention on this particular line.

Lack of Business Efficiency

Running a consumer society requires some elementary business acumen and thorough study of the market conditions. It is not merely buying and selling but it involves a certain amount of planning and acting viz., when to buy, what to buy, how to buy and where to buy at cheap rates. Market fluctuation being the important factor, the administrative machinery should always be on the alert both in making purchases and sales at the oppurtune moment.

Politics, too, has Played its Part!

Politics has also played a great part in the Co-operative Movement, which is partly responsible for the unsuccessful working of many institutions. The desire on the part of many of the co-operators to get into power by becoming an office bearer in each and every type of society is the root cause for the tardy growth of the Movement on right lines. The entire Movement, became the monopoly of few individuals by their efficient and systematic planning solely to get into power, having done nothing for the development of the Movement on proper lines. Unless and until a co operator's activity is confined to one particular institution, it is impossible to educate and bring in more people into the co-operative fold. The Movement requires lot of honest and experienced men, but the opportunities are limited at the present juncture on account of the present flexibility and facilities given in the Co-operative Societies Act.

Deposits from Members

The objective of a consumer society is that every society formed is for the benefit of its members and the members themselves should run the society with their share capital and deposits required for the business. This objective was completely ignored in practice and these non-credit societies whose entire business transactions were though in cash, were yet allowed to borrow from the Central Banks due to inadequate capital. This resulted in the loss of initiative by the members. If the members conduct their institutions with their own share capital and deposits and without borrowing from outside they are no doubt taking active part and are watching the day to day activities of the institution in view of their having deposited their monies in that institution. If they are satisfied with its working they in turn bring in more members to join the institution and help in the development of the society. If a society instead of getting deposits from its members, is able to get cash credit accommodation from Central Bank, the members are not as active as the other class of people referred to above for the simple reason they are able to know the affairs of the institution only once in a year at a general body meeting. Unless and until Central Banks are forbidden from financing the consumer societies, which are doing only non-credit activities and the societies are asked to stand on its own legs for finance, primary societies cannot function effectively at any time. Every primary society should be an individual unit and it should not be dependent on either Central Stores or Central Banks for its survival.

Sales-Tax —not a great Handicap

Many co-operators are under the mistaken impression that because of the multi point sales tax, the primary institutions are not able to compete with private merchants. I do not personally agree with this view as I honestly feel that there is no use of attacking this problem without curing the other existing defects in the present state of affairs. That exemption from sale tax alone will cure the present defect is an incorrect assumption. Hence I am not at all dealing with the sales tax and its repercussion on the effective working of an institution. Competition in business should be welcomed for the benefit of the people and claiming previlege for a particular class of people is not desirable in the interest of the country.

To sum up: is it possible for small primary societies to continue to work satisfactorily under the existing circumstances or to revive the defunct societies and to work them is a serious problem. I honestly feel it is an impossibility.

Sales to Non-members—a Prime Need

I must emphatically say 'yes' for the simple reason that though this movement has been in existence for over 50 years, it is still in its infancy. If we are really keen on bringing more people into the co-operative fold, we must cater to non-members also solely with the view to educate them and make them members of Co-operative societies. There is no meaning in compelling people to join any society and the principle of " voluntarism " should be given effect to. This could be done by the people of the locality only, if opportunities are afforded to them. Being a non credit activity, no harm will be done by supplying to non-members for some years more until they are educated. Unless a stores society is efficiently run, non-members will never patronise. When once they begin to take interest, being satisfied with the working of a particular institution, they are bound to become members in due couse.

C. W. S.—Primary Relations

When the Co-operative Societies Act was enacted, the constitution of District Wholesale Stores was never contemplated and it was a later development to meet the emergency of war time measures. These Wholesales Stores were formed and started solely for the benefit of the primary Co-operative Societies and the object of these Wholesales Stores was to supply the needs of the primaries. I have dealt with this subject earlier and such of those points which I have not discussed before, I am dealing with them now.

There has been absolutely no co-operation between the Wholesales and the primaries in the strict sense of the term ' Co-operation ' and the primaries are carrying on with the Wholesales Stores out of sheer necessity and compulsion than in a spirit of co-operation. The Wholesale Stores are always complaining that the primaries are not loyal. Instead of asking whether the primaries are loyal to the Wholesales Stores, the best way to explore and find out is whether the Wholesale Stores ever expected the primaries to survive and be loyal to them always. If the primaries are not loyal, as a matter of fact they are not, it is solely because of the inefficiency and the unorthodox manner in which business is being carried on by the Wholesale Stores. The fundamentals and objectives of the Wholesale Stores have been ignored and they are encouraged to do all sort of business, at times even detrimental to the interests of the primaries. When primaries are being liquidated, where is the need for the existence of the central organisations? As and when primaries are liquidated, the share capital of the central stores automatically gets dwindled and it will also has to find its grave sooner or later. Central Stores have been started for distribution of controlled commodities and its functions having been over, it has no place for existence.

Processing

Being of the opinion that there is no place for Wholesale Stores in the present circumstance, the bigger primary societies can usefully undertake processing of gingely into oil by installing country or rotary oil mills, start rice mills for conversion of paddy into rice. The stores can usefully serve its members by hulling paddy at cheaper rates. Coming to the question of production, I have not come across any such instance any where by a consumer society and hence I am unable to say anything about this point. What has a consumer society to do with production, when separate societies are working for production and marketing?

Rural Store—Some Pre-requisites

Regarding stores in rural areas if its turnover is small, the stores cannot survive for the simple reason that it is impossible to compete with private traders. Private merchants are freely supplying goods on credit which no doubt attracts people in these days, even though the price of commodities are higher than the market rate. Unless credit sales are allowed by a small primaries, which is not at all advisable and practicable, these primaries cannot compete with the private traders. The merchants are doing business on barter basis, too during harvest season and attract the poor labourers. Well to do people will never patronise a small society as they are aware that such societies are purchasing their requirements from nearby towns. Even village credit societies, which have since changed its name as multipurpose societies cannot effectively compete with private traders in these days of surplus production. It is not practicable for any rural consumer society or a multipurpose society to function economically and the present time is really suicidal to both the rural stores and the the multipurpose society. Unless and until a rural stores is able to cater to the needs of not less than 20,000 people effectively with in a radius of 5 miles, it will not be an economic proposition.

Supervision must be Dynamic

No doubt supervision is periodically done by the Department. As co-operative institutions are dealing with public funds, strict supervision is essential and scrutiny of accounts should be welcomed by all. But, big societies which are having concurrent audit under F.R. 127, do not require any supervision over the financial aspect and scrutiny of accounts every now and then if capable and experienced auditors are selected for this purpose. What most of the Societies require is supervision and guidance with regard to business aspect, viz., to help the societies in improving its business and operational efficiency; about shop-technique, salesmanship, shop fitting. etc. In fact, he should be a sort of Business Adviser or Consultant, Only then, supervision would be more dynamic and progressive. A business adviser with vast business experience should be selected for this purpose. He should come into contact with all the big societies in the entire state. Then only it will be possible for him to study the various societies carefully and thoroughly and guide the respective societies in each district in the matter of enlarging and improving its business. The person selected shall have his head quarters at Madras, who should be made to visit big institutions all over the

State with a turnover of over 5 lakhs of rupees per annum, and made to visit each society at least once in three months. He should prepare tour programmes well ahead and communicate to the respect tive institutions to enable the societies to have a directors' meeting on that particular date, so that the directors can usefully have a thorough discussion about the market conditions, the reasons for the successful working of various institutions in the respective district and other allied business matters. The Adviser concerned should send periodical circulars giving full particulars of the market conditions in the various States, giving out a survey of the successful working institutions and the reasons for its success. This will enable the primaries to improve their business. The Adviser should also meet the Co-operative Sub-Registrars and Inspectors at a conference, when he visits a district and educate the subordinate officials about what sort of supervision was required for small consumer and multipurpose societies and how each society should improve its business.

Regarding collection of supervision fund, I have a faint recollection that no supervision fee is payable by the T. U. C. S. Madras, whereas all other consumer societies are charged 5 per cent over its net profits. If what I have stated is correct, no discrimination should be made and all societies should be treated alike whether in a State capital or in a distant town or a village.

Supply to Public Institutions

The Hospital and Sub Jail contract will no doubt help the consumer societies to improve their business. Apart from these there is one other source which will be of greater assistance to the consumer societies viz., directing all the executlve officers and Trustees of the various religious institutions, viz., Mutts, temples and charities to purchase their requirements only from a consumer society in preference to private traders. All these institutions are under the control of the Commissioner for Hindu Religious Endowments and hence there will not be any difficulty in achieving this object. I believe it is already in practice that all these religious institutions and temples should invest their surplus funds in the Co-operative Central Bank only. A similar direction to purchase the requirements of these various institutions from nearby consumer societies approved by the Collector and Deputy Registrar in each district be given to the Trustees and Executive Officers to the best adventage of both the Society and the religious institutions.

Marketing Societies and Export Trade

This is a moot point and involves lot of difficulties. What are the functions of the Wholesale Stores? To whom they should act as Agents—for a member or non-member also? Where is the need for the Wholesale Stores to come into the picture when the Marketing Societies are in existence, where there are no Marketing Federations? Why should Marketing Societies be ignored for the marketing of the exportable surplus of the agriculturists, when it is its duty to help the agriculturists ?

The main function of a Wholesale Stores is to meet the demand of its primaries. When the primaries are not able to enjoy any benefit and when the primaries are struggling for their existence, why should the Central Stores alone be encouraged to do all sort of business including export? Let the District Stores first discharge its duties in effectively stabilising the primaries before embarking on fresh lines of activities. If Consumer Movement should succeed, it is the duty of one and all to put forth their best efforts to make the primaries survive and enlarge their activities instead of making the Wholesale Stores to explore fresh avenues to stabilise itself. It has been amply proved beyond doubt that controls alone helped the Wholesale Stores to build up adequate funds. The only possible thing under the existing circumstance is to encourage the best working primaries to improve their business and afford facilities to expand and every society should be made to stand on its own legs and compete with the private merchants. Competition in business should be encouraged and spoon feeding must be thoroughly eleminated. Let every society work hard for its survival by its own efforts and let big primaries be allowed to open further branches at appropriate places by enlisting more members and with their own finances.

I am sure in your approach to the question of reorganisation of the Co-operative Movement, likewise, you will not allow cannons of orthodoxy to stand in the way of progress, but will unhesitatingly adopt new forms of action and new principles of conduct if the larger interests of the country demand the change.

A Review of the Working of Milk Co-operatives in Madras State.

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[NOTE :—The Madras State Co-operative Union has decided to convene a Conference of Milk Co-operatives in the month of November, 55. The Conference is second of its kind and is expected to discuss the several problems confronting milk co-operatives and try to devise measures, to put the milk industry on a sound co-operative basis. The article may be of interest in focussing the attention of the delegates on the several issues pertaining to dairy industry.—*Edr.*]

The Milk Supply Unions and the Societies are working well in this State. There are at present 20 Milk Supply Unions and 560 Milk Supply Societies of which 345 Societies served as feeder societies to the Unions. The Unions handled milk to the tune of Rs. 71.67 lakhs and the Societies to the tune of Rs. 69.34 lakhs during the year 1953-54. The Madras Milk Supply Union has 150 feeder societies and 23 individuals as members and handles about 30,000 lbs. of milk per day. It is the biggest of its kind in Madras State.

Suggestions for Improvement in their Working

1. On the supply side, the members should be assisted in cattle management and breeding by the supply of cattle feed, by offering pasturage facilities and by schemes of Veterinary assistance and up-grading facilities.

2. Salvage farms should be started at least one for each district; those salvage farms should be under the control of big Milk Supply Union or Society operating at the District Headquarters. Fodder and gracing facilities, upgrading assistance, Veterinary aid etc. should be available at such farms.

3. Surplus milk problem should be solved.

4. Veterinary assistance should be free of cost. At present 50 per cent of the cost of Veterinary First Aid posts and 25 per cent of the cost of Key Village Centres are borne by the respective co operatives. Veterinary aid should be the main responsibility of the State and the State should meet the entire cost.

5. Tender system, in the matter of supply to Public Institutions should go. Co-operative Milk Supply Societies should be given a monopoly in this regard.

6. Sales tax on milk at a single point should be removed.

7. Transport facilities in the shape of interest free loans for the purchase of lorries, refrigerated wagon facilities, lower freight rates should be given to milk co-operatives.

8. Liberal credit facilities at cheap rates should be provided to the members for the purchase of good milch animals. The present restrictions regarding the grant of civil loans should be liberalised.

9. Poultry farming, bee-keeping etc. should be developed as additional activities by the feeder societies and necessary technical and fiscal assistance should be given in this regard.

10. Adulteration should be put down at all stages: strict punishments, even rigorous imprisonment for offenders should be awarded. The Food Adulteration Laws should be amended on these lines.

11. (a) There should be a close federal integration between the feeder societies and the Union. Frequent line Conferences should be held and the problems of producer members solved, as expeditiously as possible.

(b) The supervision at the feeder societies should be more effective and the feeder societies should be strengthened as vital economic units.

12. Lastly, the Milk Supply Societies should evince greater interest in supplying good, pure unadulterated milk to the consumers. Adulteration at the distribution level should be put down rigorously. Bottle delivery or paper bottle delivery must be introduced. The Swedish invention of the Tetra-Pack machine may well be studied by our milk co-operatives. The price of milk must be reduced, by effecting economies in the bulk collection and efficient marketing of milk and milk products. The Government may give an outright subsidy to the Milk Co-operatives to the tune of 15 per cent, so that the consumer may get milk at reduced prices.

Milk Co-operatives Provide Subsidiary Occupation to Peasants

Decidedly, the Milk Co-operatives have helped the agriculturists by providing them with a subsidiary occupation in areas, quite proximate to a large town or city. For example, a sum of Rs. 40 lakhs have been disbursed as loans for the purchase of milk animals by the Madras Co-operative Milk Supply Union, since the date of its inception. This money has flowed into the rural sector and has

provided many agricultural families in the Chingleput District with a profitable alternative avocation, especially during the rainless years of 1945-51.

The Government Milk Factory

The Government Milk Factory produces 4,000 lbs. of reconstituted milk per day, while its installed capacity is 10,000 lbs. per diem. Now a Rs. 10 lakh scheme for the production of 60,000 lbs. of toned milk a day has been submitted for inclusion in the 2nd Five Year Plan. Certainly, the milk Co-operatives would be in a position to supply the entire milk requirements, if Government liberally assists their expansion plans. The manufacture of reconstituted milk and toned milk will certainly affect Co-operative Market Milk to a very great extent; The Government milk is sold at 0-14-0 per M.M.; while the retail rate of the Madras Milk Supply Union is just Rs. 1 4-0; however, the competition is rendered very keen, even though the production of 'toned milk' is limited (and there is now a scheme to increase it) and its supply is restricted mainly to Hotels and Hospitals, who are bulk purchasers. With the increase in of the productive capacity of the Government Milk Factory, the competition is bound to be keener and the Madras Milk Supply Union has to bear the entire brunt of it.

But the imported milk powder creates an even more violent disturbance in the milk market. These imports should be banned forthwith and steps to start a Milk Powder Factory should be taken immediately.

Elimination of Middlemen

In areas served by an efficient Milk Co-operative, the number of middlemen have been reduced considerably. If the cultivator-producers realise the potentialities of the Milk Co-operative and the price and the assured market, which it offers, there should be no difficulty in persuading them to become members and thus effectively eliminate middlemen in the trade; For example, 25 per cent of the city's needs are supplied by the Madras Milk Supply Union and the middle men in the above sector have been eliminated completely.

Milk Co-operatives Aid More Milk Production

Milk Co-operatives have certainly helped to augument milk production. For instance, as a result of the working of the Three Year Plan for Dairy Development initiated by the Government in 1948, the total production of milk by milk Co-operatives has increased from 12,000 M.M. per diem on 15-10-48 to 29,000 M.M. per diem on 15-10-51. At present, after the separation of Andhra, there are 20

Unions and 560 societies in Madras State, with a total production of about 37,000 M.M. per diem. In the City of Madras for example, the Madras Milk Supply Union has increased its supply from 16,000 lbs. in 30-6-49 to 30,000 lbs per day in 30-6-53. This was possible on account of a scheme sanctioned by the Government in 1948, with a non-recurring expenditure of Rs. 1.11 lakhs and a recurring expenditure of Rs. 20,500 per annum.

Surplus Milk Problem

The surplus problem is not peculiar to our State alone. It is a world-wide phenomenon. In summer, animals go dry; in winter, they calve; with the result there is short supply in summer and surplus in winter. There are three ways of solving this problem.

