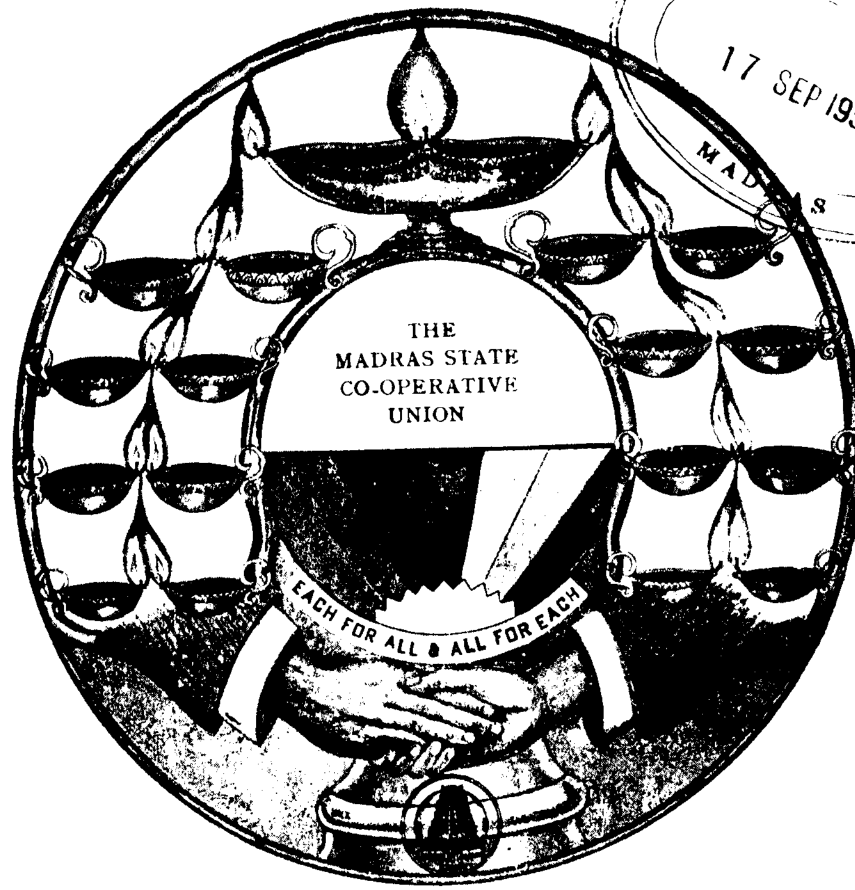
The Madras Journal of Co-operation



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

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THE

Madras Journal of Co-operation

EACH FOR ALL AND ALL FOR EACH

Journal of the Madras State Co-operative Union, Esplanade, Madras I

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Thought for the Month

THE QUALITIES OF A CO-OPERATIVE EDITOR

"As I see it, a Co-operative Editor should believe in Co-operation; he should be able and willing to present Co-operative views and give a fair and balanced assessment to his readers. Whilst he may give priority to official co-operative point of view, it is equally his duty to see that fair show is given to the views of any substantial minorities. A co-operative Editor should not suppress inconvenient facts or figures. He should accord the right of reply and claim that right for himself. He should protect the anonimity of correspondents, who do not desire their names disclosed.

A co-operative editor should strive to report the truth, as he sees it."

Mr. E. TOPHAM
"Co-operative Review."

Editorial Notes

FOURTH ALL-INDIA HANDLOOM WEEK

News have reached us that this year, as already anticipated, the Fourth All India Handloom Week was celebrated with great enthusiasm throughout the Madras State. In the City of Madras, several Ministers of the State and prominent members of the public participated in the function and appealed to the people to extend their support to the handloom industry. Sri R. Venkataraman, Minister for Co-operation stated that the Government were prepared to help every handloom weaver.

Since the crisis of the Handloom Industry in 1952, the Government of India have been very anxious to stabilise this industry, which provides gainful employment to about 28 lakhs of weavers in the country. First in importance was the constitution of the Handloom Cess Fund and the All Indian Handloom Board. The Cess Fund yielded annually some 5 to 6 crores of rupees. With the help of this fund, several measures like the provision of share capital loans, working capital to weavers co-operatives, grant of consumer rebate, opening of market centres, improvement of designs etc. were undertaken to put the industry on a sound footing. It was also recognised that in order to achieve lasting results Government expenditure should largely be canalised through the medium of co-operatives.

We are happy to note that the Cess Fund Schemes have produced very good results in Madras Sate. As Sri A. Palaniappa Mudaliar Registrar of Co-operative Societies, Madras, in his All India Radio talk has stated, there has been an all-round improvement in the handloom industry, since the implementation of the Cess Fund schemes from 1954. It is learnt that the Madras Government incurred upto 31st March 1957, a total expenditure of Rs. 4.87 crores, representing 91.5 per cent of the amounts sanctioned in the execution of the several Cess Fund Schemes. This has resulted in the increase of weavers co-operatives from 566 on 1st January 1954 to about 900 at present. The number of looms in the co-operative fold has increased during the period from 97,600 to 1,75,000, representing about 34 per cent of the looms in the State. Production of handloom cloth in the co-operative fold has increased from Rs. 202.92 lakhs in 1953–54 to Rs. 646.70 lakhs in 1955–56; while sales has commensurately increased from Rs. 308.80 lakhs to Rs. 589.22 lakhs. There has been a considerable improvement even in the operational officiency of weavers co-operatives; this may be judged from the fact, that in 1943–54, only 130 societies earned a net of profit of Rs. 2.87 lakhs,

while in 1955–56, more than 400 societies have reported a net profit of Rs. 35.73 lakhs.

All these statistics indicate the rate and the range of the development of the handloom industry due to the implementation of the Cess Fund Schemes; further, it has been reported that the Government have in view several other measures like the weavers housing schemes, industrial co-operative etc. in order to ensure the weavers continuous employment and a higher standard of living. We do hope that by the end of the Second Plan period, the position of the handloom industry would be greatly stabilized, both by the active assistance of the State and the whole hearted co-operation of the public,

SALES TAX AND MILK

We have repeatedly urged in these columns the urgency to exempt milk sales of milk co-operative from sales taxation. The reasons are many and weighty. Firstly, milk is a food article; secondly, it is highly perishable, thirdly, it is also an agricultural product; fourthly, sales tax on milk are to a large extent, mainly collected through the medium of milk co-operatives. On account of these reasons, the Second Madras State Conference of Milk Co-operatively strongly urged the Government to exempt milk sales from sales taxation. Hitherto, the Government have not accepted the suggestion. But very recently on 21st May 1957, when Sri R. Venkataraman, Minister for Co-operation opened a Milk Cooler of the Madras Co-operative Milk Supply Union, he told the audience that the Government of Madras have recently requested Dr. P. S. Lokanathan, Ex-Secretary - General ECAFE to study the Sales Tax system in Madras and suggest reforms in order to make the Tax more equitable in its incidence. He also appealed to the President, the Madras Co-operative Milk Supply Union to represent the case to Dr. Lokanathan, when he takes up the enquiry. We are indeed thankful to the Minister for the information. We are sure that a scientific study of the Sales-tax system would be highly beneficial to the trade in general and to the public at large. We are equally certain that the findings of the Expert Team would be favourable to the milk co-operatives in the matter of exemption of milk sales from sales tax.