1. An all-the-year round calving programme should be initiated by the milk co-operatives and worked out; for example, this can be done effectively by issuing loans during the lean months of the year, when the prices of milk and cattle are high. This induces the farmer to get his cattle calve in summer. This spacing of calving is a practical achievement to the credit of milk Co-operatives.

2. A flexible price policy is needed; during the flush season, there must be a price-cut; by lowering prices, off-take will be increased and entire surplus supply will be sold out as fluid milk, rendering conversion into uneconomic by-products unnecessary.

Conversion of Milk into Milk Powder and other By products

3. It is stated that annually about Rs. 5 crores worth of dairy products are imported into India. This is indeed a drain on our foreign exchange resources. In Madras, a Survey of 'surplus milk' should be done. It is gathered that the Madras Union alone accounts for a surplus of 5 to 10 per cent of its purchases. On this basis, it may be possible to organise a Central Pool of Surplus Milk; and erect a Dairy Factory for the production of economic by-products like condensed milk powder, evaporated milk, sterilised cream, spray-dried milk powder, baby foods, casein, butter, ghee etc. The milk Co-operatives in the muffasal districts should become members of the Pool and contribute to the finances of the Pool. Surplus milk should be sent through insulated vans.

The Government should subsidise the Project, by grants, subsidies and interest free loans. Assistance may be sought from CARE, UNICEF and the Colombo Plan Authorities. For fuller details, the experiment at Anand may be studied. When once Milk

powder is produced, the surplus milk problem will be solved and that is the only rational method of solving this issue.

Pastuerization Plants may have to be erected at Madurai, Tiruchirapalli, Coimbatore and other places, where bulk quantity of milk is collected and distributed to the consumers. Government may have to render aid in this behalf.

Supply to Public Institutions

The policy of the Government is to encourage the Milk Co-operatives to take up contracts for the supply of milk to Hospitals, Jails, etc. by offering them concessions. The Government have informed the Surgeon General to exempt the milk co-operatives from depositing earnest money and security deposits The Government further ordered that contracts for the supply of milk to Jails might be given to milk Co-operatives without calling for tenders. This was to be the discretionary power of the Inspector-General of Prisons; He may also waive security deposits in the case of milk co-operatives. The latest procedure is governed by G. O. No. 4623, Home dated 14-10-50, as modified by G.O. No. 1225, Home, dated 3-5-54. Besides G.O. Ms. No. 668, Health dated 14-3-54 was regulating the tender system in respect of supply of milk to hospitals by milk co-operatives. As per the G.O. tenders from milk supply co-operatives were accepted provided the rates tendered to them did not exceed their retail rates, although the rates were *slightly higher* than the rates of other tenderers. Recently the G.O. was modified by G. O. No. 590 dated 14-2-55, by which the Government gave a new interpretation to the words *slightly higher* occuring in G. O. No. 668 and stipulated 5 per cent of the market rate or the lowest tender rate, whichever is lower as the margin underwhich the Co-operatives may claim previlege. By this new G. O. the Co-operatives may be completely eliminated from the field of supply of milk to Government Hospitals. The said G.O. fosters unhealthy competition between private traders and milk Co-operatives, which may result in an irregular and poor quality supply of milk to Hospitals. This G.O. No. 590, Health dated 14-2-55 should be immediately revoked as a short term relief. As a measure of long-term policy, the tender system may be abolished and supply of milk to public institutions should be the special field of milk co-operatives, for only they can supply good, pure, wholesome milk to the hospitals.

Salvage Facilities

There are only three Salvage farms at Vattambedu, Kambakkam and Chattamangalam. About 550 milch animals can be salvaged in an year at these farms. The salvage facilities are not adequate There must be an intensive development of the Salvage farms, at least one for each district. The entire capital cost of the scheme, should be borne by the Government. The recurring expenditure regarding the purchase and maintenance of Stud bulls, Veterinary outfit, other mechinery like tractor for fodder-cultivation etc., should be *subsidised on a contributory basis. Assessed waste lands should be assigned to Salvage Farm Societies. Grazing facilities should be provided and if water sources are available, special types of grass like guinea grass should be grown; supply of cattle-feed at cost have* to be provided to the salvaged animals. Proper ventilated and sanitary sheds must be provided. All these activities should be done under expert supervision and the Live-stock Development Board should scrutinize and recommend appropriate financial help in respect of each scheme. At present, these schemes are not popular, for a member has to incur about Rs. 80 to 100 for each animal salvaged. This cost, at a time, when he is deprived of the milk income by the animal seems very heavy and thus renders the scheme unattractive. It would be better, that only a nominal amount say Rs. 10 may be collected from the member towards the entire cost of salvage. This is just to remind him of his interest in this scheme. The salvage farm must be attached to a big milk co-operative at the District Headquarters. The Union or the Society may be asked to bear the cost of salvage of the animals of the producer members from its own resources or from resources, provided by the State.

Grazing Facilities

Grazing facilities are not adequate. It is this realisation of the paucity of grazing facilities that has lead the Government to think of the Erukenjeri Milk Colony. Adequate and balanced feeding is an important step for the maintenance of the high yielding capacity of milch animal. So, some special efforts should be made to develop grazing facilities. In every village some portion of land should be devoted for fodder cultivation. The members of feeder societies should be encouraged to take up fodder cultivation at least in a portion of their lands. The Forest Department should plan and execute a scheme of planned pasturage during a period of three years and thus make available large areas for fodder cultivation. Preparation of silage should be encouraged and co-operatives should take an active interest in such schemes.

In the Cities, the Municipalities may utilize the sewage for the cultivation of fodder crops. In certain cattle-breeding tracts, the

medium sized cultivators should be persuaded to grow fodder crops specially and thus give an impetus to mixed farming.

Improving Milk Yields

Formerly under the Live-stock improvement scheme, stud-bulls of high yielding strains were distributed to Milk Supply Co-operatives; but now the Key Village centres, which number about 36, *offer valuable assistance in upgrading stock. There are also artificial insemination centres, to which 4 Key Villages are attached. Good results are obtained, when bulls instead of being broadcast, are multipied in select areas and the improvement is made to spread to other* parts in a gradual and ever-widening circle. The principles of Key Village Centre offer a boon for the improvement of milch cattle maintained by Milk Supply Societies.

Vigorous Supervision

There should be more vigorous supervision. The Panchayatdars of feeder societies should be encouraged to exercise greater vigilance both in respect of collection of milk and the management and breeding of member's cattle. Departmental supervision should ensure that loans are properly disbursed under proper security and good milk animals are purchased and maintained properly.

Checking Adulteration

The Dairy Officers should only specialise and advise on the technical matters of dairying; No amount of tightening of legal provisions or strengthening the staff to check adulteration can be of any avail, unless the whole trade is organised through co-operatives and co-operatives exercise a strict, vigorous internal check over the quality of milk. If necessary, Dairy Staff may be empowered with powers of super check; in fact, there is also a need for establishing a Chemical Laboratory in each District, so that a greater number of milk samples may be analysed.

Cattle Breeding-Societies

Cattle-Breeding Societies have been successful only to a very limited extent and there are only a few societies, which are working well; for example, the Kangayam Cattle Breeding and Marketing Co-operative Society, Ltd.

Suggestions for Improvement

1. Good pasturage facilities should be provided; the Forest Department, in Co-operation with the Veterinary and Co-operation

Departments should explore the possibilities of increasing parturage facilities in forests under their control, by cultivating guniea grass etc. (The failure of Mecheri Breeding Society is reported to be mainly due to lack of pasturage facilities).

2. The Board of Directors should make vigorous efforts to castrate all scrub bulls; the Board should make arrangements for the proper feed and maintenance of the stud bulls, under the care of the custodian members.

3. The Board should make proper arrangements for the supply of cattle feed, Veterinary assistance etc.

4. Sheep breeding secieties should also be formed in select breeding tracts.

Suggestions for State Assistance

1. The premium scheme should be expanded.

2. As Live-stock improvement is a vital programme of development of national wealth and prosperity, the present Contributory Government Grant may be enhanced to 75 per cent of the cost of stud bulls and Veterinary outfit.

3. The services of the Co-operative Inspector should be lent cost free; the inspectors so deputed should be given a short training in cattle breeding at the Hosur Farm.

4. Free Veterinary assistance should be given to the cattle of the members.

5. The Key Village scheme should also be extended to the area of operations of the Cattle-breeding Societies.

6. *This should be treated as a very major subiect in the 2nd Five Year Plan and a seminar should be conducted with a view to plan for practical and successful development of the scheme.*

The prospect for any Co-operative Cattle Insurance Scheme is not very bright; Experience has shown that Cattle Insurance Societies have not fared well in Coorg, Punjab and Bombay; even in Burma, where there was in existence a re-insurance society, the scheme did not succeed. Thus, even if Cattle Insurance should be started, the work should have to be entrusted to a Public Corporation and Veterinary staff should be associated, with it at all stages; For the present attention should be given to combating Cattle diseases and to better breeding facilities. Scrub cattle should be castrated without further delay.

GLEANINGS

Individual Farming on Co-operative Lines*

DR. OTTO SCHILLER

In India in the last few years co-operative farming as a problem and as a task has gained a growing importance in public discussions. Under the Five Year Plan the promotion of co-operative farming societies for medium and small size farmers is an integral part of State policy. An official report says: " The ultimate aim of policy is to work out a co-operative system of land management in which the entire land and other resources of the village will be so managed and developed as to increase and diversify production and provide fuller employment to all the people working on the land ".[1]

A considerable number of co-operative farms with joint use of land are already in existence, some of them of the joint farming type (with ownership on land preserved) and some of the collective farming type (without ownership on land). Besides there are also co-operative farms of the individualistic type where the land is not pooled together known as " better farming societies " and " tenant farming societies ". The co-operative farms with joint use of land are mostly new settlements rather than pools of already existing peasant farms. But the actual problem is whether progress can be achieved in an existing village, if the cultivators pooled their individual land resources together for joint farming.

The experts who advocate the introduction of co-operative farming expect that this type of farming will lead to a modernisation of agriculture and thus increase its production. If co-operative farming is combined with joint use of land, certanly the great disadvantage of fragmentation would disappear, which under the present agrarian structure in great parts of India is one of the biggest obstacles for agricultural progress. The utilisation of the land would be executed in big units, which allow the full use of modern machinery and the adoption of improved agronomic methods. We should be aware, however, that the pressure of population on the land will not be diminished by co-operative farming itself. It may even become more evident, as with big field units and modern techniques, the demand for human labour might decline.

This is one of the reasons why under the conditions of overpopulation, mechanisation of agriculture should be used and directed very

*Source: Indian Co-operative Review, September 1955.

[1] Progress in Land Reform, United Nations, New York 1954 P. 247.

carefully. It means that the advantages of mechanisation are not a sufficient justification for the introduction of joint farming. In this respect the present conditions in India are quite different from those existing in Soviet Russia 25 years ago, where the introduction of collective farming was one of the pre-requisites for the execution of a huge programme of industrialisation with its increasing demand for human labour. Industrialisation is progressing in India and is expected to accelerate in the future. But in a country where most of the rural areas are overpopulated, it is likely that for many years still to come, industry's demand for labour can be covered by the existing surplus population and there is no economic justification in creating a supplementary labour supply through the mechanisation of agriculture.

In the present stage mechanisation and big machinery will not play a decisive role in the progress of agriculture in India. But there are other means of progressive farming which are exected to be adopted with the introduction of co-operative farming, such as improved seeds, fertilizers, improved crop rotation, effective plant protection etc. It is true that these progressive methods can be promoted only very slowly, if the small cultivator, especially the illiterate one has to be approached individually. Progress might be achieved easier and quicker if co-operative efforts are made to raise at once the agronomic level of a whole group of cultivators.

But it is a mistake to believe that the advantage of large scale operations can be brought to the small cultivator only on condition that he gives up his independence and merges his holding with others to make a big managerial unit. Another mistake is to believe that the main advantage of large farms as compared with small holdings is represented by big field units and corresponding large scale farming operations. To do so is to overlook the fact that the managerial functions of a large farm, apart from farming operations, include many other things such as planning, financing, investments, supply and marketing. All these other functions which contribute essentially to the advantages of large scale operations can, however, be carried out co-operatively without merging the small holdings. Even the advantages of large scale *farming* operations can partly be brought to the small cultivator who is carrying out his farming operations individually in consolidated small holdings but who is coordinating them with other cultivators on a co-operative basis. If the small cultivators could gain most of the assumed advantages of

co-operative farming without giving up their individual plots of land and without loosing their economic independence, they might easier be ready to join a co-operative society for improved farming.

Generally experts who advocate joint farming have in mind that in contrast to what happened in Soviet Russia, the ownership on land should be preserved at least as a title. But it is still questionable whether a legal title on a piece of land which still exists in the records but has in fact disappeared as a visible unit in the fields, can provide the same incentive as real possession of the land.

As voluntariness has to be the basis for co-operative farming, we have to consider at first whether the mentality of the cultivators themselves is of such a nature that we can expect from them the relatively high decree of co-operation needed for co-operative farming. Obviously farmers in India are to a high degree individualists, as most farmers in other parts of the world. But we can observe that, for instance, in irrigated areas a certain form of co-operation between the cultivators for the joint use of water or for joint ownership of the wells is an old tradition and has proved to be useful and effective. Furthermore, we know that the usual form of co-operation in credit, supply and marketing was from the beginning also not known to the people and nevertheless, also with considerable support by the State and direction from above, has found its way into the Indian villages and is still advancing. The same could probably happen with co-operative farming. If it would prove equally advantageous for the cultivator as other co-operative activities, his mental reservation may gradually disappear. Enlightenment and education is a basic pre-requisite to attain this aim.

If we have to expect psychological difficulties in the introduction of co-operative farming, we may assume that these become greater as more co-operation is required. Co operative farming in the form of joint or collective farming usually may, therefore, have also less chances of being adopted than co-operative farming combined with an individual use of land.

It should also be considered that the introduction of joint or collective farming would also have some implications outside the economic sphere. Apart from all political considerations, we should be aware that with joint or collective farming the independent farmer with his attachment to the soil and other moral values would gradually disappear and a new type of agriculturist would come into appearence.

All these considerations may explain why instead of co operative farming in its usual form, namely with joint or collective use of land, a new type of co-operative farming may be advocated, namely "individual farming" on co-operative lines. This is not identical with the existing type of "better farming societies" mentioned above If these up to now have not proved to be very successful in raising the level of farming techniques, it is partly due to the fact that they have not undertaken systematically planned activities to promote the individually performed farming operations of their members. It seems, therefore, that for the promotion of farming techniques of small cultivators a new type of co-operative society with extended purposes and a more systematically planned approach to the problem will be needed.

The essence of "individual farming on co-operative lines" may be described as follows: all functions which cannot be executed in the limited boundaries of a single small farm or are beyond the capacity of the small holder, such as planning including field arrangement and cropping scheme, the financing of investments, the keeping of large sized equipment, the wholesale supply and marketing, etc. should be turned over to the co-operative society for improved individual farming. All other functions of farm management which can properly be executed within the boundaries of a single small farm should remain with the independent individual.

If say, a hundred small cultivators with an average of 5 acres per holding are joined together into a co-operative society for improved individual farming, it would mean that the society has to carry out certain managerial functions for an organisational unit of 500 acres. In so doing the society has to act in a similar way as a big land-owner with a farm of 500 acres. The big landowner who wants to develop his land firstly has to work out a plan of development, and also a management plan for each year. Secondly, he has to provide the financial means to implement the plan. He will lend some long-term investments, adequate equipment, the necessary working capital, etc. The society, when it takes responsibility for progressive farming will be charged with similar tasks.

Agricultural progress is to a large extent also a question of capital investment and working capital. The small cultivator cannot be expected to provide the capital for necessary investments and improved farming. Furthermore some modern equipment such as tractors or tube-wells, due to its extensive working capacity, is not

suitable for a single small or even middle-sized holding. For other means of production such as fertilisers, implements, etc., there are little prospects of their use in small holdings so long as cash money is needed to purchase them. For loans on the other hand the small holding offers only an insufficient security.

All these difficulties can be overcome only, if the small cultivators are organised in an appropriate way. But the establishment of a co-operative society for improved individual farming on a large number of small holdings would be combined into one big organisational unit of adequate size for the use of every kind of modern equipment and providing a certain security for investment of loans which would result in higher yields. Adequate funds should be made available to provide long term loans for productive investments and short-term revolving credits to cover the working expenses for the first few years of the society's activity The loans could be recovered out of the additional produce without reducing the annual income of the small cultivator. His latent resources which are represented by the insufficiently utilised fertility of his soil can be mobilised, if he is joined together with others for the introduction of progressive farming methods.

In a village where the cultivators having agreed to establish a co-operative society for improved individual farming, preliminary investigation and calculation should be made to find out what progressive measures should be applied in this particular village and what investments are needed for the purpose. A village Agricultural Development Plan should indicate the measures suggested for the respective locality and the additional production expected. On such basis the yearly instalments for the planned investments can be calculated.

Through marketing activities the society would be in a position to dispose of the additional produce achieved by improved farming as determined by the members and apply the proceeds partially to the repayment of loans and, may be, also to building up capital to replace in due course the revolving credit What is needed, is financial help and initiative to start the progress of the small cultivators. Once started, it will develop automatically with the help of the resources mobilised through it

In many cases, however, the adoption of progressive farming methods is hindered by the fragmentation of land and the small size of holdings. A society established for the improvement of farming techniques must, therefore, find a solution also for this problem. Land consolidation is of great importance in this connection. It must be much more effective with regard to the promotion of farming technique, if apart from the legal aspects of ownerships, the practical requirements of farming techniques were given more consideration in this procedure than is the case up to now. This would mean that the consolidation of ownership should at the same time, lead to the establishment of proper farming units of regular shape and adequate size. Furthermore land consolidation is a very slow process. Therefore, in places where the cultivators are interested in obtaining better conditions for progressive farming and no personnel for immediate consolidation is available the land use rights could be consolidated first into proper farming units, leaving the ownership rights, for the time being, within the old boundaries as recorded in the register.

If farming units of a proper size of not less than say, 10 acres are to be established, it means that not every cultivator with respect to the present extension of his actual cultivation could be allotted a complete farming unit. Two, three or even four small cultivators should, therefore, be combined in one farming unit with their separate plots, which they might or might not cultivate co-operatively.

One of the greatest obstacles for agricultural progress is the subdivision of land by hereditary custom. With the great increase of population this leads to a still advanced fragmentation of land and decrease in the size of holdings. The only solution for this very crucial problem is a certain separation of ownership rights from cultivation rights. This could be achieved, if the respective co-operative societiy for improved individual farmings were charged with the task of regulating through a special committee the cultivation rights of its members. In case of inheritance, cultivation rights would only be extended to the actual cultivators, regardless of the customary subdivision of ownership rights. Furthermore, only in this way could it be ensured that farming units newly established by consolidation would not in a short period of time become fragmented again. On the long run, however, this problem can only be solved by legislative measures of a similar nature.

One of the structural deficiencics of agriculture with prevailing small holdings is an overstocking with draught animals. In a village reorganised on co-operative lines, the small cultivators combined together in one farming unit could perhaps, in the course of time, be persuaded to use for their combined unit only one pair of bullocks

and to grow more food on the released fodder acreage for their own consumption or for marketing purposes. Another problem which is peculiar for India is the overstocking with unproductive milk animals. Recently some steps have been taken to absorb the surplus cows from some communities by shifting them to distant grazing grounds. It would serve the purposes of progressive farming quite effectively, if such measures could be adopted on a larger scale.

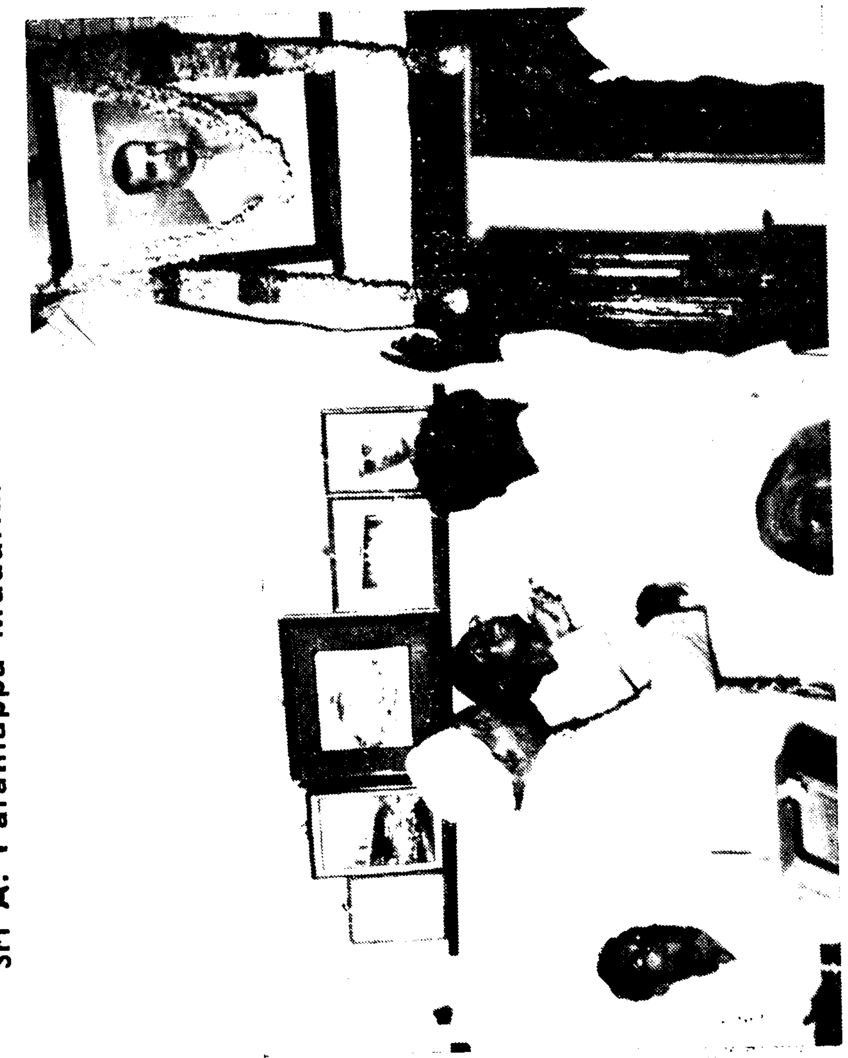
The establishment of a co-operative society for improved individual farming would also provide a solution for the problem of mechanisation. Under conditions of over population mechanisation of agriculture is advisable only in so far as it sets free mainly animal draught power and little of human labour and at the same time leads to an intensification and diversification of agricultural production. This means that the tractor should not be used for the complete mechanisation of the area which its full capacity covers but for the partial mechanisation of a bigger area, where animal draught power can still be used to supplement it. If the tractor is in private hands, even if the owner hires it out to other cultivators, it can hardly be expected that the process of mechanisation will be directed in such a way as required by social considerations. It seems to be advisable, therefore, that in areas where mechanisation is definitely due to come, it should be taken up by a corresponding co-operative society and directed in the proper way in order to avoid unemployment and promote agricultural progress.

In dry areas the supply of water by mechanical means is, perhaps, a more important side of mechanisation of agriculture than the use of a tractor. Sinking of tube-wells to supplement insufficient canal irrigation or to get new areas irrigated is in many cases the most urgent and effective measure for progressive farming, the more so as some other measures, as for instance the use of fertilisers, largely depend upon sufficient water supply. To bring the benefits of mechanical water supply to small cultivators co-operative action is needed. If a tubewell is to be utilised by small cultivators they must be organised in a co-operative society and fragmentation must be removed to have the water economically utilised.

The establishment of a co operative society for improved individual farming would offer many possibilities for the adoption of progressive methods by small cultivators. Whether these possibilities will be utilised depends upon the cultivators themselves. This is to a high degree a question of local leadership. It would not be advisable to introduce a new farming scheme without the right men in the leading committee of the society to conduct and carry on the new undertaking, men willing to take technical advice from outside and able to win over the members for the progressive methods advised.

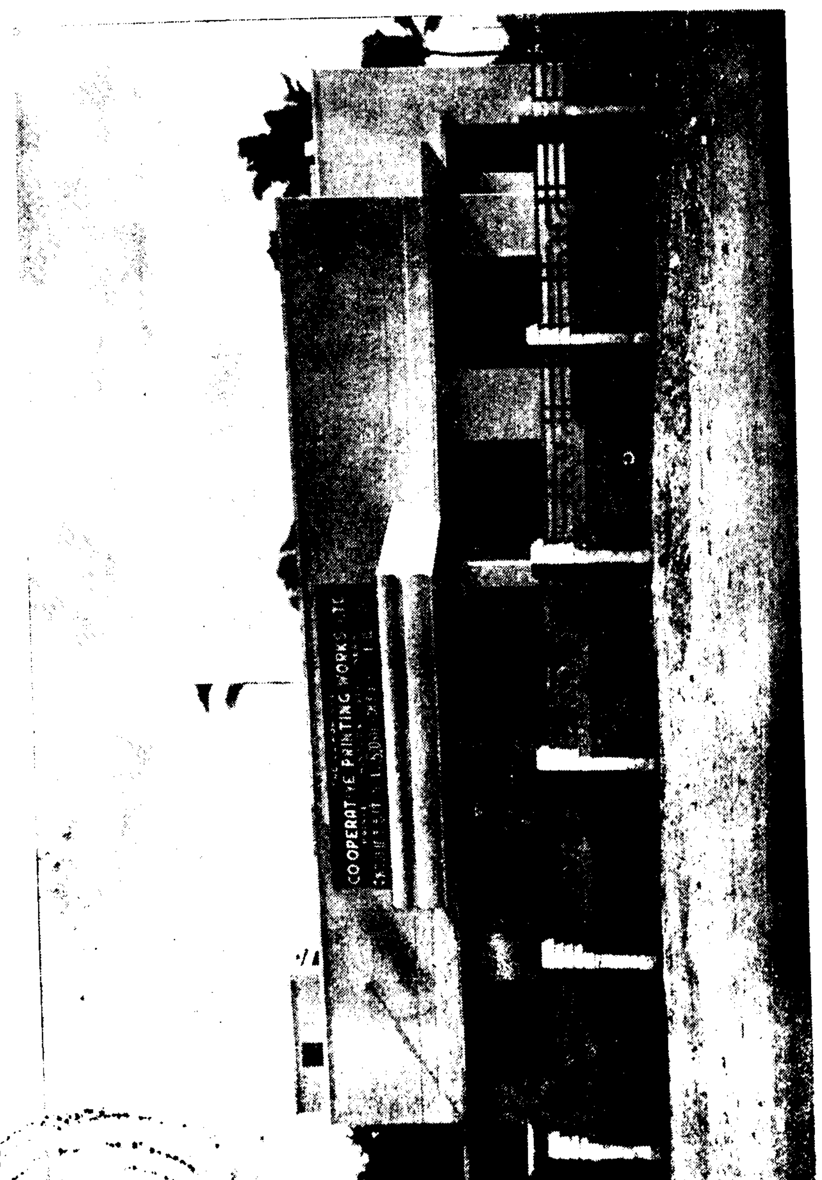
To progress in farming techniques achieved in some of the community projects in India demonstrates that the small cultivator, if properly advised and systematically assisted is well in the position to increase the production of his land. It is now the problem to secure this possible progress on a permanent basis and with the help of the own resources of India's agriculture. The co-operative principle, if adopted in the right way and without collectivistic exaggerations seems to offer a solution for this very essential problem.

Sri A. Palaniappa Mudaliar's Portrait Unveiled.



The portrait of Sri A. Palaniappa Mudaliar, Registrar was unveiled by Sri T. R. Chakrapani Iyengar at the Buvanagiri Weavers' Co-operative Society.

New Premises of the Coimbatore Co-operative Printing Works Ltd.



The New Premises was opened by Sri A. Palaniappa Mudaliar, Registrar on 11th September 55.

A Report of the Working of the Coimbatore Co-operative Printing Works, Limited, for the year ending 30-6-54.

The Board of Directors have great pleasure in presenting to the General Body, the Twenty-First Annual Report and audited statements on the working of the Printing Works for the year ending with 30th June 1954.

Members and Share Capital

On the last day of the year there were 589 members consisting of 182 individuals, 16 companies and 391 societies with a paid up share capital of Rs. 44,180/- against 576 members consisting of 182 individuals, 16 companies and 378 societies with a paid up share capital of Rs. 43,300/- at the beginning of the year. The authorised capital of the Press is Rs. 50,000/- made up of 5,000 shares of Rs. 10/- each.

Deposits and Borrowings

The Cash Credit accommodation of Rs. 10,000/- sanctioned by the Coimbatore District Co-operative Central Bank Ltd., was utilised throughout the year and there was a credit balance of Rs. 19,109—5—0 on the last day of the year. The uninvested portion of the Staff Provident Fund viz., Rs. 7,362—7—0 and the Security Deposit of Rs. 4,480/- collected from the Staff are merged in the General Funds of the Society.

Business

Sale of Books and Forms and Stationery: This year the sale of books and forms and stationery fell down to Rs. 48,463—7—0 from Rs. 56,940/- of last year. This is mainly due to the fact that several of the Stores Societies and Weavers' Societies who were making heavy purchases of books and forms' from our Press do not have adequate business. As such their requirements in books and forms were very low. Every effort is being made to increase the sales by contacting the various societies in Tamil Nadu and elsewhere by periodical advertisements etc.

The value of books and forms, stationery, paper, [illegible] prepared and purchased during the year comes to Rs. [illegible]. The value of stock of paper, books and forms etc., held at the end of the year is estimated to be Rs. 47,193—5—0 as against Rs. 41,704—11—0 in the previous year.

Manufacturing Account

Manufacturing Department: Unlike last year, on account of the favourable monsoon during the year under report all the dams and reservoirs had a very good supply of water and all of them were almost full. The generation of electrical energy was therefore undisturbed and on account of which we had no power-cut this year.

It is quite pleasing to mention here that the workers turned to be very loyal and were sincere in their work.

As a measure of advertisement, Engagement Pads and Calendars were printed and distributed as before to members and customers throughout Tamil Nadu. The cost of printing these two items comes to approximately Rs. 750/-

The Paper and other materials both of Indian and foreign origin were very freely available and also in adequate quantity. There was considerable decrease in the prices of these materials too. Even though there had been fairly good work throughout the year yet on account of the steep fall in the prices of paper etc., the value of the turnover was Rs. 1,70,612—9—0 only as against Rs. 1,85,135—4—0 in the previous year. The business resulted in a Gross Profit of Rs. 49,025—8—0 as against Rs. 41,318—7—0 in the previous year.

Establishment and Labour

There were on the last day of the year 16 persons in the Office Establishment and 57 members in the Manufacturing Department. The cost of establishment and labour including dearness allowance and house rent allowance worked out at Rs. 16,219—11—0 and Rs. 45,139—8—0 as against Rs. 16,578/- and Rs. 47,548/- respectively in the previous year. The fall in the cost of labour is due to the fact that a few temporary workers were retrenched from service.

Plant and Machinery

Types etc., were purchased to the value of Rs. 6,849—6—0 during the year. The value of Plant and Machinery and types etc., at the end of the year after allowing a depreciation of Rs. 14,810—9—0 was Rs. 64,172/-.

Building

Messrs. Vincent and Co., who were occupying the main building in our premises, vacated the building during the last week of March 1954 and immediately thereafter tenders were called for from a set of approved contractors for the construction of additional buildings and making improvements to the old buildings as per the

plans prepared in this behalf already. The tender submitted by Mr. T. C. Subramaniam, being the lowest, the tender amount being Rs. 37,966/-, was accepted and the building was handed over to his charge on 21—4—1954. Since the space provided in the first plan was found to be quite inadequate to house the entire works including the stock of paper, books and forms etc. after deep consideration, it was decided subsequently to have a cellar-room beneath the ground floor of the front hall. This was estimated to cost roughly Rs. 8,000/- over and above the tendered rate.

The building is nearing completion now. The front hall is to be terraced and doors and windows are to be fixed and plastered. Latrines, lavatory, bath-room, tiffin-shed, and cycle-shed and overhead tank etc., remain to be done. Electrification of the entire building is also to be done. After these works are over the Press can be moved into our own premises. It is hoped that this will be done in the month of April next.

A sum of Rs. 57,999/- was spent for the purchase of the site with buildings thereon. For putting up additional buildings and effecting improvements over the existing buildings a sum of Rs. 32,500/- had been spent so far and it is estimated that approximately a further sum of Rs. 20,000/- will have to be spent for completing the construction and electrifying the premises.