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The Madras State Co-operative Union Examination, June 1957.

An examination for the students of the Coimbatore, Tanjore, Malabar and Madura Institutes will be held at the respective Institute's head-quarters from 22nd to 28th June 1957 as per programme given below.

Saturday	22-6-1957	10 a.m. to 1 p.m.	Co-operation—Historical, General & Principles.
Monday	24-6-1957	do	Co-operative Law.
Tuesday	25-6-1957	do	Audit.
Wednesday	26-6-1957	do	Book-keeping.
Thursday	27-6-1957	do	Banking.
Friday	28-6-1957	do	Rural Economics.

Candidates who failed in the previous State Co-operative Union Examinatio s held during 1942 to 1956 are hereby informed that they can also sit for the above examination.

Candidates who underwent training in the Institutes prior to 1941 have to appear and pass Part III of the examination under the new regulations for eligibility for a certificate.

In view of the subject 'Banking' having been included under Part III from 1945, candidates who have passed Part II in previous years need not appear for "Banking" under Part III this year. It will suffice if they sit for Rural Economics, Sanitation, Village Panchayats etc., only.

The examination in theory comprises of three parts:—

1.	Co-operation—Historical, General and Principles	Part I.
2.	Co-operative Law	
3.	Audit	Part II.
4.	Book-keeping	
5.	Banking	Part III.
6.	Rural Economics, Sanitation, Village Panchayats	

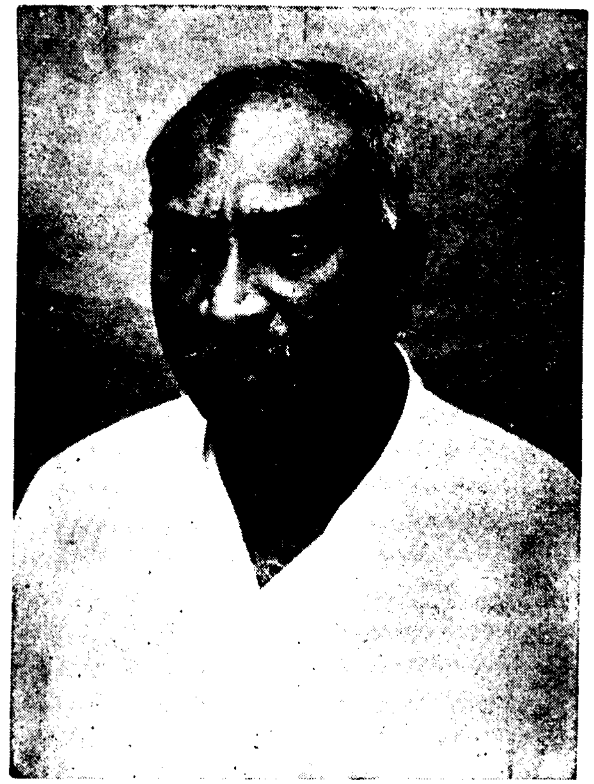
Candidates who have failed in any one of the subjects of any part have to sit for the subjects comprising that Part or Parts.

The examination fee is Rs. 11 for the whole Examination for students undergoing training in the Institutes for whom the marks obtained by them in the examination will be supplied through the Institutes However, this rule does not apply to supplementary candidates from whom the fee of Rs. 2 for furnishing marks will stand. The examination fee is Rs. 4 for each Part.

The last date for receiving the examination fees together with the application in the prescribed form is 30—5—1957. Fees must be remitted only by money order. Applications and money order received after the said date are liable for rejection, and no complaint in this behalf will be attended to.

For further particulars please apply to:

The General Secretary,
The Madras State Co-operative Union,
379, Netaji Road, Madras-1.



Sri K. Kamaraj,
Chief Minister, Government of Madras.

Sri R. Venkataraman, M.A. B.L., Minister for Industries, Labour and Co-operation, Govt. of Madras.

The Fourth All India Handloom Week*

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

1. From tomorrow lasting for a week, a nation-wide festival connected with the handloom industry will be celebrated. I refer to the fourth All India Handloom Week which will be observed throughout the length and breadth of the country. For the past three years, annually, the handloom week is being observed to focus the attention of the public and the handloom weavers alike to the conditions of the industry and the need for fostering it. Every section of the community contributed to the success of the "Week" by participating in the meetings held, exhibitions conducted, and the processions taken out. From all accounts, the celebrations were a great success and the public have become aware of the potentialities of the industry and its place in the national economy. Encouraged by the success which attended the celebrations of the "Weeks" in the previous years, the Government of India have been pleased to permit the conduct of the "Week", this year also. In the light of the experience gained and heartened by the significant response from the public and the handloom industry, detailed preparations have been made this year also to conduct this "Week" on a grand scale throughout the country.

2. What is the significance of this "Week"? What are the achievements of the handloom industry? What is the place of the industry in the national economy and why should the industry deserve the patronage of the people? I shall attempt to answer these questions. Most of us are connected with the handloom industry in one way or the other. As yarn and cloth merchants, as handloom weavers' as dyers or designers, as workers or proprietors of the spinning mills, as officials and non-officials dealing with the questions connected with the handloom industry and largely as consumers, we are in constant touch with one or other of the several aspects connected with the industry. This industry has flourished in India from times immemorial. It is a premier cottage industry next only to agriculture in providing gainful employment. About 28 lakhs of handlooms are plying in the country and roughly one-twelfth of the population is connected with the industry. It is therefore clear that this industry plays a vital role by sustaining an important sector of the population and any measure taken to rehabilitate its condition will directly help in stabilising the country's economy.

3. Though, no doubt, it was widely recognised that this industry was important, its plight was very unsatisfactory some years back and

* Reproduced with the kind permision of A.I.R., Madras from a talk by Sri A. Palaniappa Mudaliar, M.A., I.A.S., Registrar of Madras on 4-5-1957.

in the years 1952 and 1953 it reached a crisis. There was heavy accumulation of stocks and a large number of handloom weavers were thrown out of employment. There were agitations from the handloom weavers that their industry was facing extinction and that something should be done quickly and radically to remedy the situation and put the industry back on its feet. The Government of India have no doubt been examining the position of the industry since the year 40-41 and taking some steps periodically to help the handloom weavers. The State Governments, too, have taken certain measures to combat the deteriorating condition of the industry from time to time. The Government of Madras, for example initiated two schemes of relief once in the year 1949 and again in the year 1952 to ensure adequate work to thousands of handloom weavers who were thrown out of work and arrange the marketing of handloom goods, which had accumulated.

4. The year 53 marked the turning point in the history of the handloom industry. Though the first five year plan period commenced in the year, 1951, not much progress was made for two years. Since 1953, however, efforts are being continually made to consolidate and reorganise the industry so that the progress made may keep pace with other aspects of national development. The problems connected with the industry were several and touched all points of the industry. The biggest bottleneck in tackling the question was finance. The Government of India were quick to realise this fact and decided to constitute a cess fund out of a levy of cess on mill cloth. Roughly about five to six cross of rupees are collected in this fund every year and utilised for the benefit of the industry. The collection of such large funds led to the problem of finding a suitable instrument which can be depended upon for usefully and properly executing developmental schemes with the aid of the fund. It was felt that as an organising principle as well as a practical method of achieving lasting benefits in so far a disorganised and exploited industry was concerned, there would be no better alternative than that of co-operative endeavour. Goveverumental expenditure is, therefore, largely canalised through the medium of Co-operatives.