At the time of the purchase of the site with the buildings thereon, we had a sum of Rs. 50,800/- only in the building fund. For putting up additional buildings and for effecting some improvements to the old buildings, we anticipated then an expenditure of about Rs. 17,000/- and therefore permission was obtained from the Registrar to utilise a sum of Rs. 24,200/- towards building from out of the General Funds agreeing to recoup the same in 5 years at the rate of Rs. 4,840/- each year. The amount thus set apart so far, including the one set apart for the year under report, comes to Rs. 13,156—5—0 and there remains only Rs. 10,000/- and odd to be recouped.

Since the estimate for putting up additional buildings has gone up very high and that too far beyond the amount for which sanction has already been obtained from the Registrar, permission to utilise a futher sum of Rs. 40,000 towards the building from out of the General Funds or permission to transfer a similar sum from out of the Paper Stock Price Fluctuation Reserve and Plant and Machinery Sinking

Fund, has got to be obtained from the Registrar of Co-operative Societies. If the general funds are to be utilised it can be recouped in ten years at the rate of Rs. 4,000 every year.

Net Profit

Last year the net profit was very low viz., Rs. 6,071-5-0 on account of which the staff were paid only one month's average pay as bonus. But since the staff made a fervent appeal to have half a month's pay more from out of general funds, the Board sanctioned half a month's average pay viz. Rs. 1,244-4-0 as an interium relief which the auditor has objected and placed the same under "advance due to" account. On account of this the net profit is shown as Rs. 10,359-14-0 instead of Rs. 9,113-10-3. The amount has to be re. couped from the staff from out of the bonus sanctioned this year.

After setting apart a sum of Rs. 4,840 towards Building Reserve as per the Registrar's Order R. C. 45947/52 S-1 dated 9-4-52, a net divisible profit earned for the year is Rs. 10,359-14-0 which is recommended by the Directors for distribution under by-law No. 24, as under:

Reserve Fund 25 per cent ...	Rs.	2,590	0	0
Dividend to members at 5 per cent ...	,,	2,168	14	0
Bonus to Staff (2 months' average pay) ...	,,	4,957	10	0
(Of which half a month's pay disbursed as interim relief is to be collected and credited to the "advance due to" account.)				
Building Fund ...	,,	643	6	0
	Rs.	10,359	14	0

Reserve Fund and Other Reserves

With the addition of the amount set apart this year, the amount at credit of the Reserve Fund will be Rs. 43,620-11-0. The Dividend Equalisation Fund stands at Rs. 1,515-13-0; the Reserve for Bad and Doubtful Debts amounts to Rs. 4,552-1-0; the Building Fund amounts to Rs. 52,381-10-0 and the Building Reserve is Rs. 13,156-5-0; the Staff Gratuity Fund stands at Rs. 2,400 and the Common Good Fund at Rs. 675. The Price Fluctuation Reserve towards Paper Stock is Rs. 30,000 while the Plant and Machinery Sinking Fund is balanced at Rs. 40,000.

Investments

Out of the Reserve Fund of Rs. 41,030-11-0, a sum of Rs. 8,690-14-0 has been invested with the Coimbatore District Co-operative Central Bank, Limited, a sum of Rs. 18,800 in National Savings Certificates and a sum of Rs. 4,975 in Government Promissory Notes. Out of the Staff Provident Fund of Rs. 20,578-10-0 a sum of Rs. 453-11-0 is in the Savings Account of the Coimbatore District Co-operative Central Bank Limited, a sum of Rs. 4,987-8-0 has been invested in Government Promissory Notes and a sum of Rs. 7,775 is invested in the Debentures of the Central Land Mortgage Bank. A sum of Rs. 10,125 has been invested with the Coimbatore District Co-operative Central Bank as a Fixed Deposit. The Press has taken shares to the extent of Rs. 2,500 with the Coimbatore District Co-operative Central Bank, Rs. 250 with the Central Stores and Rs. 100 with the Co-operative Fire and General Insurance Society, Madras.

Meetings

There were 10 meetings of the Board of Directors, 5 meetings of the Building Committee, 7 meetings of the Purchase and Works Committee and 1 General Body meeting during the year.

General

The Board of Directors are grateful to all the constituents of the society for their continued patronage, special mention must be made of the Coimbatore District Co-operative Central Bank Limited Coimbatore, the Madras State Handloom Weavers' Co-operative Society, Limited, and the Tamil Nad Co-operative Federation and the various Co-operative Central Banks and other institutions all over Tamil Nadu.

The Board of Directors take this opportunity to thank Sri J. C. Ryan and Sri A. Palaniappa Mudaliar, Registrars of Co-operative Societies, Madras, Sri P. Damodara Menon, B.A., Deputy Registrar of Co-operative Societies, Coimbatore, and all the Deputy Registrars and other officers of the Co-operative Department in Tamil Nadu for their keen interest in the development of the Press.

By Order of the Board

A. SUBRAMANIAM,
Secretary.

The Splendid Achievement of the Tinnevelly Co-operative Central Bank, Ltd.

Under the inspiring and diligent leadership of Sri Medai Dalavoi Kumaraswami Mudaliar, President, the Tinnevelly District Co-operative Central Bank has been scaling great and greater heights of operational efficiency, year after year. Since he took charge of the affairs of the Bank as President in the year 1934, there has been a steady and continuous progress in the working of the Bank. Sincee that time, he has applied himself with tremendous zeal and enthusiasm to the task of establishing and building the Central Bank as a first rate Co-operative business institution, catering to the village folk, the much needed credit service. It was due to his untiring efforts that the Bank was able to collect the entire demand under interest in the years 1939-40, when the after effects of the great depression were still active in the rural economy. This position was maintained till 1942—43. From the year 1943-44 onwards, the Bank acquired fresh strength and achieved further progress. The Bank had been showing 'Nil' Balance both under Principal and Interest successively for the past twelve years from 1943-44. This is a great achievement and reflects the strength and soundness of this institution. We are publishing herewith the appreciation expressed by Sri A. Palaniappa Mudaliar, Registrar of Co-operative Societies, Madras on the excellent work of the Tinnevelly Co-operative Central Bank and the Statistical Picture of the Loan, Demand, Collection and Balance position of the Bank for the 12 years from 1943-44 to 1954-55.

REGISTRAR'S APPRECIATION

D. O. Rc. 2384/55 A.

Office of the
Registrar of Co-operative Societies,
Madras, dated 9-6-55.

Dear Sri Mudaliar,

SUB: Tinnevelly District Co-operative Central Bank Ltd.—Demand for the year 1954-55—Collection—progress.

REF: Your D.O. letter E. 93/55 Dated. 4-6-55.

I am delighted to learn that for the 12th year in succession your Bank has realised the entire dues. I hope other banks will emulate your nice example. I am suggesting to the Madras State Co-operative Union that your bank might be recognised for the good work done. I hope the State Union will take suitable action in the matter

Yours sincerely,
Sd. A. PALANIAPPAN, Registrar.

To Sri Medai Dalavoi Kumaraswamy Mudaliar,
President, Tirunelvely District Co-operative Bank, Tirunelveli.
(True Copy)

Statistical Record of Progress

THE TINNEVELLY DISTRICT CO-OPERATIVE CENTRAL BANK LTD.,

Loan Demand, Collection and Balance for the Period of 12 years from 1943–44 to 1954–55.

S. No.	Year.	Loans disbursed to Rural credit Societies.	PRINCIPAL		Balance under principal	INTEREST		Balance under Interest	Last date of dues clearance
			Due	Collection.		Due.	Collection.		
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
1	1943—44	5,37,742	5,14,036	5,14,036	NIL	88,779	88,779	NIL	30-6—44
2	1944—45	5,52,247	5,07,101	5,07,101	,,	96,309	96,309	,,	28—6—45
3	1945—46	5,80,200	4,88,341	4,88,341	,,	61 266	61,266	,,	10—6—46
4	1946—47	5,52,247	5,56,338	5,56,338	,,	1,53,563	1,53,563	,,	11—6—47
5	1947—48	9,24,706	9,16,614	9,16,614	,,	1,74,081	1,74,081	,,	18—6—48
6	1948—49	12,52,324	6,70,824	6,70,824	,,	1,94,682	1,94,682	,,	15—6—49
7	1949—50	20,71,928	14,04 674	14,04,674	,,	2,01,425	2,01,425	,,	14—6—50
8	1950—51	18,66,452	15,14,969	15,14,969	,,	1,74,870	1,74,370	,,	2—6—51
9	1951—52	28,08,178	17,91,879	17,91,879	,,	1,71,251	1,71,251	,,	4—6—52
10	1952—53	32,29,169	19,78,690	19,78,690	,,	1,57,667	1,57,667	,,	5—6—53
11	1953—54	20,63,557	27,18,019	27,18,019	,,	1,49,066	1,49,066	,,	29—6—54
12	1954—55	34,75,347	19,08,287	19,08,287	,,	1,59,325	1,59,325	,,	2—6—55

A Brief Note on the Working of the Perambalur Multipurpose Rural Credit Society, Trichy Dt.

The Perambalur multipurpose rural credit society is one of the very old societies in Trichy District, having been started in 1908. Its area of operations extends over the villages of Perambalur Elambalur, Thuramangalam, and Kavaripalayam. As on date, there are 607 members on rolls with a paid-up share capital of Rs. 16,140. Most of the members are agriculturists.

The society gets financial accommodation from the Trichy District Co-operative Central Bank. Besides, it taps local deposits for its activities. It issues short and medium term loans to its members, both on the security of personal surety and on the mortgage of immovable properties. The Individual Maximum Borrowing Power of a member is Rs. 2,000. Besides the credit activity, the society is supplying the requirements of its members. Groundnut cakes, iron and steel and coffee seeds are being supplied to the members.

The society is hiring out a sprayer to the members at the rate of Rs. 0-8-0 per day. It undertook the construction of a godown in its own site at an estimated cost of Rs. 10,000 which was given to it by Government as subsidy and loan on 50 : 50 basis. With this godown, it will be possible for the society to provide storage accommodation and also issue loans on the pledge of produce by members.

The newly constructed godown of the society was recently opened by Sri A. Palaniappa Mudaliar, Registrar of Co-operative Societies, Madras on 26-4-1955. The godown is a fairly big one and is located in a spacious compound. The construction of this godown will enable the society to provide storage accommodation and also issue loans on the pledge of agricultural produce of the members.

The working of the society is generally satisfactory and its affairs are governed by a set of able persons in the locality, who are evincing great interest in its development.

BUSINESS EFFICIENCY *vs* CO-OPERATIVE EFFICIENCY

Business efficiency is, of course, a prime objective, but so also is co-operative efficiency. It is indeed difficult to declare, which is the more important. There is evidence throughout the Movement that they do not co-equally exist. In fact it may be said that business efficiency is almost universal but that co-operative efficiency is some times far to seek.

B. WILLIAMS.
— *Co-operative Review Dec. 1954.*

Inauguration of the New Premises of the Coimbatore Co-operative Printing Works Ltd.

The new building of the Coimbatore Co-operative Printing Works Limited on Trichy Road was in a festive appearance even long before the function of "OPENING CEREMONY" was scheduled to take place. A vast and neat Pandal with flowers and festoons was put up in the front and side of the building. Visitors of the function were seen coming in from the morning. Exactly at 3-30 p.m. the function started with prayer to Goddess Saraswathi. The Opening Ceremony of the building was performed by the Registrar Sri A. Palaniappa Mudaliar in an auspicious hour.

Declaring open the new building of the Coimbatore Co-operative Printing Works Limited, on Sunday, the 11th September 1955, Sri A. Palaniappa Mudaliar, M.A., Registrar of Co-operative Societies, Madras, said that this institution was a shining example of successful co-operative enterprise in the field of Printing.

The function was held in a neatly decorated Pandal in front of the building. Sri C. S. Ratnasabapathy Mudaliar, President, the Coimbatore District Co-operative Central Bank Ltd., presided. There was a large gathering of officials, members of the Press and businessmen and representatives of other leading Co operative Institutions. Sri T. M. Narayanaswami Pillai, Chairman and the members of Committee on Co-operation, who had come to Coimbatore to hear evidence, were also present.

After prayer, Sri T. S. Sivasubramaniam Chettiar, President of the Printing Works welcomed the guests and spoke briefly about the past history of the Printing Works from its inception, since 1933. He spoke in detail the circumstances that lead to the construction of this new premises at a cost of about 1.25 lakhs. He further said that at every stage of improvement of the Press, the need for greater accommodation was felt and the Central Bank was pleased to construct for them specially two halls and subsequently a portion of their tiffin room was also placed at their disposal.

The rent of Rs. 20 which was paid at the start rose gradually to Rs. 250 a month. Even this accommodation was found to be quite inadequate and since the Bank was not in a position to spare them any more space, they were compelled to purchase this site.

This site measuring 58 cents with two pucca buildings thereon was purchased at a cost of Rs. 58,000 from one Miss. J. M. D'Cruz, on 9th June 1952. Retaining the house in the rear side as it is, a portion of the main building was demolished and additional buildings put up in front and the back.

The original estimate for putting up the additional construction was only Rs. 37,960 and by the inclusion of the CELLER ROOM for stocking Paper and other materials which was an afterthought, the estimate rose upto Rs. 46,000. Tiffin-Shed; Cycle-Shed; Bath-Room; Urinal, Lavatory, Overhead-tank and Compound Wall etc., were not included in the estimate. Most of the materials like stone, brick, wood and iron rails got from the dismantled portion of the old building were used for the construction of these buildings and as such the cost of the construction of these buildings was very low.

So far a sum of Rs. 58,000 had been spent on the construction and a further sum of Rs. 7,500 remain yet to be paid. Electrification, Laying of Water-Pipes, under-ground drainage, concreting the road in front and sides, compound wall and gates etc., had cost them Rs. 10,000 approximately. Since this accommodation was also found to be inadequate it had been proposed to put up an upstairs over the front hall at an estimated cost of Rs. 15,000.

At the time of the purchase of the site with the buildings thereon they had a sum of Rs. 50,800 only in the Building Fund. For putting up additional buildings and effecting improvements to the old buildings permission was obtained from the Registrar to utilise a sum of Rs. 24,200 from out the General Funds agreeing to recoup the same in 5 years at the rate of Rs. 4,840 a year. The amount thus recouped for the past three years is Rs. 14,520.

Since the estimate for putting up additional buildings had gone up very high and that too beyond the amount for which sanction had already been obtained from the Registrar, the General Body of the Printing Works had unanimously adopted a resolution requesting the Registrar to transfer a sum of Rs. 20,000 from the Paper Price Fluctuation Reserve and another sum of Rs. 25,000 from the Plant and Machinery Sinking Fund, to the Building Fund and it was hoped that the Registrar would be pleased to permit the transfer of the founds as suggested by them as the necessity for these reserves at such a large sum does not exist now.

Mr. Chettiar said that the Printing Works must struggle hard in the years to come and try to increase its business when only the

construction of the new buildings would be deemed to be justifiable He also said that with the good and valuable support from the Registrar of Co-operative Societies and through him from the Government, the Co-operative Printing Works is certainly having every chance of expanding its business and thus prosper.

He appealed to all the Co-operative Institutions and others present to extend their kind co-operation by placing all their orders for printing requirements with the Co-operative Printing Works and thus help a sister co operative institution to achieve its object.

Registrars' Speech

The Registrar said that there were Co-operative Printing Works at Kozhikode, Salem, Mathurai, Pudukkottai, Tanjore, Vellore and Madras and added that it was a matter for regret that excepting a few, the rest were working at a loss. The Co-operative Printing Works should adopt improved methods of printing, execute orders placed with them with promptness and establish a reputation for quality and fair dealing. They should specialise in particular lines of printing like book-binding and printing forms and registers etc., to achieve popularity. They should be in constant touch with changing tastes of consumers and introduce novel designs and improved patterns with a view to expanding their business. They should also widen the range of their services to their consumers by arranging for supply of their stationery requirements and office requisites. With the expansion of the co-operative movement in diverse directions and consequent increase in the number of co-operative societies of different types in their transactions, there was a bright future for Co-operative Printing Press in the State, he said. He was confident that the day was not far off when there would be a Co-operative Printing Press in every district catering not only to the needs of Co-operative Societies but also to the requirements of the general public. He stated that the time had come for intensive development of the co-operative movement in every district and that each district should draw up its own five year plan of co-operative expansion. He added that every district should have a co-operative journal to disseminate co-operative information and knowledge for co-operative societies and to the public at large. In this sphere, he thought the District Co-operative Printing Press could play a helpful part.

Unveiling of Portraits

Sri Medai Dalavoi Kumaraswami Mudaliar, President, the Madras State Co-operative Bank, unveiled the Portrait of the late

Sri T. A. Ramalingam Chettiar, the veteran co-operator in the State and paid high tributes about the high quality of head and heart of the departed leader and who won the name of the "father of the Co-operative Movement in the Madras State". He listed the several other activities with which Sri Chettiar was connected such as Local Boards, Legislatures, Social Welfare Works etc. He ended saying that it was a great privilege and pleasure to him that he had been invited to honour the late Sri T. A. Ramalingam Chettiar by unveiling his Portrait.

Sri V. C. Palaniswamy Gounder, M. L. A., former Minister of Madras, unveiled a Portrait of the late Sri K. Raghavendra Rao, the first President of the Co-operative Printing Works. He said that Sri Raghavendra Rao was connected with a number of co-operative institutions in Coimbatore and was Pnblic Prosecutor for a number of years. Sri Raghavendra Rao had been the President of the Coimbatore City Co-operative Bank and the Coimbatore Co-operative House Mortgage Bank for a pretty long period. He associated himself very closely with the late Sri T. A. Ramalingam Chettiar and on account of his integrity and straight-forwardness, the late Sri T. A. Ramalingam Chettiar dragged him into the co-operative field and put him in responsible positions wherever he was not able to devote his personal attention. Mr. V. C. Palaniswamy Gounder also said that he knew Sri Raghavendra Rao very well as he had been his client. He added that the Portrait of Sri Raghavendra Rao was being unveiled simultaneously with that of the late Sri T. A. Ramalingam Chettiar which only showed that both the two gentlemen had been very good friends.

Sri M. S. Palaniappa Mudaliar, Vice-President of the Coimbatore Co-operative Printing Works, while proposing a vote of thanks paid encomiums to the President of the Press, Sri T. S. Sivasubramaniam Chettiar and Sri S. Thirunavukkarasu Mudaliar and Sri T. S. Arunachalam Chettiar, members of the Building Committee for the untiring and sincere services rendered by them in the construction of the new premises which had come out very nicely. He complimented the Staff of the Printing Works for their sincere and honest work. He also reminded the audience the invaluable service rendered to the Press by Sri T. R. Viswanathan Chettiar, the Honorary Secretary of the Press when it was its initial stages and late Sri Muthuswami Pillai, the first paid Secretary.

He thanked the chief guests of the evening for having taken part in the joyous function of the day and greatly enhanced the reputation of the Press.

Sri A. Subramaniam, Secretary read messages received on the occasion wishing the function success.

After tea the gathering dispersed.

THE TAP ROOT OF PEACE

The tap root of permanent peace is ownership of productive property. Until this inalienable right is realized by every one, there will be no permanent peace.

The seeds from which will grow the tap root of permanent peace—ownership by all must be sown within every community by Co-operative non-profit organization.

HENRY A. WALLACE,
"Atlantic Monthly"

Inauguration of the Pondicherry Women's Cottage Industries Society.

Mrs. Kewal Singh, President of the SocialWelfare Board, Pondicherry, inaugurated the Pondicherry Women's Cottage Industries Co-operative Society on 13-10-1955 in 'Selva Mansion' on the Beach Road, Pondicherry. Beside a large and distinguished gathering of men and women of the place were present prominent among those were Sri Chandrasekaran Chettiar, Councillor for Co-operation, Sri Mohamed Issouf Sahib, Councillor for Agriculture, Mr. Joseph Lettour, Mayor of Pondicherry, and Sri Muthu Pillai, President of the Pondicherry Co-operative Urban Bank. Srimathi Kewal Singh spoke about the objects of the society and pointed out how women of middle and lower classes will be benefited financially by taking to such cottage industries as tailoring, embroidery work, lace making, toy making and hand pounding of rice, and the like. She recalled to her mind that she noticed great demand for toys in Delhi during an Exhibition held some time back. She told the audience about the arrangements that will be made by the society for sale of the finished goods through Handicrafts Emporiam, Madras, and through other agencies. She brought home to the minds of those that had assembled there the advice of the Prime Minister of India, Mr. Jawaharlal Nehru, to the people of Pondicherry and elsewhere in India, during his recent visit to this place, that it is time that all. men and women must work hard and that idleness has no place in this country. She wished the society success in its various activities.

Sri D. N. Doraiswamy Mudaliar, Registrar of Co-operative Societies, Pondicherry, dwelt at length on the spread of Co-operative Movement in Pondicherry State after its merger with the Indian Union. He expressed great pleasure at the enthusiasm shown by the women of Pondicherry which was evidenced by the fact that the society was organised within a few days enrolling 56 members with a paid up share capital of Rs. 157. He explained in detail how the women of middle and lower classes will be provided with work by the society by supply of raw materials for making garments, lace making, embroidery work and the like which will in turn aid them to better their economic condition and standard of living. He told the gathering that the Government of Pondicherry had sanctioned grants for the purchase of 2 sewing machines and subsidy to meet

the pay of the clerical staff and rent. He recalled the great part played by women of this country by quoting instances from the epics and history and appealed to the women to run the society on efficient lines to achieve the objects of the society.

Mrs. Gloria Dumont proposed a vote of thanks. The Registrar nominated the first set of directors. They are: Mrs. Gloria Dumont (President), Mrs. Padmini Chandrasekaran, (Vice President) Miss. Lakshmikantham, (Secretary), Mrs. V. S. Chellammal, (Asst. Secretary), Mrs. Padma Sekaran, (Treasurer) and 6 other Directors.

CO-OPERATIVE EDUCATION—AN HERCULEAN TASK

Carrying vital and truthful information to the people is the Herculean task. All other jobs are dwarfed by it. The matter of providing goods and services, even in these times is a relatively simple matter by comparison. That is why we are increasing out expenditure for education, that leads to action.

HOWARD A. COWDEN.

Rural Credit Bank Opened in Ponneri.

Mr. M. Bhaktavatsalam, Minister for Agriculture, inaugurating the Co-operative Rural Bank at Ponneri on 30th September explained the part played by rural banks in improving the living conditions of villagers. Mr. T. Purushotham, M. L. C., presided.

The Minister said rural co-operative banks saved innocent villagers from the clutches of greedy money-lenders. Besides they offered loans at a low rate of interest to the agriculturists at the time of harvest and helped them to market their produce during the off-season at high prices. Incidentally the Money-lenders Bill would be passed in two or three months, and it would help the villagers a great deal.

A duty was cast on the State to open more Rural Co-operative Banks throughout the country for the welfare of farmers, he said.

Advising villagers to raise loans only in case of dire necessity, the Minister also exhorted them to deposit whatever surplus money they had in the banks.

Mr. A. Palaniappan, Registrar of Co-operative Societies, said though the Co-operative Movement was successful in Madras State, they were able to touch only the fringe of the rural credit problem. He compared the rates of interest charged in rural banks in various States and said in Madras rural banks charged low and reasonable rates of interest. A sum of Rs. 5 crores was annually given as loans through co-operative credit societies and banks, and this figure would be enhanced to Rs. 15 crores during the Second Five-Year Plan.

The Government had sanctioned 25 rural banks in the State and accordingly they had already started 20 banks.

Mr. T. Purushotham paid tributes to Mr. C. S. Lokanathan for his efforts to start the bank in Ponneri and said it was started with an initial deposit of Rs. 15,000. He appealed to the villagers to deposit more money in the bank.

Mr. R. Govindarajulu Naidu, President, Chingleput District Board, said the residents of Ponneri were mostly peasants and it was but proper to start a rural co-operative bank there. Mr. T. Venugopal Reddi also addressed the gathering.

Earlier, a welcome address on behalf of the villagers was presented to the Minister.

Dr. T. S. Sambasivam proposed a vote of thanks.

Silver Jubilee Celebrations at Kumbakonam

KUMBAKONAM CO-OPERATIVE URBAN BANK, LTD., AND KUMBAKONAM CO-OPERATIVE SUPERVISING UNION, LTD.

The Silver Jubilee of the Kumbakonam Co-operative Urban Bank, Ltd. and the Co-operative Supervising Union, Ltd., was celebrated in the Co-operative Central Bank premises in Big Street, on Thursday the 13th October 1955.

Honourable Sri M. A. Manickavelu Naicker, M. A., B. L., Minister for Revenue to the Government of Madras presided. The Honourable Sri M. Bakthavathsalam, B.A., B.L., M.L.C., Minister for Agriculture also participated in the Silver Jubilee Celebrations. The function was largely attended. The Directors and the shareholders of the Bank and the Union and distinguished visitors were present.

The Honourable Sri M. A. Manickavelu Naicker, Minister for Revenue and the President of the day's function arrived at 4-15 p.m., when he was received by Sri K. R. Singaram Chettiar, President of the Urban Bank and Sri T.V. Krishnaswamy, Secretary of the Union. Sri P. T. S. Kumaraswamy Chettiar, leading local Shroff Merchant welcomed the guests. The function began with tea. After Tea, Sri K. Rm. Singaram Chettiar, President of the Urban Bank and Supervising Union read a brief history of the Bank. The Honourable Sri M. Bakthavathsalam, Minister for Agriculture arrived at that time and took his seat in the dais. An address welcoming both the Ministers was then read and presented to them by Sri K.Rm. Singaram Chettiar on behalf of the Directors and shareholders. A brief history of the Co-operative Union was read by the Secretary of the Union, Sri T. V. Krishnaswamy.

The Minister for Revenue in the course of his presidential address dealt with the Co-operative movement and its advancement in the State, how the State assists the Movement and how Co-operative Societies and banks are rendering service to the Public by advancing loans, and what important part the Co-operative Movement is going to play in future and how the public should benefit themselves by it.

Address of Felicitation in English was then read and presented to Sri K. Rm. Singaram Chettiar, President of the Bank by Sri G. Balasubramania Iyer, one of the Directors and former Secretary of the Bank on behalf of the Directors and Shareholders. An address appreciating his services was read and presented to him by Sri A. Sowrimuthu Chettiar, Paid-Secretary of the Bank on behalf of the Staff. A gold dollar with chain with an inscription of Sri Rama Pattabishakam on it worth about Rs. 280 was presented to Sri K. Rm. Singaram Chettiar, by the Honourable Minister for Revenue on behalf of the staff. An address in Tamil was read and presented to him by Sri M. Hariharanathan, Clerk of the Co-operative Central Bank, Ltd, Kumbakonam, on behalf of the staff of the Urban Bank.

Then an address of appreciation was read and presented to Sri T. V. Krishnaswamy, Secretary of the Co-operative Supervising Union, Ltd., Kumbakonam, by Sri S. Vaithinathan, Supervisor, on behalf of the staff of the Union. A bunch with three Silver Tumblers worth about Rs. 60 was presented to the Secretary of the Union, by the Honourable Minister for Revenue on behalf of the staff of the Union.

A portrait of Sri K. Rm. Singaram Chettiar who is the President of the Supervising Union presented by the staff was unveiled by the Honourable. Sri M. Bakthavathasalam, Minister for Agriculture, who in the course of his address appreciated the services of Mr. Chettiar of over 35 years to the Co-operative Movement and the institutions and said that services of such selfless veterans are required for the spread of Co operative Movement in the State.

Then the Portrait of late Nedumbalam N. R. Samiappa Mudaliar Veteran Co-operator, a well known figure in the public life in the Madras State was unveiled by Sri A. Mahalingam Chettiar, I.A.S., retired District Collector.

The Portrait of Sri O. N. Subramania Iyer, former Secretary of the Bank and sitting Director was unveiled by Sri T. R. Varathan M.L.A., of Kumbakonam.

The Portrait of Sri Balasubramania Iyer, former Secretary of the Bank and sitting Director was unveiled by Dr. M. V. Thiagarajan M.B.B.S., a former chairman of the local Municipal Council.

The Portrait of Sri T. V. Krishnaswami Iyer, Secretary of the Co-operative Supervising Union, was unveiled by Sri N. S. Ramalingam, President of the Co-operative Central Bank, Limited, Kumbakonam.

Then Sri K. Rm. Singaram Chettiar replied to the address presented to him by the Directors and shareholders and by the staff of the Bank and thanked them all for the words of appreciation and felicitation.

In the course of concluding address the Hon'ble Sri M. A. Manickavelu Naicker, President of the function said that whenever he thought of Kumbakonam he remembered Sri K. Rm. Singaram Chettiar and referred to his lovely acquaintance with him and his services for the Co-operative Bank for over thirty five years. He then observed with pleasure that the Bank authorities have decided to name the present building of the Bank after the President Sri. K. Rm. Singaram Chettiar which decision is a fitting appreciation and recognition of his long record of service to the Bank. He concluded with the expression of thanks for the honour given to him by offering an opportunity to participate in the happy function.

The function came to a close with Sri O. N. Subramania Iyer, offering thanks to the distinguished guests for the kindness with which they agreed to partake in the function. He thanked Sri N. S. Ramalingam, President and Sri S. Ramiah, Secretary of the Co-operative Central, Bank, Kumbakonam to make their building available for the function and to all the distinguished visitors who made the function a great success.

Proceedings of the opening of the "Guest House" of the Trichy Co-op. Central Bank on 25-9-55.

Sunday, the 25th September 1955 was a red letter day in the annals of the history of the Tiruchirapalli Co-operative Central Bank; for it was on that auspicious day, the new Guest House of the Bank was opened by Sri A. B. Shetty, Minister for Co-operation and Public Health. There was a big audience and the entire Bank wore a festive appearance.

CO-OPERATIVE FLAG HOISTING

The function began with the hoisting of the 'Co-operative Flag' by Sri R. Krishnaswamy Reddiar, President, Trichy District Congress Committee. After hoisting the flag, he delivered a speech explaining the significance of the Flag.

WELCOME ADDRESS

BY SRI T. S. MUTHUKUMARASWAMI PILLAI

Brother Co-operators,

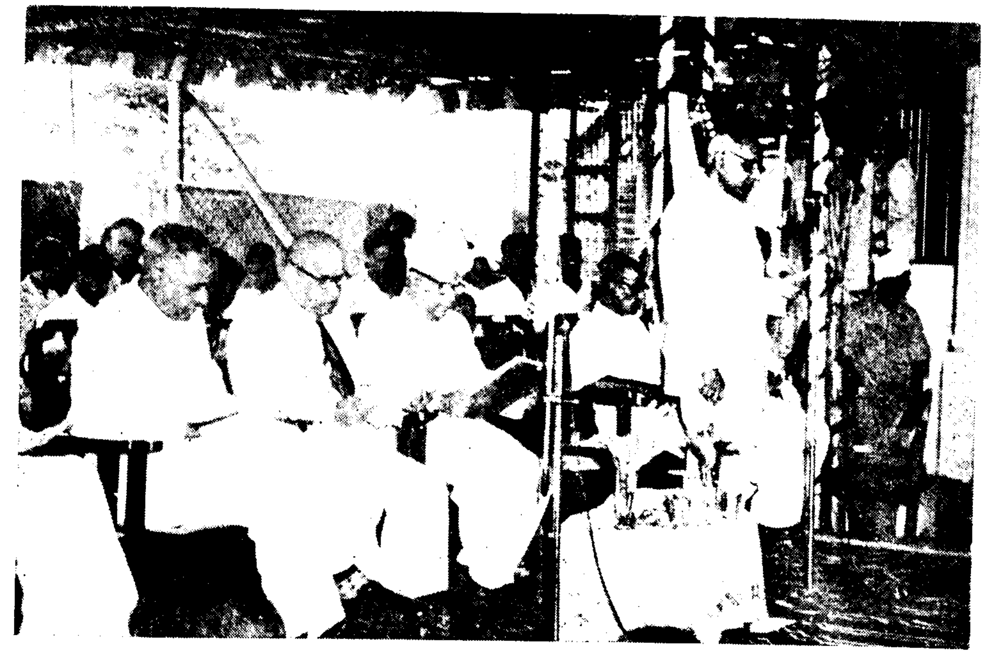
We have great pleasure in welcoming the Hon'ble Sri A. B. Shetty, Minister for Co-operation, for the opening ceremony of the Guest House, which marks the fulfilment of our long-cherished objective. His service to the State is immeasurable. His continuous service as a Minister under different cabinets is self evident.

We accord a most hearty welcome to Sri T. M. Narayanaswamy Pillai M.A., B.L., M.L.C., Vice-Chancellor of the Annamalai University, who has readily and graciously consented to preside over the function. The fact that he has held many high and responsible offices in the State is a positive proof of his outstanding ability and his motto service above self. It is eminently fitting that a Committee is constituted under the Chairmanship of such august personage, to examine the working of the Co-operative movement. We offer a cordial reception to Major General S. C. Alagappan for having consented to unveil the statue of Gandhji, the Father of the Nation. His service in the Apex Bank is well known to the Co-operators.