5. The various measures for the improvement of the industry relate to the enlistment of weavers within the co-operative fold, provision of share capital to the members of weavers co-operative societies, sanction of working capital to Weavers Co-operative Societies and the Madras State Handloom weavers co-operative society, provision of technical assistance and improved appliances, expansion of marketing facilities by the opening of sales depots within and outside the country, grant of rebate on sales to the public and merchants in order to bring down the sale price, etc. The results of working the several departmental schemes have been truly impressive. The Industry has shown

distinct signs of development and improvement. The members of weavers societies are given continuous employment and get better wages. Production has gone up appreciably and the sales of handloom cloth have kept pace with production. It may be said without fear of contradiction that the tempo of progress now in evidence reveals that the weaver has turned the corner and is on the road to further consolidation of his position.

6. I shall now give you some particulars, which will indicate the pace of tremendous progress recorded by the industry during the last three years, in the Madras State. Out of Rs. 17.61 crores made available by the Government of India to the various states from the Cess Fund for the development of the handloom industry, Rs. 5.32 crores were sanctioned by way of loans and grants to the Madras State upto the end of March 57. The handloom development schemes financed from the cess fund are being implemented in the Madras State with effect from January 54. Upto 31-3-57, the total expenditure incurred in the execution of the schemes amounted to Rs. 4.87 crores representing 91.5 per cent of the amounts sanctioned by the Government. On account of the schemes, the number of weavers co-operative societies rose from 566 on 1-1-54 to about 900 now. The number of looms in the Co-operative Fold increased during the period from 97,600 to 1,75,000 representing about 34 per cent of the looms in the State. The paid up share capital of the weavers' Co-operative Societies increased from Rs. 64.15 lakhs on 30-6-'54 to Rs. 72.12 lakhs on 30-6-'56 and borrowings outstanding improved from Rs. 49.70 lakhs to Rs. 95.75 lakhs. Production of handloom cloth in the Co-operative Fold for the year 53-54 was only for Rs. 202.92 lakhs while it was for Rs. 646.70 lakhs during 55-66. Sales were stepped up from Rs. 308.80 lakhs to Rs. 589.22 lakhs. Only 130 weavers co-operative societies earned a profit of Rs. 2.87 lakhs during 53-54. During 55-56, however, 416 societies earned a total profit of Rs. 35.73 lakhs.

7. A share capital advance of about Rs. 17 lakhs has been disbursed to weavers co-operative societies to enable them to give advances to the weavers and enroll them as members. More than Rs. 163 lakhs have been disbursed to the Madras State Co-operative Bank for sanction of working capital loans to weavers co-operative societies through Co-operative Central Banks. Marketing finance to the extent of Rs. 82.75 lakhs has been disbursed to the Madras State Handloom Weavers' Co-operative Society to enable it to expand its marketing organisation and open a net work of retail selling dépots all over the Madras State and in the other parts of the country and to stock the emporia with an adequate quantity and range of goods.

8. Six mobile vans have been purchased by the Madras State Handloom Weavers' Co-operative Society and placed on the road for

doing publicity and sales promotion. These vans provide a link between the consumer at his very door and the selling units effectively.

9. By far the most spectacular measure so far undertaken to step up the sales of handloom cloth is the grant of subsidy to weavers co-operative societies to recoup a rebate allowed by them on their sales at one anna six pies per rupee. This rebate is now allowed by weavers co-operative societies on sales to consumers as well as to wholesalers; besides consumers co-operative societies have also been encouraged to deal in handloom cloth by being allowed subsidies to recoup the rebate allowed by them on the sales of handloom cloth. On special occasions such as the handloom week and the Deepavali season an enhanced rebate at 0-2-0 per rupee has been permitted on sales of handloom cloth. The subsidies disbursed by the State on this account, have increased progressively and during the year 56-57, about Rs. 105 lakhs have been disbursed. It must be admitted that rebate on handloom cloth is the greatest single factor which has promoted sales of handloom cloth significantly.

10. Six housing colonies for the benefit of weavers who are members of weavers co-operative societies have been sanctioned by the Government of India and are under various stages of implementation. 728 houses at a cost of about Rs. 30 lakhs will be built in the course of this year.

11. Several silk weavers' co-operative societies for the benefit of silk handloom weavers have been started in the various parts of the Madras State with assistance from the Cess Fund. About 1,000 Silk Handloom Weavers are benefited on account of this measure. Art silk handloom weavers have also not been neglected and Government have approved a scheme for the enlishment of 1,200 art silk handloom weavers as members of weavers co-operative societies.

12. This talk will be incomplete without a reference to the handloom development schemes incorporated in the Second Five Year Plan. A sum of Rs. 3.22 crores has been earmarked for the development of the industry. It is however expected that more funds will be available for this purpose. At the end of the plan period more than 50 per cent of the handlooms in the State would have been brought within the Co-operative Fold. Fifteen housing schemes at a cost of over seventy lakhs of Rupees would have been implemented and atleast 1,500 houses would have been built. Ten industrial co-operatives for handloom weavers who have no looms or who have been thrown out of employment would have been organised and started. Provision for the supply of several kinds of accessories which will help to improve the quality of the cloth produced has been made. 1,600 weavers will

be trained in improved methods of weaving. A scheme for the extension of marketing activity haso also been formulated. It is hoped that the provision made in the Second Five Year Plan will further help to stabilise the condition of the handloom weavers.

13. On the eve of the fourth All India Handloom Week, I would request you to realise the importance of the handloom industry especially in the context of the several endeavours made by the Government to provide employment opportunities on a large scale so that more and more people could earn their livelihood. What other industry sustains so large a number of our countrymen? It is therefore upto you to take a pledge now to support in an increasing measure, this ancient industry of India by making the maximum use of handloom cloth only. This will provide continuous employment to the handloom weavers and help to improve their socio-economic condition. This will also provide an incentive to the large number of devoted workers who are engaged in the task of developing the industry. I invite you all to associate yourselves in the celebration of the Fourth All India Handloom Week commencing tomorrow and make it a grand success.

What Madras Government Have Done for Handlooms ?*

SRI G. RAMACHANDRAN, I.A.S.,
Director of Handlooms.

Hand weaving is the premier cottage industry of the Madras State. The five lakhs of handlooms in this State with the ancillary workers engaged in preparatory and finishing processes provide employment to nearly 20 lakhs of people. Of about 1,500 million yards of cloth estimated to be produced on the handlooms in the country about 300 million yards are produced in this State.

The fortunes of this industry however, have been notoriously unstable and the industry has had to face serious crisis on several occasions. It had to face the worst ever crisis in 1951 as the general price level in India started moving downward partly due to international factors and partly due to larger availability of consumer goods. Foreign demand for Indian textiles declined on account of foreign competition. The Handloom Industry could not withstand this 'blizzard' because it was unorganised and lacked proper guidance and facilities for effective marketing of its products. Sales of handloom cloth declined sharply and large unsold stocks of cloth began to accumulate in handloom factories, Co-operative societies and with individual weavers. This accumulation occurring as it did closely on the heels of a general recession in prices aided by consumer's resistance resulted in curtailment of production of handloom fabrics and in many cases led to complete cessation of production. The handloom weavers were thrown out of employment and the producers of handloom cloth had to sustain heavy financial losses. The position became so acute that in several important weavers' centres Government had to open gruel centres to provide subsistence to the weavers.