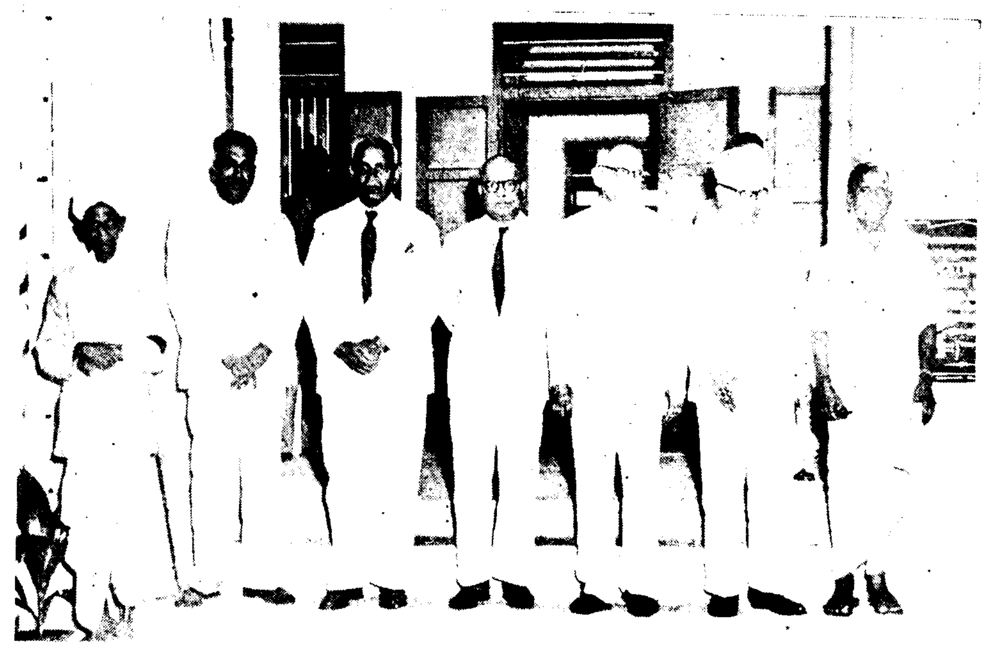
We extend our warm reception to Dr. P. Natesan, Vice-President, Madras State Co-operative Bank Limited. He is an Honorary Editor of *The Madras Journal of Co-operation* through which he disseminates the Co-operative knowledge and focuses the attention of the Public.

We extend our cordial welcome to all of you, who have readily responded to our invitation and assembled here for the function.

The Opening of the Guest House of the Tiruchirapalli Co-operative Central Bank Ltd.



Sri A. B. Shetty opened the Guest House. He is seen delivering the opening address.



A Group Photo of the Distinguished Guests: Sri A. Palaniappa Mudaliar, Major-General S. C. Alagappan, Dr. P. Natesan, Sri A. B. Shetty, Sri T. M. Narayanaswami Pillai, and Sri T. S. Muthukumaraswami Pillai and others are seen in the picture.

Silver Jubilee of the Kumbakonam Urban Bank and Union

Sri M. Bhakthavatsalam is being garlanded at the Silver Jubilee of the Kumbakonam Urban Bank and the Supervising Union.

Sri M. A. Manickavelu presided over the Silver Jubilee of the Kumbakonam Urban Bank and Union.

The present sound financial position of the Bank is an illustration of the maxim that even difficult problems can be solved through co-operative endeavour.

The Bank was started as a Co-operative Urban Bank in 1909 at Kulitalai with a few members. The Bank has grown from strength to strength and at present it has 918 societies and 141 individual members on roll with a paidup share capital of Rs. 5,43,150. It has Rs. 7,41,024 as Reserves to its credit. Its working capital is Rs. 1,05,54,375. It has issued loans to the extent of Rs. 98,84,811 during 1954-55. There are 120 employees working at present.

The value of the sites of the Bank Building is Rs. 22,405. The building was constructed at a cost of Rs. 2,47,698 and it was opened by the Hon'ble Sri P. S. Kumaraswami Raja, the then Cheif Minister of Madras in 1951.

A guest house at a cost of Rs. 36,170 for accommodating the visitors from other States and Co operative officials and others connected with the movement in the Province, with a library, was proposed to be constructed. The construction is completed on 15-7-'55.

On an occasion like this, we cannot but remember the zeal and indefatigable energy with which the founders worked during the infancy of this institution and the successive groups of its enlightened Directors who nurtured it by their devoted services. We feel grateful to one and all who contributed their mite to the growth of the Bank to its present size and status.

UNVEILING OF THE STATUE OF MAHATMA GHANDI

By Major General Alagappan

After the Welcome Address by Sri T. S. Muthukumaraswami Pillai, President of the Bank, Major-General S. C. Alagappan unveiled the Statue of Mahatma Gandhi and addressed the gathering on the life and mission of Mahatma Gandhi. He traced the history of the Freedom Movement and explained how Ghandiji employed the technique of Non-Violent Non-Co-operation since 1920 and how he successively opposed the Simon Commission and 1935 Reforms, in order to get independence. He recalled how in 1942, Ghandiji gave the historic call to the British to 'Quit India' and how Netaji Subash Chandra Bose organised the Indian National Army in 1943. By the heroic efforts of these noble sons of India, the Country obtained Independence on August, 15th 1947. Thus, indeed, the story of our Freedom Movement, which started in the year 1857, when the Sepoy Mutiny took place, ended in its glorious finale—the Independence of India. Many are the valiant men, who laid their lives willingly at the alter of our Freedom and Ghandiji is the greatest soldier of our Freedom fight. He taught us a new way of Dharma—the way of Love. This simple man, with a winning smile, humble in speech had an indomitable will and tremendous courage. He lived Truth. Untouchability, Truth, Avoidance of Evil, Ahimsa, Purna Swaraj Hindu-Muslim Unity were some of his cardinal programmes. His divine personality won for him the loyal allegiance of many stalwarts of Freedom struggle and Netaji affectionately called him the "Father of our Nation". "May his soul guide us in our task of building New India. May this Statue be a source of inspiration to the Co-operators for generations to come."

UNVEILING OF DR. RAJENDRA PRASAD'S PORTRAIT

Sri P. Rangaswamy Reddiar, M.L.A., unveiled the Portrait of Dr. Rajendra Prasad, President of India.

SRI T. M. NARAYANASWAMY PILLAI'S SPEECH

Sri T. M. Narayanaswami Pillai, who presided over the meeting said that it was a great pleasure for him to participate in the function of the Bank, with which he was associated for more than two decades. He felt that Co-operative Organisations are instruments of service to the rural community. He was of the opinion, that though in Madras, the Co-operative Movement had progressed fairly well, yet he was of the view that it could achieve better results, if it was properly reorganised on right lines. The Movement could progress well only if unsparing services of selfless leaders were available. It is fortunate now that the Government of India are anxious to speed up the Movement and have included several schemes in the Second Five Year Plan for strengthening the Co-operative Movement.

"If only the men behind the Movement uphold the principles of Justice, Equality and Fraternity, the Movement is bound to go forward. We should also guard against political and partisan trends. Unity and Progress are the twin principles, which should guide us in our path. Let our motto, 'Each for All and All for Each' lead us to the goal."

SPEECH ON THE OCCASION OF OPENING OF THE GUEST HOUSE,

By SRI A. B. SHETTY,
Minister for Co-operation and Health.

"PROBLEMS OF CO-OPERATIVE CREDIT–FUTURE POLICY."

This is a welcome opportunity for me to meet co-operators and representatives of co-operatives on the occasion of this function. It is pleasing to see a handsome building put up as a guest house for this bank. A Bank like yours having jurisdiction throughout the district has done well in providing suitable facilities for conveniently accommodating its constituents and visitors The President and Directors of the Bank deserve to be congratulated on the creation of this guest house. *Your Central Bank* has made remarkable progress during the last few years. This Bank is *one of the four leading and progressive Central Banks* in our State. The steady and systematic development of this Bank is in no small measure due to the sustained efforts of its successive directors and officials and in particular to the untiring efforts of Sri T. S. MUTHUKUMARASWAMI PILLAI, who has been director of the Bank for over 21 years and its President for the last 12 years. We have in our State 16 Co operative Central Banks, which as you all know, form the pivot of the fiancing structure of the Co-operative Movement. It is the pride of this State that the Co-operative Financing Banks here, have established themselves so fairly well that, today, they are the envy of many other States in India. Nevertheless, there are a few features in their working which demand our close and immediate attention.

Inadequacy of Co-operative Credit

2. First, though the co-operative credit institutions have been in existence for more than 50 years now have helped in lowering the lending rate in the countryside and afforded the ryots a suitable agency for providing seasonal finance on reasonable terms, they have still not been able to touch the fringe of the problem of agricultural credit. As you are aware, the All India Rural Credit Survey Committee has observed that co-operatives have supplied only 3·1 per cent of the total borrowings of the agriculturists They have pointed out that the most significant of the various causes of the failure of co-operative credit are: (i) the uneconomic size of the village credit societies; (ii) the impropriety and unsuitability of the principle of unlimited liability to the conditions obtaining in a

fast-changing rural economy in the country ; (iii) the lack of co-ordination between financing banks and primary credit societies ; (iv) lack of education and inadequacy of training and ineffectiveness of co-operative marketing.

3. There are at present 10,295 agricultural credit societeis in this State with 9.81 lakhs members on their rolls. These societies cover 49.37 percentage of the villages and serve 21.04 per cent of the rural population in terms of families. While the State and the Central Co-operative Banks and the Central and Primary Land Mortgage Banks in the State are fairly well-established the condition of the primary agricultural credit societies in villages requires toning up and improvement so that they can play a vital role in providing agricultural finance in the context of the Rural India of the future. At present, the credit supplied to agriculturists by the Co-operatives in this State is only about Rs. 5 crores under short-term, medium-term and long.term. It has been estimated that the total credit requirements of the cultivators in the State, are about Rs. 70 crores. With reference to this estimate, the credit now provided by the Co-operatives is only 7.1 per cent.

Integrated Scheme of Rural Credit

4. The All India Rural Credit Survey Committee has recommended an integrated scheme of rural credit based on the three fundamental principles of (a) State partnership at different levels (b) full co-ordination between credit and other economic activities especially marketing and processing, and (c) administration through adequately trained and efficient personnel responsive to the needs of the rural population. In pursuance of these recommendations, a scheme for the development of integrated rural credit and marketing has been formulated by the Registrar of Co-operative Societies for being implemented during the period of the Second Five Year Plan.

Second Five Year Plan

The salient features of this scheme, as finalised, are :

(i) The organisation of 375 large sized primary credit societies and 25 Rural Co-operative Banks on a phased programme during the plan period.

(ii) The expansion of the activities of the existing village credit societies.

(iii) The organisation of 30 primary marketing societies and 25 Primary Land Mortgage Banks.

(iv) The reorganisation of the District Co-operative Wholesale Stores into District Supply and Marketing Societies.

(v) The large sized societies to be formed and the existing rural credit societies will issue loans on the security of anticipated crops and also loans to ryots in economically backward areas.

(vi) These societies will put up godowns with the help of Government loan and subsidy.

(vii) The marketing societies will also put up godown and establish processing units wherever necessary with the help of Government loan and subsidy.

As a result of the working of the scheme, it is expected that the co-operatives will supply credit to ryots to the extent of Rs. 15 crores or atleast 20 per cent of the total credit requirements of the ryots during the last year of the plan period, *viz.*, Rs. 10 crores under short-term, Rs. 4 crores under medium term and Rs. One crore under long-term. Atleast 75 per cent of the villages would have been brought within the co-operative fold and 50 per cent of the rural population in terms of families would be served. With a view to providing substantial owned capital to the societies, State participation in the share capital of these organisations will be provided as recommended by the All India Rural Credit Survey Committee. With a view to make available the trained personnel that will be required by the co-operatives, schemes have been drawn up to expand the training facility in the State by opening more training institutions. Already, a training institute has been registered at Kozhikode to serve the districts of Malabar and South Kanara.

5. The total expenditure involved in the schemes of integrated rural credit and marketing is about Rs. 3.03 crores. These schemes and a variety of other schemes calculated to promote the activities of the co-operatives and to re-vitalise the Co-operative Movement, drawn up under the Second Five Year Plan, involve considerable outlay in terms of finance and the Central Co-operative Banks will have to find a substantial part of the funds required for implementing the schemes from their own resources as well as from the Reserve Bank of India. In the implementation of the schemes, the Central Banks will be called upon to take up additional responsibilities and I hope that every Central Bank in the State will rise equal to the task and carry out the schemes succcssfully. I would also request the Central Banks to make all preliminary preparations in this regard, from now onwards, so that when the schemes are launched,

they can shoulder the responsibilities entrusted to them, without any difficulty.

Medium-term Credit

6. Secondly, for a long time past, the co-operatives did not pay sufficient attention to the provision of medium-term agricultural credit. This was chiefly owing to the paucity of medium-term resources with the Central Co operative Banks and also to the absence of a suitable machinery to undertake the disbursement of such loans at the primary level. The existing rural credit societies on unlimited liability basis, with their characteristic weaknesses and deficiencies could not be expected to play the desired role in providing medium term agricultural finance promptly and adequately. It was mainly for this reason that the Registrar mooted the idea of a separate agency called Rural Co-operative Banks, and the objective is that these banks should function not only as the distributors of medium-term agricultural finance on the security of immovable properties but also serve as an effective instrument for mobilising rural savings and canalising them for productive agricultural purposes. Incidentally, they will help to increase the loan business of the Central Co-operative Banks. As you know, 25 Rural Banks have already been organised in the State as an experimental measure of which, 19 banks have been started in this year. The Thoraiyur Rural Bank in your district is one among them.

7. Thanks to the generous help rendered by the Reserve Bank of India in providing medium term credit for agricultural purposes at a concessional rate of interest, the Madras State Co-operative Bank is now in a position to lend Rs. 80 lakhs as medium-term advances for financing agricultural credit societies and Rural Co-operative Banks. Out of these Rs. 80 lakhs, Rs. 40 lakhs represent the medium-term loan sanctioned by the Reserve Bank of India and the remaining Rs. 40 lakhs will be issued out of the State Co-operative Bank's own resources. Of course, these loans are now available only for a period of three years, while the ryots need five year loans also for some of their agricultural operations. I believe that the Reserve Bank of India will extend, in due course, its medium-term credit for a period of five years so that the agriculturists can reap the full benefit of its concessional finance. Out of Rs. 80 lakhs available with the State Co-operative Bank, a sum of about Rs. 35 lakhs has been drawn and utilised by the Central Banks till the end of August. I hope that the Central Banks will fully utilise the agency of the Rural Co-operative Banks for disbursing medium

term loans and avail themselves of the medium-term resources available with the State Co-operative Bank, as quickly as possibls.

8. In this context, I would refer to a representation made by your central bank and some of the other central banks in the State regarding the re-fixation of the limits for short-term and medium-term loans for the purpose of classification of central banks in annual audit. According to the standards now in vogue, a central bank should have issued 65 per cent of the total loans advanced by it during the year, for short-term purpose, if it is to be eligible for being placed in class A. But, in view of the difficulties experienced in maintaining this ratio, as a result of the increased demand for medium-term credit for agricultural purposes, the Registrar has taken up with the Reserve Bank of India, the question of suitably revising the limit for short-term and medium-term loans for the purpose of classification in audit, so as to enable the central banks to issue more medium-term loans.

Keeping Down Overdues

9. Thirdly, while we are soon to launch on a programme of expansion of agricultural Credit as I have outlined under the Second Five Year Plan, I wish to stress the need for adequate arrangements for supervision and recovery of the amounts lent in time, for, in recent years, the overdues from societies in a few Central Banks have been slightly on the increase. The State average of the percentage of overdues which was 10.94 in 1953-54 has gone up slightly to 11.2 in 1954-55. It is pleasing to find that your central bank had no overdue either under principal or interest on 30-6-1955 and I take this opportunity for congratulating the President Sri T. S. Muthukumarasami Pillai and other directors and the officials of the bank, whose unstinted devotion and incessant efforts have been responsible for this splendid achievement. I find that, besides your bank, the Tirunelveli, Kumbakonam and Nilgiris Central Banks were also able to realise the entire arrears both under principal and under interest I am aware, that various factors such as adverse seasonal conditions, unfavourable agricultural prices, etc. have contributed to the overdues in a few central banks; yet you will agree with me that no co-operator can afford to be complacent with this position of overdues. For, the presence of overdues, irrespective of its size or volume is not a healthy feature in the co-operative credit machinery. It needs no emphasis that if the Co-operative Central Banks are to command the strength required for shouldering the heavy responsiblities they

will be required to bear in the implementation of the various co-operative schemes proposed to be undertaken in the Second Five Year Plan, they will have to guard against the rise in overdues. After all, the percentage of overdues is the main yard-stick with which the public, not to speak of the investors and creditors, measure the soundness and the progress of co-operative credit institutions. It, therefore, behoves all Co-operators, particularly the Directors and paid officials of the co-operative financing banks, to take vigorous steps not only for keeping down the overdues at as low a level as possible, but also to see that the loans issued to the members of societies, do not fall into arrears on any account.

Reduction of Rates of Interest

10. Another matter engaging the attention of Co-operators at the present moment is the question of reducing the rate of interest charged to the ultimate borrowers. The Societies charge interest at 6½ per cent to the ultimate borrowers. Although, this is the lowest of the rates at which the agriculturists get the credit needed by them in the whole of the Indian Union, there is a feeling that it should be reduced further. I am aware that the State Co-operative Bank and Central Co-operative Banks are already examining the question and I am sure they will reach a decision soon. In bringing about any change in the rate of interest, care should also be taken to ensure that the primary societies have sufficient margin. For, the paimary agricultural credit societies constitute the base of the credit structure and the societies should have sufficient margins in their business so that they may develop into healthy economic units.

Committee on Co-operation

11. These are some of the major problems facing the Co-operative Movement to-day. As you are all aware, Government have constituted an eight-man committee to enquire into the working of the Co-operative Movement with our distinguished President of the function, Sri T. M. NARAYANASWAMY PILLAI as its Chairman and to make recommendations regarding its future development. The chairman, Sri T. M. Narayanaswami Pillai is an eminent Co-operator hailing from your district. I understand that the committee recently toured your district and recorded the views and suggestions of some of the prominent Co-operators of this place on the present working of the co-operative movement. I am sure that the committee will give due regard to the valuable suggestions pur forth by you when it

finalises its conclusions and makes its recommendations to Government.

Need for Public Spirited Workers

12. This Co-operative Movement has been acknowledged to be the only effective medium of promoting the socio-economic welfare of the people. It has a great future in this country particularly in the context of building up a socialistic pattern of society. But, if the Co-operative Movement should fulfil its lofty objectives and play its legitimate role, there should be no dearth of enthusiastic, well-informed, honest and public-spirited men to man its affairs. I have no doubt that this district which has produced such great Co-operators like Sri Desa Bhusana R. K. Prasanna Venkatesa Rao, Sir T. Desikachari, Sri T. M. Narayanaswami Pillai, Late Sri L. N. Paramasivam Pillai, Sri T. S. Muthukumaraswami Pillai, etc., will produce many more Co-operators of the right type so that the Co-operative Movement in this district may march from strength to strength and attain continued success and prosperity. I once again thank the authorities of the Tiruchirappalli Central Co operative Bank for having invited me to open the guest house. I have great pleasure in declaring this guest house open.

(The rest of the proceedings will be published in the next issue.)

G O.'s and Circulars

RURAL BANK—MAINTENANCE OF FLUID RESOURCES REGISTER.

Memorandum of the Registrar of Co-operative Societies, Madras-5.
SRI A. PALANIAPPA MUDALIAR, M.A.,
Registrar.

D. Dis. No. 124104/55-A. Dated : 24-8-55.

SUB :—Rural Co-operative Banks—The Turaiyur Rural Co-operative Bank Limited—Maintenance of fluid resources—regarding.

REF :—Letter R. C. 22511/55-A dated 11-8-1955 from the Deputy Registrar, Tiruchy (North).

The Deputy Registrar, Tiruchy (North) is informed that Rural Co-operative Banks, being Limited liability societies should maintain fluid resources in the same form and for the same standard, as has been prescribed for limited liability primary credit societies.

A. PALANIAPPAN,
Registrar.

RURAL BANK—MAINTENANCE OF PROPERTY STATEMENTS.

Memorandum of the Registrar of Co-operative Societies, Madras.
SRI A. PALANIAPPA MUDALIAR, M.A ,
Registrar.

D. Dis. No. 130164/55-A. Dated : 25-8-55.

SUB : Rural Co-operative Banks—Maintance of property statements of members orders—Issued.

At present, only co-operative societies with unlimited liability, are required to maintain property statements of their members. A question has been raised, whether, like rural credit societies, Rural Co-operative banks also should maintain property statement of their members. Even though Rural Co-operative banks are based on limited liability, the members of these banks are individually liable for the bank's obligations to the extent of a multiple of the share capital subscribed by them. This apart, one of the primary functions of Rural Co-operative banks is to dispense medium term loans to their members especially on the mortgage of immovable properties. The Registrar, therefore, considers that if Rural co-operative banks also maintain property statements of their members,

they will be useful to the banks for proper scrutiny of loan applications as these statements will furnish details of the assets and liabilities of each member including particulars of immovable properties and the survey numbers etc. The Registrar, therefore, prescribes under Rule V (a) (17) of the rules framed under the Madras Co-operative Societies Act VI of 1932, that every Rural Co-operative bank shall maintain a property statement register in the form given under item 20 on page 663 of Volume III of the Madras Co-operative Manual. The register should be maintained in a book form and not in loose sheets. The statements should be revised thoroughly and systematically every year as in the case of property statements in rural credit societies (vide the instructions under paragraph 54 on page 59 of the Madras Co.operative Manual Volume I.)

2. The Central Co-operative Banks are requested to instruct the supervisors concerned to visit the Rural Co-operative Banks within three months from the beginning of the Co-operative year for getting the property statements scrutinised and certified by the village officers. Copies of the statements should be sent by the supervisor to the financing bank and the supervising union concerned within that period. The accuracy of these statements should be test-checked by the other officers of the Central Co-operative Banks.

A. PALANIAPPAN,
Registrar.

RURAL BANK—MAXIMUM LOAN LIMIT TO MEMBERS.

Circular of Registrar of Co-operative Societies, Madras.
SRI A. PALANIAPPA MUDALIAR, M.A.,
Registrar.

D. Dis. 131359/55 A. Dated 27-8-1955.

SUB : Rural Co-operative Banks—Loans to members—Maximum limits—Instructions—Issued.

The attention of the Deputy Registrars is invited to by-laws 42 and 44 of the Model by-laws of Rural Co-operative Banks. According to by-law 42, no member can at any time be indebted to the bank by way of principal to the extent of more than Rs. 2,000 on account of any loan or loans taken by him. Under bylaw 44, a member may be given loans on various kinds of securities to the extent indicated below :

(i) Loans on the Security of deposit, if any, to the credit of the borrower, not exceeding 90 per cent of the amount of such deposits.

(ii) On the mortgage of unencumbered immovable properties not exceeding 50 per cent of the market value of such properties.

(iii) On the pledge of Government Promissory Notes or Central Land Mortgage Bank debentures not exceeding 80 per cent of their market value.

(iv) On the security of gold jewels, Bullion and Silver articles not exceeding 70 per cent of their estimated value subject to a maximum of Rs. 500.

(v) On the pledge of non-agricultural manufactured products not exceeding 60 per cent of their market value, subject to a maximum of Rs. 500.

(vi) On the security of agricultural produce upto an amount not exceeding 60 per cent of their market value subject to a maximum of Rs. 2,000 and

(vii) On the pledge of Insurance policies of the borrower duly assigned not exceeding 90 per cent of their surrender value.

Though the by-laws are clear to avoid possible misconception regarding the applicability of the Individual Maximum Borrowing Power of Rs. 2,000 fixed in bylaw 42 to the different kinds of securities referred to above, the following instructions are issued for the guidance of the Deputy Registrars :

(a) The amount of loan that may be granted to a member on the security of his deposit, if any is not subject to the limit laid down in bylaw 42, either as to the individual maximum credit limit or as to the limit calculated with reference to the No. of shares held by him.

(b) The amount of loan that may be granted to a member on the pledge of his agricultural produce is not subject to the limit of Individual maximum borrowing or to the credit limit per share fixed in by-law 42. In other words loans on the pledge of produce are exclusive of the Individual Maximum credit limit of Rs. 2,000 fixed in by-law 42.

(c) The amount of loan or loans that may be granted to a member on the mortgage of immovable properties, on the pledge of jewels, on the pledge of Government Promisory Notes or Central Land Mortgage Bank debentures on the pledge of non-agricultural manufactured products, and on the pledge of insurance policies, should not in the aggregate exceed the Individual Maximum Borrowing Power of Rs. 2,000 prescribed in by-law 42.

2. As regards the borrowing limit per share viz. Rs. 80 for each share, prescribed in by-law 42, as the by-laws stand at present, it will apply to loans that may be granted to a member on the mortgage of immovable properties, on the pledge of Government Promisory Notes or Central Land Mortgage Bank debentures, insurance policies and non-agricultural manufactured products. It will not apply to the loans granted on the security of deposits on the pledge of jewels and on the pledge of agricultural produce.

3. The Deputy Registrars are requested to communicate the above instructions to the Rural Co-operative Banks working in their circle.

A. PALANIAPPAN,
Registrar.

RURAL BANK—STANDARD OF SECURITY FROM EMPLOYEES.

Proceedings of the Registrar of Co-operative Societies, Madras.

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

D.Dis. 135349-55-A Dated 5—9—1955.

SUB :—Co-operative Societies—Rural Co-operative Banks—furnishing of securities by paid employees of Rural co-operative banks form and standard—prescribed.

Under Rule XXVII-B of the rules framed under the Madras Co-operative Societies Act VI of 1932, the Registrar directs that all the paid employees of Rural Co-operative banks under the following categories of service now in employ or to be employed hereafter shall furnish security as prescribed below.

(a) *Paid Secretary or Manager.*

i. Cash of Rs. 1,000 and

ii. unencumbered immovable property valued at Rs. 2,500 or fidelity guarantee policy from the Madras Fire and General Insurance Co-operative Society for Rs. 250.

(b) *Accountant or clerks.*

i. Cash Rs. 250 and

ii. Unencumbered immovable property valued at Rs. 1,000 or fidelity gurantee policy from the Madras Fire and General Insurance Co-operative Society.

(c) *Shroffs or cashiers.*

i. Cash Rs. 750 and

ii. Unencumbered immovable property valued at Rs. 2,500 or fidelity guarantee policy for Rs. 2.500 from the Madras Fire and General Insurance, Co-operative Society.

(d) *Appraisers.*

i. Cash Rs. 500 and

ii. Unencumbered immovable property valued at Rs. 3,000 or fidelity guarantee policy for Rs. 3,000 from the Madras Fire and General Insurance Co-operative Society.

(f) *Godown keepers.*

i. Cash Rs. 500 and

ii. Unencumbered immovable property valued at Rs. 1,000 or fidelity guarantee policy for Rs. 1,000 from the Madras Fire and General Insurance Co-operative Society.

(g) *Attenders, Peons, Night watchman, and other menials.*

Cash Rs. 100

2. The Registrar further directs that no rural co-operative bank shall retain in service any paid employee if he does not furnish before 31-10-1955 security in the form and according to the standard fixed above for the category of service in which he is employed.

A. Palaniappan,
Registrar.

RURAL BANK—INVESTMENT OF FUNDS.

Memorandum of the Registrar of Co-operative Societies, Madras.
Sri A. Palaniappa Mudaliar, M.A.
Registrar.

D. Dis. No. 112931/55-A. Dated 7-9-55.

Sub:—Rural Co-operative Banks—Investment of funds—Instructions—Issued.

In regard to the investment of funds of Rural Co-operative Banks, the following instructions are issued for the guidance of the Deputy Registrars:—

(i) In the following cases of investments made by the Rural Co operative Banks, the prior permission of the Local Deputy Registrar is necessary:—

(a) Investment in current account with the Madras State Co-operative Bank or any Central Bank outside their district and within the Madras State.

(b) Investment in current account with Urban Co-operative Banks with in or outside their district.

(c) Investment in current account with any private or Joint Stock Bank within the Madras State.

(ii) All proposals for investment of funds of Rural Banks in fixed deposits with the Madras State Co-operative Bank or any other Central Co-operative Bank outside their district but within the Madras State, or any Urban Co-operative Bank within or outside their district and all proposals for investment with any institution—Co-operative or non-Co-operative—outside the Madras State should be submitted to the Registrar for orders

(iii) No specific permission of the Deputy Registrar is necessary for the investment of funds of a Rural Co-operative Bank either in current account or in fixed deposit, with the Central Co-operative Bank to which it is affiliated.

2. The Deputy Registrars are requested to bring the above instructions to the notice of all Rural Co-operative Banks working in their jurisdiction.

Sd. A. Palaniappan,
Registrar.

News and Notes

Sri P. Kasturi Pillai, elected President of the South India Co-operative Insurance Society, Ltd.

At the meeting of the Board of Directors held on 15th October 1955, Sri P. Kasturi Pillai of Salem has been elected as President and Dr. Subbaramiah has been elected as Vice-President of the Society.

Silver Jubilee of the Co-operative Central Land Mortgage Bank.

Sri N. S. Ramalingam, President of the Co-operative Central Land Mortgage Bank, Ltd., Madras has issued a Circular stating that the Silver Jubilee of the Bank will be celebrated in a fitting manner in the month of December, 1955.

Started with a few members in the year 1929, the Bank grew into a mighty organisation with 130 primary banks affiliated to it on the date of bifurcation. After the formation of Andhra State in September 1953, the Bank is still the biggest long term banking organisation with 73 primaries and a membership of 42,326 as on 31st December 1954. To commemorate the rich record of service rendered by the Bank during the past quarter of a century, it is planned to celebrate its Silver Jubilee in a grand manner in December, 1955.

Silver Jubilee of the Burmah Shell Employees Co-operative Society, Ltd.

The Burmah Shell Employee's Co operative Society, which was founded in 1930 has made a solid progress during the last 25 years. Its membership exceeds 1500. As on 30th June 1955, the paid-up capital of the Society amounted to about Rs. 1,27,000, Thrift Deposit to Rs. 13,800 and Thrift Fund to Rs. 54,000. Its turnover touched Rs. 4 lakhs. One of the remarkable features of the Society is that its membership consists of all grades of employees of the Burmah-Shell in the Southern Region.

It has been decided to celebrate the Silver Jubilee in a fitting manner at Burmah-Shell House in mid—November, 1955. Sri K. Kamaraj, Chief Minister of Madras has been requested to preside over the function.

Sri B Venkatappiah's Address

Sri B. Venkatappiah, Deputy Governor, Reserve Bank of India addressed the students of the Central Co-operative Institute, Madras on 21st October 1955.

He dwelt at length on the recommendations of the Rural Credit Survey Report and exhorted the students to study well and become technically competent and also to imbibe a spirit of service so that they may later on serve the Co-operative Movement with a missionary zeal. Dr. P. Natesan, General Secretary of the Madras State Co-operative Union, presided. The meeting was attended by Sri A. Palaniappa Mudaliar and the Joint Registrars and other officers of the Co-operative Department. Sri A. P. Balasubramaniam, Principal, proposed a vote of thanks.

Election of Directors of Tirupattur Town Co-operative Bank Ltd.,

A general body meeting of the Tirupattur Town Co operative Bank Limited, was held on Sunday the 11th September 1955 at 2 p.m. Sri G. Swami Naidu, President of the Bank presiding. About 315 members attended the meeting. The following gentlemen were proposed by Sri E. L. Raghava Mudaliar M.L.A. and unanimously elected as Directors for a period of three years beginning from 1st October 1955. Sri G. Swami Naidu, Dr. T. K. Swaminathan Sri V. S. Veerabadra Mudaliar, Sri M. Muniratna Chettiar, Sri R. Kuppuswami Mudaliar, Janab P. Jailabdeen Sahib, Janab M. M. Hug Sahib.

The Bank has successfully completed 38 years of its working and has steadily progressed on sound lines during the past ten years. The Bank has advanced loans to the extent of 6 lakhs of rupees to its members during 1954-55 and has got a share capital of Rs. 80 thousands and Reserves to the extent of 70 thousands and has earned a net profit of Rs. 12,700. The services of the Directors and the Secretary Sri S. Kumaraswami Chettiar who were responsible for the good working of the Bank were appreciated and recorded in a resolution. After tea, the meeting came to a close.

Dr. Punjab Rao Deshmukh opens Godown of the Marketing Society at Mangalore

Dr. Punjab Rao Deshmukh, Union Minister for Agriculture, declared open on the 16th October 1955 the newly constructed Godown of the South Kanara Agriculturists' Co-operative Marketing Society at 'Sahakari Mahal' Mangalore. Sri K. Sadananda Hegde, M.P., presided. The Registrar of Co-operative Societies, Madras, Sri A. Palaniappa Mudaliar, was present.