Prompt Measures of the Government.

The Government recognized that this situation called for bold and prompt measures. They also realised that assistance could be rendered to the weavers only through the medium of an organisation which would assure to the weavers the full fruits of their labour. The provision of full employment through weavers' co-operative societies became the sheet anchor of the Government's policy. They sanctioned what is known as the Relief Scheme under which weavers outside the co-operative fold were provided with interest-free advance up to Rs. 25 each to enable them to join the co-operative societies and take shares in them. A sum of Rs. 5 lakhs was placed at the disposal of the

Sourse: Reproduction of an article by the Author published in the April '57 issue of "*Madras Information.*"

Registrar of Co-operative Societies for this purpose. At the same time to enable the co-operative societies to supply yarn and give continuous employment the Government sanctioned a loan of Rs. 35 lakhs to be routed through the Co-operative Banks.

The 1952 Crisis

The Government of India also recognized the enormity of the problem facing the handloom industry. The crisis which the Handloom Industry had to face in 1952 was primarily a crisis in the consumption of handloom cloth. This situation led the Government of India to formulate measures designed to stimulate the consumption of handloom cloth. The sales of handloom cloth had fallen off largely because of the disparity in the prices of handloom and mill cloth. The Government of India now sought to abridge the difference by the levy of an additional excise duty on mill-made cloth which was earmarked specifically for the purpose of developing Khadi and other industries and promoting the sale of Khadi and other handloom cloth. They also set up an All-India Handloom Board with comprehensive functions. In order to create a sheltered market for the products of the handloom industry, they also restricted the monthly production of dhoties by the mill industry to 60 per cent of the average monthly packings of this variety of cloth during the twelve months ending March 1952, and also prohibited the piece-dying of sarees by the mill industry. Besides certain varieties such as lungies, sarongs, bed-spreads counter-panes, gauze and bandage cloth were reserved exclusively for the handloom industry.

The Creation of the Cess Fund

The creation of a cess fund about three years ago for the development of the handloom industry was a turning point in its history. Since then the industry has recorded continuous and sustained progress without any serious setbacks. The Government of India have till now sanctioned over Rs. 475 lakhs as loans and grants for the development of the industry in this State. The amounts sanctioned by the Government have progressively increased from year to year. From about Rs. 98 lakhs in 1953-54 the allotments increased to Rs. 118 lakhs in 1954-55 and 1955-56, the ceiling share for this State for the current year was announced to be Rs. 147.5 lakhs but as against this Government of Inia have already sanctioned schemes costing about Rs. 190 lakhs for the next year also the share of the State is expected to be Rs. 178 lakhs and at least Rs. 8 crores is expected to be made available to the State during the Second Five Year Plan period out of a total of Rs. 34 crores allotted for the industry by the Planning Commission.

The Government of Madras have taken full advantage of the Cess Fund schemes to promote co-operative effort among the handloom weavers. Share capital loans at Rs. 21-4-0 and Rs. 25 in some cases have been given free of interest to the weavers to enable them to join the weavers' co-operative societies. Under the stimulus of this assistance the number of looms in the co-operative fold has increased from 98,000 on 31st December 1953 to 1.7 lakhs on 31st December 1956. The number of looms in the co-operative fold now represents nearly 33 per cent of the looms in the entire State. The number of societies has also increased from 566 on 31st December 1953 to 860 on 31st December 1956. The share capital held by the weavers in the co-operative societies has increased from about Rs. 64 lakhs to Rs. 75 lakhs and by March this year is expected to increase further to about Rs. 80 lakhs.

Subsidy to Weavers

The Government have not been slow to recognise that marketing is the crux of the problem of the handloom industry and have taken several steps to stimulate sales of handloom cloth. By for the most spectacular measure so far undertaken to step up the sales of handloom cloth is the grant of subsidy to weaver's co-operative societies to recoupe a rebate allowed by them on their sales at 0-1-6 annas in the rupee. This rebate is now allowed by weavers' societies on sales to consumers as well as wholesalers; besides consumers co-operative societies have also been encouraged to deal in handloom cloth by being allowed subsidies to recoup the rebate allowed by them on the sales of handloom cloth. On special occasions such as the Handloom Week and the Deepavali season an enhanced rebate of 2 annas per rupee has been permitted on sales of handloom cloth. The subsidies disbursed by the State on this account have increased progressively and during the current year alone claims aggregating to nearly Rs. 100 lakhs are expected to be recouped. It cannot be gainsaid that rebate on sales of handloom cloth is the lynch pin of the Government's programme for the promotion of markets for the handloom cloth and it has more than any other single measure served to popularise handloom cloth in new area and among new classes.

In order to enable the Madras State Handloom Weavers' Co-operative Society, the Apex Organisation of weavers' societies in the State to extend its marketing activities interest free loans to the extent of Rs. 74.93 lakhs have been disbursed and the State Society has now been on the average procuring and selling goods to the tune of Rs. 12 lakhs a month through its network of depots and emporia all over the country.

A scheme has also been drawn up to promote foreign markets for handloom goods in the Middle East and Far Eastern countries and the

scheme is being worked by the all-India Handloom Board through the agency of the Madras State Handloom Weavers' Co-operative Society. Under this scheme handloom cloth depots have been opened at Aden, Colombo, Singapore and Bangkok. There has of late been a growing interest in handloom fabrics in American Markets particularly for the variety known as 'Madras Handkerchiefs'. With a view to concert measures for the exploitation of this market the Government of India recently invited a team of American experts to tour the different handloom centres and suggest ways and means of stimulating exports of handloom cloth to America. The team has in its preliminary report indicated that there is a potential market for Indian handloom goods in U.S.A.

The Government have recognised that a permanent improvement in condition of weavers can be effected only if the technique of the industry is improved and the quality of the goods is maintained at a high level. In order to enable the handlooms to produce goods of uniform texture steel reeds costing about Rs. 10 each are supplied free of cost to the weavers. Along with these steel reeds, varnished healds are also supplied to them. During the current year alone allotments have been made to the weavers' co-operative societies for the purchase of 2,500 sets of varnished healds. Take-up-motion attachments costing about Rs. 70 each are also supplied to the handloom weavers so that fabrics with uniform picks comparable to mill cloth could be produced. Recognising that the production on pedal looms is higher than an ordinary pit loom Government are also supplying free pedal looms costing about Rs. 500 each.

The Madras State Handloom Weavers' Co-operative Society has been provided with financial assistance to enable it to appoint technical staff to demonstrate to the weavers the use of improved appliances.

Need to Adapt New Designs and Patterns.

The handloom industry can maintain for itself a stable market only if it adapts itself to the changing tastes of the consumers. It is necessary for them to adopt new designs and pattern dictated by market conditions. In order to popularise such new designs and patterns among handloom weavers the State Handloom Weavers' Co-operative Society has with financial assistance from Cess Fund set up four pattern making factories at Cannanore, Madurai, Salem and Tirunelveli. A scheme for imparting training to the weavers in these pattern Making Factories has also been drawn up. The All-India Handloom Board has also planned to set up two designing centres at Madras and Kancheepuram directly under its control.

With subsidies from the Government of India and the State Government a Calendering Plant has also been put up at Erode and the plant has now gone into production. Such processing of handloom cloth is expected to increase its sales appeal. In order to improve the quality of dyes used by the Handloom industry two modern up-to-date dye factories will be set up at Salem and Kancheepuram. The technical feasibility of setting up a 'sanforizing' plant for pre-shrinking handloom fabrics destined for foreign markets is now being examined.

Co-operative Spinning Mills.

It has also been felt for a long time that the weavers' co-operative societies should not be dependant wholly on spinning mills in the private sector and that they should themselves own and operate spinning mills on a co-operative basis. A co-operative spinning mill is already coming up at Tirunelveli and the Government are also now actively assisting in the collection of share capital for another co-operative spinning mill to be set up at Srivilliputhur. Share capital to the extent of Rs. 7 lakhs has already been collected and as soon as a target of Rs. 10 lakhs is reached the State Government will themselves take shares in the mills to the extent of Rs. 10 lakhs with loans from Cess fund.

The Government have not contented themselves with merely improving the economic condition of the handloom weavers. They have also recognised that the handloom weaver should be enabled to live in healthy surroundings. Therefore they have drawn up schemes for the setting up of housing colonies for the weavers.

There is one class of weavers, viz., those without their own looms who will not derive much benefit from the normal pattern of schemes implemented through weavers' co-operative societies. It has been realised that this class of weavers could be helped only through a factory run on co-operative lines. Two such co-operative factories called industrial Co-operative Societies were first formed at Cannanore in Malabar to provide employment to weavers in two factories, which have closed down. Encouraged by the success of these two ventures which were indeed the pioneer in the field of industrial co-operation in India, the Government have sanctioned the schemes for the setting up of three Industrial Co-operative Societies in the Tamil districts, one each at Karur, Madurai and Aruppukottai. Scheme for the establishment of similar industrial co-operatives at Manavasi near Karur in Tiruchirappalli district and at Arani in Chingleput District are under consideration. These Industrial Co-operative Societies will not only provide continuous employment to the loomless weavers but it will also teach them how to manage their own enterprises. The Industrial

Co-operative Societies are indeed shining examples of an Industrial democracy in operation.

Assistance from Cess Fund has also been extended to the silk handloom industry. Societies have been started at Kancheepuram, Kumbakonam, Thirubuvanam, Salem, Manambuchavadi, Mannargudi and Arni. A scheme for the formation of a Silk Weavers' Co-operative Society at Darasuram has been approved and forwarded to the All-India Handloom Board for sanction of funds. The silk looms admitted in weavers' co-operative societies are provided with working capital at the rate of Rs. 500 per loom.

The Government of Madras have also recognised that the large class of weavers outside the co-operative fold should also be given financial assistance for the improvement of their socio-economic condition. The Second Five Year Plan of State provides for the grants of loans as working capital to independent weavers. Schemes have also been included for the supply of improved appliances such as reeds, pedal looms, take-up-motion attachments, etc. It is also proposed to form marketing organisations to stimulate the marketing of cloth produced by weavers outside the co-operative fold.

Processing of Handloom Cloth

SRI M. P. NACHIMUTHU, B.A., B.L.
President, The Madras State Handloom Weavers Co-op. Society, Ltd., Madras.

There is a feeling that Handloom Fabrics, as they come out of the loom, do not generally appeal to all consumers unless they undergo some finishing process which will enhance their appearance and make them attractive. Not all type of handloom fabrics require the treatment. Saris, multi-colour fabrics and even dhotis of higher counts produced in handloom do not require embellishment of this nature to ensure their marketability.

Processing has the disadvantage of taking away the freshness and the handloom effect on the cloth which some consumers, who wear handloom cloth for its own sake, do not like. Finishing become important in certain cases to iron off lint and threads as well as fuss and fibre ends.

Processing, besides giving a lustre and finish, imparts durability, if done scientifically with costly chemicals. An average man cannot distinguish between a cloth processed to hardness and durability and a cloth processed to lend merely a glamour to it.

Surface Ornamentation

Processing can be done both on cottage industry and on factory level. Dhoby washing and hand calendering come under the former category. The Indian dhoby using cheap chemicals to bleach the cloth does the main work and his companion applies starch prepared out of rejected food materials and presses the cloth between the two rollers to fill up gaps and obtain a glossy finish on the cloth. The bleaching is only a surface ornamentation removing the natural colours on the fabrics while the hand calendering covers the defects in the weaving of the cloth.

A typical weaver is not worried about the disposal of his cloth by putting it to any difficult processing. He likes to give a good finish to the cloth even while producing it, and that is the unique feature in the handloom cloth. This effect is secured by certain weavers soaking the yarn in a solution of caustic soda, and softening it before using it for weft. Some, in the process of weaving, rub the conch on the cloth to get a finish and a lustre equal to that of ironing. Some others keep the cloth on the roller itself before packing into pieces of given size to retain the pressure, tension and crispness. It is therefore only the job of the trader to plan on processing.

Some types of cloth cheaper than mill cloth and available without restriction are exported in large quantities to foreign countries

including the United Kingdom, where the cloth is processed, printed and sent to colonies. Processing becomes, therefore, the job of the trader and the exporter.

Freshness and Lustre

Mercerising is another process by which not only durability but also fineness and good finish are secured. The mercerised yarn used in production without sizing helps to bring out a fabric in all its freshness and lustre unlike the mercerised yarn treated with starch. So in cases where the yarn cannot be used without sizing an alternative arrangement is made to mercerise the cloth to get superior finish.

The main problem confronting the handloom fabric is the shrinkage. Any cloth taken from the loom is liable to shrinkage as it loses its tension and contracts both in width and length. If the cloth is bleached, there will be further shrinkage depending upon the kind of bleaching. By ordinary dhobi wash, the shrinkage is much less noticeable than by a mill wash where the cloth is processed in the form of a rope in the washing machine, scutcher and water mangle and finally taken on the range. Here the shrinkage varies from eight to ten per cent according to the quality of the cloth, the shrinkage being more in loose weaving.

The shrinkage is restored to some extent by passing the cloth through a stenter before drying on the range. This regain is at the expense of quality, as practically the fabric is pulled to a given width thereby weakening the fabrics. By a process of calendering, it undergoes a further shrinkage though, to some extent, it is also controlled through expanders in some cases. Neverthless, both in mill cloth and handloom cloth there is bound to be a certain percentage of shrinkage ; this is less if the cloth is a processed one.

Pre-shrunk Fabric

Some handloom processors are aware of a treatment to the cloth by soaking it for over 24 hours in a chemical solution, which reduces the tension of the yarn resulting in shrinkage of the cloth. The fabrics thus pre-shrunk are liable to little further shrinkage when bleached or washed. The final finished process effects further shrinkage, as the process of calendering reduces the width of the cloth resulting in tighter and closer weave. Handloom fabrics not conforming to particular specification on account of being the product of isolated looms are not accepted for "sanforising". It is claimed that the fabric shrunk through the special plant patened by a firm in U. S. A. has a residual shrinkage of not more than one per cent.

Sizing and Dressing

The ultimate processing of cloth is sizing and dressing. This process of soaking cloth in a solution of starch gives cotton and lint stiffness and smoothness, weight and strength. The substances used for dressing are starch, glue, fats, wax and paraffin. Starch gives weight, glue stiffness, fat softness, wax and paraffin lustre.