In his welcome address, Sri B. Prabhaker Rao, President of the Society, traced the history of its working during the last 35 year, marked by various vicissitudes, particularly the Bombay Dock explosion in 1944 which destroyed the goods and records in its Bombay branch and threatened the very existence of the society. During the last year, the society was able to market agricultural produce, especially areca, worth Rs. 49 lakhs.

The Registrar Sri A. Palaniappa Mudaliar congratulated the management of the society on its good record of work, and outlined the programme of the State sought to be implemented during the Second Five Year Plan period. In opening the Godown, Dr. Deshmukh stressed the importance of Co operative Marketing and said the future of the Co-operative Movement lay to a very great extent on the way in which marketing societies linked their activities with the rural credit organisation and undertook processing of agricultural produce. The Government had already taken steps to implement the recommendations of the Rural Credit Survey Committee, and he expected a good future for Co-operatives working with the active participation of the State. The President also spoke on the vital part to be played by Co-operatives. Sri K. B. J. Hegde, Vice. President of the society proposed a vote of thanks.

The opportunity was also availed of by the Central Bank to have prizes distributed by the Union Minister to the three rural societies which had enlisted the largest numbers during the first week of May, when intensive efforts were made by several societies in this district in accordance with a decision of a Conference of Supervisors, Union representatives and departmental Officers.

On the night of the 15th, the Minister and the Registrar participated in a Dinner arranged by Co-operators in the premises of the Society.

Committee on Co-operation Visits Malabar

The Committee on Co-operation appointment by the Government of Madras visited Calicut on 1-10-1955. Sri M. Shiva Rao and B. Venkata Ratnam and the locally co.opted members Messrs. Dr. K. B. Menon, M.L.A. and P. Govinda Menon, B.A.B.L., (President, Malabar District Co-operative Bank) were present. They took evidence from the following gentlemen at the office of the Malabar Dt. Co-operative Bank:

1. Rao Bahadur Sri V. R. Eradi, B.A., B.L.,
2. Sri T. K. Menon, B.A., President, Malabar Wholesale Co-operative Stores
3. C. Mukundan

4. T. H. Narayana Kurup
5. S. Suryanarayana Iyer
6. Dr. V. K. Nayar

The members in giving evidence are understood to have stressed the following points for development of the activities of the movement in the district.

Co-operative societies to be exempted from Sales Tax Act-Sale to non-members—appointment of a Co-operative Sub-Registrar for each Taluk—Auditors to keep attendance Register. The present 5 per cent preference in supply of milk by milk supply societies to Government Institutions to be enhanced to 12½ per cent. Subsidy from Government to open milking Centres—Urban Banks and rural Banks working in the same area—fixation of their Individual Maximum. Borrowing Power—Provision in the by laws to appoint paid treasurers—Plight of Co-operative Bank employees—application of either the recent Bank award or the State Bank of India rules with regard to their service conditions, salaries etc—these were the points of importance discussed with the Committee members.

The Committee members and their staff left Calicut on 2-10-1955.

PONDICHERRY NOTES

Handloom Industries

Sri P. Kundu, Assistant Director of Industries (Textiles) and Sri R. L. Choudri, Industrial Investigator, Director of Industries, West Bengal visited Pondicherry during September 1955. They were taken to some of the weavers co-operative production and sale societies by the Registrar of Co-operative Societies and shown the working of the weavers societies organised and started after the merger of the State with the Indian Union. They were very much impressed with the production of utility varieties of handlooms in so short a period in this State. They have also made some purchases.

Sri Majumdar, Industrial Adviser, Textile Production and Sri Sabanayagam, Deputy Textile Commissioner, Handlooms and Sri Arunamutham, Director, Costing and Prices came here to investigate the possibilities of organising a powerloom factory on co-operative basis. They have inspected certain sites for the location of the proposed factory and the matter is under consideration.

Milk Supply

The Co-operative Milk Supply Society functioning in Pondicherry has opened 3 more milk pockets besides 2 production centres to meet the demand of the public. There are 216 members on the rolls and the paid up share capital of the society is Rs. 6,565. The average monthly production of the society is 45,000 seers valued at Rs. 15,000,

The society is supplying milk to the Government Hospitals, Jails and other institutions etc., on contract basis.

Sale of milk under coupon system is in steady progress and the demand from the public is encouraging.

Fertiliser Supply

Arrangements have been made to get fertilisers from Sindri for distribution to the ryots in Pondicherry State. During the month 150 tons of ammonium sulphate for Pondicherry area and 70 tons for Karaikal area have been received for sale to the ryots besides 250 tons of ammonium sulphate received already and sold to the ryots in Pondicherry area. Thus nearly 470 tons of ammonium sulphate have been received so far in this State. The prices were competitive and the rate per bag of 100 kilos (220.4 lbs) is fixed at Rs. 32-15-5. The ryots are satisfied with the arrangements made so far by the Pondicherry Administration in getting the stuff at reasonable rates unlike in the previous periods when a bag of ammonium sulphate was sold at Rs. 40 to 42.

Co-operative Marketing Activity

A meeting of the agriculturists from Pondicherry and other adjacent villages was held on 30-9-55 at 4 p.m. in the Botanical garden, Pondicherry in connection with the organisation of a District Supply and Marketing Federation at Pondicherry. About 30 ryots from different villages attended the meeting. Sri D. N. Doraiswamy Mudaliar, Registrar of Co-operative Societies, Pondicherry, explained in general the various advantages that can be derived by the ryots from the co-operatives. He also explained in detail the present working of the co-operatives like milk supply society, co operative urban bank, weavers co-operative societies, fishermen co-operative societies at Pondicherry and Karaikal successfully, and the advantages derived by the members of the said institutions. He dealt at length about the financial help so far rendered by the Pondicherry

administration specially to weavers co-operative societies and the further help that they will derive under the 2nd Five Year Plan Schemes.

He explained to them in particular about the working of the marketing societies in Madras State and the help that the agriculturist will get through the said society in marketing agricultural produce like onions, chillies etc. by getting permits for export to countries outside India. He invited questions from the ryots and cleared their doubts. Then it was decided that a sum of Rs. 20,000 should be collected for the proposed society. Sri R. K. Selvaraj, a leading mirasdar of Mudaliarpet was elected to be the Chief promoter of the proposed co-operative marketing society. He has also been empowered to collect share capital and remit it in the Bank on behalf of the proposed society. Then the meeting came to a close with a vote of thanks to the chair and the agriculturists present.

Malabar District Industries Committee Meets

A meeting of the newly constituted Malabar District Cottage Industries Committee was held at the office of the Malabar District Co-operative Bank Ltd., Kozhikode on Sunday, the 25th inst. Three more members were co opted to the Committee and Sri P Govinda Menon, B.A., B.L., was elected Chairman and the Deputy Registrar, Malabar (South) as Convenor. The programme of the work etc. will be drawn up at the next meeting.

Handloom Sales Depot Opened at Pattukottai

Sri P. Vasudeva Menon B.A., Deputy Collector, declared open the sales depot of the Mannargudi Weavers' Co-operative Production and Sale Society, Ltd , Mannargudi at Pattukkottai on 16-9-55. Sri Menon and Sri P. Swaminatha Iyer, B.A., B.L., impressed the audience with the importance of encouraging the handloom fabrics and pointed out the excellent quality of the goods produced in the society especially in higher counts. Sri C. Sudhama Rao, Deputy Registrar of Co-operative Societies, Tanjore explained the assistance rendered by the Government to the handloom industry under the Cess Fund Scheme. Sri D. Gurumurthy, Secretary of the Society proposed a vote of thanks.

Editor's Mail Bag

Sir,

SUB: A SUGGESTION FOR WIDENING THE TERMS OF REFERENCE OF THE COMMITTEE ON CO-OPERATION.

The State Government of Madras had appointed a Committee on Co operation with certain terms of reference. Before the Committee began to function, the Rural Credit Survey Committee Report of the Reserve Bank of India had been published. The Non-official Co-operators in their Conference also have resolved to ask for a Committee to enquire into the working of Co-operation. When I see through the terms of reference of the Committee, I find that they are not sufficient and I request the Government to enlarge the scope of the Committee to examine and formulate its proposals on the following and other matters. Chiefly the Committee is asked to make recommendations regarding the consolidation, development and reform of the Co.operative Movement and call for a special report on the re-organisation of the Credit Societies. But the important aspect of the development of Village Credit as the Government of India envisages is the development of Marketing of Agricultural Produce and the linking of Credit and Marketing. And the Union Government have already implemented the recommendations of the Rural Credit Survey Report. Taking it as the basis the Committee may be asked to report as to how the Village Credit Societies and the Marketing Societies can be reshaped.

Further there have been certain difficulties in the working of Co operative Societies and grave irregularities and also losses some times occur. The main purpose of the Committee ought to be to go into this field and find out the reasons therefor and suggest ways and means as to how these things could be rectified. Unless specific directions are given, the Committee may not be able to suggest radical reforms into the structure of the Movement and the control of the co-operative employees. My own impression is that the non official co-operative employees set-up and the staff organisation of the Department of Co-operation have to be thoroughly overhauled and they must be made to function under specific control and well defined set-up.

Another important aspect of the question, the Committee has to consider would be planning of Co-operation during the Second Five Year Plan and how to carry into effect the plan within the democratic structure of the Co-operative Movernment. Unless a high powered

body elected democratically is made to control the Movement, the Movement will not achieve its objects; if it is to function as per the democratic verdict of small Co-operative Institutions, which in the main are controlled by persons of local influence, who will not allow the development of the movement, unless they are allowed to exercise the privileges and favouritism which now they enjoy. The Constitution of an high powered, elected body will have a very good effect, especially on Co-operative Training and Marketing enterprises.

I request the Government to enlarge the scope of Committee and call for its recommendations in respect of the Second Five Year Plan.

T. NARAYANA PILLAI,
Jt. Secy. Madras State Co-op. Union.

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All Communications should be addressed to:

The General Secretary,

The Madras State Co-operative Union,

379, Netaji Road, Madras.

Eleventh Tamil Nadu Co-operative Conference

(Convened under the auspices of the
South Arcot Co-operative Central Bank, Ltd.)

CUDDALORE N. T.
30—9—55.

CIRCULAR

AN APPEAL

SUB :—Eleventh Tamil Nadu Co-operative Conference.

The Eleventh Tamil Nadu Co-operative Conference proposed to be held by the Tamil Nadu Co-operative Federation, Coimbatore is being convened under the auspices of the South Arcot Co-operative Central Bank at CHIDAMBARAM. The dates of the Conference have been tentatively fixed as 30th and 31st December 1955. The full details and other particulars would be communicated after matters are finalised.

2. Rapid developments have to take place in the Co-operative Movement in our country. The Rural Credit Survey Report of the Reserve Bank of India has created a new outlook among Co-operators. The proposed Government's partnership in the Movement, the integration of rural credit, the extension of co-operative marketing facilities are some of the important items regarding which proposals are being formulated in the Second Five Year Plan. The stores movement has to be strengthened. The improvement of Weavers' Co-operatives, Cottage Industries Societies, Co-operative Milk Supply Societies, Urban Banks, Building Societies, Sale Societies, etc., the question relating to land reforms which is under consideration of the Government and similar other matters are subjects of importance, which Co-operators of Tamil Nadu would be called upon to find proper solution at this Conference and express their view points. Further, the Madras Committee on Co-operation which was constituted by our popular Government as a result of the resolution of the 10th Tamil Nadu Co-operative Conference have been enquiring into the state of the movement for submitting their Report on the development of the movement. The present Conference is, therefore, timed properly. Many prominent persons will participate in this Conference.

3. We appeal to all the important Co-operative institutions in Tamil Nadu to take part in the Conference and send liberal donations for expenses of the same. The donations, list of delegates and resolutions to be moved at the Conference have to be sent to the Secretary,

South Arcot Co-operative Central Bank, Ltd., Cuddalore N. T. under advice to the Tamil Nadu Co-operative Federation, Coimbatore.

4. Details regarding representation at the Conference etc., are furnished below :—

I. Delegation :—

1. State Co-operative Institutions and Language Federation	10 delegates each.
2. Co-operative Central Banks	5 delegates each.
3. Co-operative Central Stores	3 delegates each.
4. Co-operative Unions	2 delegates each.
5. Primary Co-operative Stores, Weavers' Societies Urban Banks, Sale Societies. Village Credit Societies, Rural Banks, Land Mortgage Banks, Marketing Societies, Building Societies House Mortgage Banks Ex-servicemen Societies. Cottage Industries Societies, Milk Societies, Jaggery Production and Sale Societies, for Harijan, Women's Co-operatives etc.,	One delegate each.
6. The Central Banks in South Canara and Malabar may each send as observers.	5 delegates

II. Delegation Fees :—

A delegation fee of Rs. 2 for each delegate has to be remitted.

III. Boarding and lodging :—

Boarding and lodging arrangements have been made for the delegates and visitors, who attend the Conference. A fee of Rs. 6 will be charged for each person for two days for the same. The amount has to be remitted in advance.

5. Resolutions to be moved at the Conference by the delegates have to be forwarded to the Secretary, South Arcot Co-operative Central Bank Ltd., Cuddalore N. T. (South Arcot Dt.) before 15-12-1955 with copies to the Federation by that date. The resolutions should have the sanction of the Committee of their respective institutions.

6. Co-operative Institutions are requested to fill up the enclosed delegation form and forward the same with the necessary delegation fees etc., at an early date. Delegate cards and meals tickets would

be despatched to the concerned delegates whose addresses are given, and in the absence of proper addresses, they would be sent to the respective institutions.

7. An exhibition would be held in conjunction with the conference to which all the Co-operative Cottage Industries Societies and other societies in Tamil Nadu are requested to send their exhibits. They are requested to reserve the necessary stalls for them in the exhibition by remitting Rs. 10 as earnest fee for each stall. The amount has to be sent to the Secretary, South Arcot Co-operative Central Bank Ltd., Cuddalore N. T. The amount will not be refunded to those, who fail to occupy the stalls on the first day. To those who participate, it will be refunded less expenses.

8. All the Co-operative institutions and Co-operators in Tamil Nadu are requested to take active part in the Conference and make it a grand success. Further details regarding the Conference, agenda etc., would be communicated in due course.

A. LAKSHMINARAYANA REDDIAR,
President, South Arcot Dt.
Central Stores, Cuddalore.

K. S. VENKATAKRISHNA REDDIAR,
Director, S. A. C. C. Bank and
Vice-President, Tamil Nadu
Congress Committee
Vice-Chairman.

R. KANAGASABAI,
Chairman, Reception Committee,
XI Tamil Nadu Co-operative
Conference and Vice-President.
South Arcot Co-operative
Central Bank Ltd.,
Cuddalore N. T.

T. R. DHARANIDHARAN,
Secretary.
South Arcot Co-operative
Central Bank Ltd., Cuddalore N. T.

D. KRISHNAMURTHY GOUNDER,
President.

N. S. RAMALINGA MUDALIAR,
T. NARAYANA PILLAI,
Vice-Presidents.

M. S. PALANIAPPA MUDALIAR,
A. R. RAMAKRISHNA NAIDU,
Secretaries

THE TAMIL NADU CO-OPERATIVE FEDERATION
COIMBATORE.

Some places of interest in and around Chidambaram:

Chidambaram Temple, Vadaloor Temple, Annamalai University, Tirumailadi, Cuddalore, Seerkali Temples, Vaideeswarankoil, Velankanni & Nagore Temples, Sugar Factory at Nellikuppam, Coal mines at Neiveli, Pondicherry, Gingee, Singavaram Sri Ranganathar Temple, Tiruvathigal, Tiruvamoor -birth place of Tirunavukkarasu Swamigal, Tirunavalur birth place of Sundaramoorthi Swamigal, Tiruvennainallur, Vridhachalam Temple.

NOTE: Chidambaram (Annamalainagar) can be reached by the meter gauge section of Southern Railway from (1) Tiruchirapalli Jn. via. Mayavaram (2) Salem Jn. via. Virudachalam and (3) Katpadi and Madras Egmore stations via. Villupuram.

CO-OPERATION IS A SLOW PROCESS

Since it depends more on men than on things, the progress of Co-operation is necessarily slow. It requires a patient labour of education. But in the sphere of social and economic life, which is Co-operation's own, there is no shorter or easier road to salvation.

DR. G. FAUQUET,
'*The Co-operative Sector.*'