Calendering is essentially an ironing process. It removes folds and creases in the fabrics by passing them over polished steamheated cylinders moving in different rates of speed with the varying temperatures. This process imparts smoothness and lustre which is not permanent but varies according to the types of finishing desired. In the felt calender installed by the Madras State Handloom Weavers' Co-operative Society at Erode, the effect of the calendering could be seen on both coarse and fine cloth. Unlike friction calendering, or bowl calendering, where the yarn is pressed flat, to some-extent weakening the fibre, the pressure in the felt celender is so adjusted that the yarn retains its strength.

While calendering ensures finish and glamour, printing lends variety to the cloth. Hand printing and block printing have given place to cylinder and screen printing and the cloth used for printing is subject to the preliminary processing as above. Bleaching calendering, sanforizing and printing, add to the cost of the handloom cloth and bring it near the mill cloth in finish.

Co-operation in the Second Plan

SHRI JOYDEB BANERJEE, M.A.
Principal, Co-operative Training Institute, West Bengal.

One and a half crore of people in India are enrolled in Co-operation who have nearly two lakhs of various types of Co-operative Societies amongst them. The working Capital of the societies amounts to Rs. 350 crores approximately. The figures are encouraging but not the real fact. Sixty-nine per cent of the Societies are agricultural credit in character. They advance nearly 42 crores of rupees to their members. The All-India Rural Credit Survey Committee which published their Report in 1954 have found on analysis that of the total credit requirement by the agriculturists in this country, co-operatives offer 3.3 per cent only. Co-operation has, in their opinion, failed in India although they have emphasised that it must succeed. Their recommendation for the reconstruction of the Co-operative Movement in India have mostly been accepted by the Planning Commission and Co-operation has accordingly found place in the Country's Second Five-Year Plan. Greater emphasis has been laid on agricultural credit and naturally so, as India is predominantly an agricultural country. Co-operative credit was so long an isolated institution having little or no bearing on other aspects of the problems of the agriculturists. He has no holding power and has therefore to sell his produce immediately after harvest when the prices are usually very low on account of heavy arrivals in the market at the time. There is hardly any direct link between him and the ultimate buyer because of the existence of a number of anti-social forces in rural economy. The village moneylenders in India supply 70 per cent of the total credit requirements of the agriculturists. They advance loan for unproductive purposes on ceremonial occasions also. Their demand on the produce is therefore a first charge. Then there are the village traders with their malpractices.

The moneylenders and the traders have got to be ousted and this might be possible through co-operation, by linking credit with marketing. Co-operative credit should not only be cheap but should answer short, medium and long term needs of the cultivators. Unlike the uneconomically small rural credit co-operatives of today, there would come into existence large sized societies and the State would actively associate with their activities through financial aid in various forms. State participation will lessen the possibility of any successful opposition by the vested interests. Then marketing organisation would come into existence side by side with the larger sized credit societies to provide for effective arrangements for marketing of agricultural produce and the recovery of funds advanced to the members out of the sale proceeds of the produce. The existence of warehouses to successfully supplement the marketing activity is a natural corrollary. Thus to rehabilitate the agriculturist, an all out drive based on integrated development of credit, marketing, processing and warehousing with State participation is essential.

In this frame work, State Co-operative Departments have tentatively drawn up their programmes for future expansion and reorganisation of the Co-operative Movement in their areas. It has been decided that 15 per cent of the credit needs of the agriculturists would be supplied by the co-operative agency during the next Five Years and 50 per cent during the next 15 years. A phased programme of reorganisation is being drawn up in each State. During the Second Five Year Plan, 350 warehouses would be set up by the Central Warehousing Corporation and State Warehousing Corporations. These are statutory bodies created under the Parliament's Agricultural Produce (Development and Warehousing) Corporation Act, 1956, for executing actual warehousing programme. Besides these Corporations, Co-operative Societies will also be assisted in setting up godowns at local centres where there would be no warehouses of any corporation.

The idea behind the setting up of warehouses is the creating of warehouse-receipts which can serve as Collateral Security for the provision of credit to agriculturists. For any produce deposited in a licensed warehouse, a receipt would be issued to the depositor showing the quantity and quality of the deposited stock. These receipts might be discounted with any bank or transferred to any other person as it would be negotiable receipt. For facilitating this, efficient banking in rural areas has got to be developed. The State Bank of India has been entrusted with this task of opening branches where no branches exist. If the agriculturists can safely deposit the produce in the warehouses in this way, they will not be compelled to sell their produce in lowest market for lack of holding power.

Besides the agricultural credit sector, stress has also been laid on the formation of labour contract societies, Co-operative Farming Societies, Co-operative Housing Societies in the Second Plan.

To cope with this contemplated expansion of the Co-operative Movement, extension of facilities for training of Co-operative personnel at all levels on a nationwide scale for the successful organisation and growth of the movement is called for. This has been provided in the Second Five Year Plan through setting up of Co-operative Training Institutes for training of personnel of different cadres in different types of Institutes. Thus higher personnel like Assistant Registrars, District Auditors, Secretaries and Managers of Apex banks would be trained for six months in the Co-operative Training College, Poona. Personnel of the Intermediate level like Inspectors, Sub-Registrars, Sub-Assistant

Registrars, Managers of Urban Co-operative Banks would be trained for eleven months in Five Regional Training Centres at Poona, Madras, Ranchi, Indore and Meerut. Subordinate level personnel like Auditors, Supervisors etc., would be trained for six months in the Co-operative Training Institutes that have been working in each State where greater number of Institutes would also be established through Central Government help. Under a joint scheme sponsored by the Reserve Bank of India and Government of India in 1953, a Central Committee for Co-operative Training was set up for organising and directing training of personnel of Co-operative Departments and Co-operative Institutes in different States at higher, intermediate and subordinate levels. This Committee has been taking necessary measures for setting up of Institutes in different States and uniformity of subjects to be taught has been brought in an all-India level. Co-operative Education of the members of Co-operative Societies and their Committee members has been left to the care of the All-India Co-operative Union, a non-official body.

To sum up, therefore, the role of Co-operation in the Second Five Year Plan is " based on the three fundamental principles of State partnership at different levels ; full co-ordination between credit and other economic activities, especially Marketing and processing and administration through adequately trained efficient personnel."

The above is a brief outline of the programme of reorganisation and expansion of the Co-operative Movement in this country. But the success of the programme depends on the extent, the people for whom this is meant, are inclined to co-operate. Good seed and manures for cultivation might be there but these would be of no use unless the ground is fit for cultivation.

This ground is the people and co-operation can hardly thrive when they are not co-operative-minded. Very few of the educated youths of our country know the meaning and implications of Co-operation, not to speak of the agriculturists who are mostly illiterate. Hence a programme of mass education on co-operative principles through adequate publicity and demonstration needs be drawn up and followed. Co-operation is a moral movement based on the fundamental principles of thrift, self help and mutual help. " Each for all and all for each " is its motto. If people be individualistic in their outlook and do not feel the urge for combining for mutual good, the attempt to set up co-operation on them from above may prove abortive. In a very negligible fraction of societies working to-day can the real spirit of co-operation be found to exist. The agriculturist takes loan from a Co-operative Society working with the Reserve Bank fund and might also repay the same through pressure of Supervisors, Auditors or Inspectors.

But the spirit of co-operation is mostly absent. Co-operative Movement might be pushed up in this way for sometime to come but it can hardly be self-reliant unless the people understand the meaning of co-operation and become co-operative-minded. This is an uphill task and may take years to be accomplished, if steps be not taken from the very beginning. It has been admitted in all quarters that the salvation of agriculture in this country lies through co-operation and it is also a fact that more than 75 per cent of our people are dependent on agriculture. If it be accepted that lasting results in co-operation can only be obtained when the climate is created for the success of the movement, why should we not educate our children in the principles of co-operation from their school going age? In the syllabus for School Final Examination, a compulsory paper on Co-operation may be introduced. In each School and College, formation of Co-operative Stores for sale of students' requirements may be made compulsory with the heads of the Institution as ex-officio Presidents in Committees composed of elected representatives of students. Steps may in this way be taken to educate at least all the students in India in co-operative principles and practice, which will go a long way in creating the necessary climate for the growth of the Co-operative Movement on sound lines. The Central Committee for Co-operative Training may take up this issue with the Ministry of Education and ensure its implementation. Through initiation of some such measures, real co-operation may be expected to usher in during the next fifty years. While this may be the long term programme, a far greater number of non-officials have got to be enlisted in the co-operative fold during the Second Plan period. On the agricultural credit side alone, a huge sum of 235 crores of rupees has been proposed to be advanced as loan to the agriculturists. For dispensation of this credit, huge personnel meant for co-operative societies proposed to be set up during the period have been receiving training and for more have yet to be trained. If training in co-operation and co-operative methods is necessary for the staff of co-operative institutions it is equally necessary for the persons who would comprise membership. At present, total number of members of all kinds of co-operative societies in India is nearly a crore and half as already stated. In the scheme of expansion under the Second Plan, the number is expected to be atleast five times more. Training of the new members who would be the real pillars of the Movement can not be over looked. Non-official leadership must therefore rise up to the desired standard. It is to be seen, if this expectation is fulfilled. But it may be worthwhile to remember that to build a five-storeyed building over the roof of an old dilapidated one storeyed building is risky. It is equally risky to plan a new construction of such a big building with bad material, as in that case the building may crumble down before long.

Financing of the Handloom Weaving Industry— Policy and Procedure.

FINANCIAL ACCOMMODATION FROM THE RESERVE BANK OF INDIA FOR THE PRODUCTION AND MARKETING ACTIVITIES.

A new sub-clause (2) (bb) to Section 17 of the Reserve Bank of India Act was added in terms of the amendment to the Act passed in 1953. This new clause authorises the Reserve Bank to carry on "the purchase, sale and rediscount of bills of exchange and promissory notes, drawn and payable in India and bearing two or more good signatures, one of which shall be that of a State Co-operative Bank or a State Financial Corporation, and drawn or issued for the purpose of financing the production and marketing activities of cottage and small scale industries approved by the Bank and maturing within twelve months from the date of such purchase or rediscount, exclusive of days of grace, provided that the payment of the principal and interest of such bills of exchange or promissory notes is fully guaranteed by the State Government."

2. As the Handloom Weaving Industry has been approved by the Board of the Reserve Bank as one eligible for accommodation under this clause, it has been decided to make loans and advances to State Co-operative Banks for financing the production and marketing activities of weavers' societies. The policy and procedure governing such loans and advances are explained in the following paragraphs.

3. As it has been decided that loans and advances under Section 17 (2) (bb) should be made only to State Co-operative Banks, one of the two or more good signatures which the bills should bear will have to be that of a State Co-operative Bank. The other signatory will be either a central co-operative bank or a federation of weavers' co-operative societies established on a regional or at the State level.

4. Apart from dealing in bills and promissory notes as specified in Section 17(2) (bb), the Reserve Bank will also be prepared to accept such paper as collateral for advances to State Co-operative Banks under Section 17(4) (c) of the Reserve Bank of India Act, provided it has arisen in connection with financing the production and marketing activities of Handloom Weavers' Co-operative Societies.

5. The accommodation from the Reserve Bank under this provision will be available only for meeting the working capital requirements of the primary weavers' production and sale co-operative societies and State (or regional) federations of such societies.

6. The State Governments should fully guarantee the repayment of principal of the bills or promissory notes and the payment of interest on them.

7. The State Co-operative Banks will be charged a concessional rate of interest of 1½ per cent below the Bank Rate for loans and advances under this provision on the condition that the rate charged to the ultimate borrower (i.e. the weavers' society) is not unreasonably high.

8. Credit limits will be sanctioned by the Reserve Bank for the State Co-operative Banks to meet the needs of either the central co-operative banks or the regional or State Handloom Weavers' Societies. Each of these institutions may forecast its credit requirements for the year 1st April 1957 to 31st March, 1958, and apply to the Reserve Bank for a credit limit on lines specified in the Bank's Circular No. ACD. OPR. 57/FS. 6-57, dated the 7th January, 1957, addressed to the Registrars of Co-operative Societies. It is necessary to obtain from the State Goverment an undertaking to stand guarantee for the credit limits recommended by the State Co-operative Bank and the Registrar.

9. The credit limit sanctioned by the Reserve Bank to the State Co-operative Bank will be available for being operated upon by the latter as and when funds are needed by it to reimburse itself in respect of the finance it has already given under the scheme to the affiliated central co-operative banks and regional/State Handloom Weaver's Societies.

10. "Credit Limit" sanctioned to a central co-operative Bank or a regional/State Handloom Weavers' Society may be operated upon in as flexible a manner as possible by borrowing and repaying any number of times provided the amount outstanding on any day does not exceed the credit limit fixed.

11. In the case of advance made under Section 17(4) (c) each drawal will be treated as a separte loan having a maturity not exceeding 12 months.

12. In the case of central co-operative banks, accommodation may be confined to those classified as "A" and "B" under audit. The maximum credit limit that may be fixed will be an amount equal to the paid-up share capital plus the statutory reserve fund. The maximum credit limit in respect of a regional State handloom weavers' society may, for the present, be fixed at three times the paid-up share capital and statutory reserve fund.

13. When accommadation from the Reserve Bank is availed of for financing the supply of yarn and the marketing of handloom cloth

the State Co-operative Bank should obtain every fortnight a statement of stocks of yarn and handloom cloth of regional or apex societies and primary weavers' societies (through concerned central banks) and satisfy itself that the value of such stocks exceeds the amount of loan outstanding against the respective borrowing institutions.

14. The State Co-operative Bank should forward to the Reserve Bank the documents prescribed in the Bank's circular already referred to in paragraph 8 above.

15. The Reserve Bank does not approve of the repayment of a loan due to it by another loan taken from it.

16. Satisfactory arrangements should be made for audit and supervision of the weavers' societies to ensure that the loans granted are utilised for the purpose for which they are intended and are promptly recovered on due dates.

17. The Reserve Bank reserves to itself the right to recall a loan or curtail a credit limit sanctioned to a State Co-operative Bank if any of the conditions attached to the loan are violated.

18. The Reserve Bank reserves to itself the right to make an independent investigation of the standing of the society/bank and the nature of the transaction and the discretion to conduct an ispection of the books and accounts of the institutions concerned.

—Summary of Reserve Bank circular No. ACD. OPR. 57/FS. 6—57, dated the 7th January 1957, addressed to the Registrars of Co-operative Societies.

The Saidapet Weavers' Co-op. Production and Sales Society, Ltd.

SRI A. P. JEGARAJ, B.A., (HONS.)
Co-op. Sub-Registrar and Secretary of the Society.

Origin starting and area of operations of the Society: The Saidapet Weavers' Co-operative Production and Sales Society, Ltd., was registered on 26-11-1938 and started on work on 30-11-1938. The area of operation of the society is confined to 21 Streets of Saidapet.

2. Membership and Share Capital: The Society was started with 71 members and a paid up Share Capital of Rs. 355. There were 47 looms at the time of starting. There are now 913 members on rolls with a paid up Share Capital of Rs. 79,488. Since 30-6-1956, 125 new members have been admitted. The total number of looms brought under the Society's fold are 913 of which about 700 are active looms. There are about 4,000 looms in the area served by the Society.

Membership is open to any weaver by profession over 18 years of age who is competent to contract, residing within the area of operation of the society. But no weaver can claim admission as a matter of right.

3. Members' Thrift Savings: The habit of Thrift is inculcated among the members by deducting an anna for every rupee of wages earned by him as per by-laws of the society. The amount to the credit of Thrift Deposits of members is Rs. 9,860 as on 31st December 1956.

4. Other Borrowings: Cash credit accommodation of Rs. 1,00,000. Rs. 90,000 short-term loan Government interest free loan of Rs. 3,063 and Rs. 13,200 working capital loan have been sanctioned by the Madras District Co-operative Central Bank for conducting the business of the society. Out of this amount, the society has availed an amount of Rs. 2,03,956 as on 31st December 1956.

5. (a) Reserve Fund: The Reserve Fund of the society amounts to Rs. 1,33,552 of which a sum of Rs. 50,988 has been invested in the National Savings Certificates and with the Madras District Co-operative Central Bank.

Financial Particulars as on 31-12-1956.

		Rs.
Cash on hand	...	10
Current A/c in M. S. C. Bank	...	93
Postal Savings	...	25
R. F. in M. D. C. C. Bank	...	988
,, National Savings Certificates	...	50,000

		Rs.
Shares in M. D. C. C. Bank	...	20,400
,, in M. S. H. W. C. S.	...	12,000
,, in All-India Handloom Fabrics Marketing Co-operative Society	...	1,000
,, in South India Mills	...	30,100
,, in Fire & General Insurance Society		100
Revenue Deposit	...	5,031
Telephone deposits	...	2,000
Interest accrued on N. S. C.	...	19,584
Value of furniture	...	8,045
Healds and Reeds	...	59
Total	...	1,49,425

Funds Created out of Profits.

1.	Building Fund	...	27,595
2.	Common Good Fund	...	3
3.	Wages Equalisation Fund	...	7,415
4.	Dividend	...	862
5.	Bonus on production	...	985
6.	Other reserves	...	40,775

7. Business: (a) Yarn is purchased from the Madras State Handloom Weavers' Co-operative Society and occasionally from the outside market. The Total value of yarn purchased from 1-7-56 to 31-12-56 is Rs. 1,25,702.

(b) Yarn is issued to members according to the design they have to produce. Only the varieties for which orders have been placed with the society are usually, produced. The Society's production has established a special trade mark for its good quality. Saidapet is known from time immemorial for its best lungies. Saidapet lungies are famous in Ceylon. Saidapet lungies have easily captured foreign markets in the Far East on account of their qualiy, colour and perfection. Of late the Americans have taken a fancy for the Saidapet lungies. Gowns for ladies and slack shirts for gents are stitched out of these lungies. Every month about Rs. 500 worth of lungies are sold to the few Americans in Madras City. A few months ago a lungie was flown to New York for sample.

The members return their goods to the society within 15 days from the date of issue of yarn. For late receipts a penalty of three pies is levied per rupee on the value of yarn for every fortnight or portion thereof from the date of default. Fine, wages cut are also levied for bad weaving etc., to maintain the standard of production. Goods are produced in the society against specific contracts entered with the Madras State Handloom Weavers' Co-operative Society as well as merchants. The lungie requirements of the people of the Maldive Islands are solely met by the society. The value of goods produced from 1-7-56 to 31-12-56 is Rs. 1,34,020. It has so far from 30-6-56 supplied lungies worth Rs. 38,234 to the Maldives.

(c) Yarn is issued in advance and the wages are paid as and when the finished goods are returned by the members. Generally one warp yarn is issued in advance. The rate of wages is reduced or enhanced according to the rate fixed in the conference of the representatives of weavers' societies and approved by the Deputy Registrar. The margin of profit retained by the society ranges from 6 to 9$\frac{3}{8}$ per cent. Wages paid include warping and sizing charges. The members have to do warping and sizing themselves. The present rate of wages is 0-8-6 per knot. The total wages paid from 1-7-56 to 31-12-56 is Re. 84,834.

(d) The finished goods are sold through the M. S. H. W. C. S. the apex institution and the All-India Fabrics Marketing Society, Bembay on consignment as well as on outright basis. Goods are sold to the merchants and consuming public as wholesale on a rebate of Rs. 0-1-6 per rupee.

From the origin of the society, it has been producing mostly lungies of 60 x 40 counts. The members were not conversant with weaving other varieties of cloth. Recently, however the society has switched on to the production of shirting cloth, ladies handkerchiefs and gents handkerchiefs in 80 counts.

(e) The Society is maintaining a dye factory of its own. Bleaching and dyeing are done in this factory. The colours dyed in this factory are all fast colours. After the yarn is bleached and dyed it is pressed into 5 lbs. small bundles into in the pressing machine owned by the society and then issued to members for conversion into finished goods. The Society is having a dyer-supervisor approved by the M.S. H..W.C.S. The Society also undertakes dyeing work for the other societies in the City including the M. S, H. W. C. S.

8. Management: The executive management of the affairs of the society vests in a Board of Directors consisting of nine members all of whom are weaver members. The Board of Directors have elected a President and Vice-President from among themselves. Nine board meetings have been conducted from 30-6-56.

9. Establishment: The establishment of the society consists of a Co-operative Sub-Registrar who works as its Secretary, a Cashier, an appraiser, a dyer supervisor, three clerks and two peons.

The accounts are audited by a Senior Inspector of Co-operative Societies (Departmental audit).

10. Housing Scheme: A housing scheme for the members of the society has been sanctioned. A site measuring about 80 grounds has been selected to provide 60 houses. The colony is named the "Tiruppur Kumaran Nagar". The foundation stone of the colony was laid by the Fnance Minister for the Central Government, Sri T. T. Krishnamar chari on 27-2-57. The whole scheme is financed from the Cess Fund.

11. Visitors: No visitor to Madras who is interested in the weavers or weaving industry fails to pay a visit to the society. The outstanding visitors during the year are Sri T. T. Krishnamachari, the Finance Minister, Government of India, Mr. Borris Kroll of the American Textile Team and Mr. Souchi Tanakay, Chief Secretary, Union of Consumers Co-operative Societies, Tokyo.

12. Handloom & Lungies: The lungies woven by the society are attractive in designs and lovely to wear. There has gained a false notion among the people of Madras that the lungies are to be worn only by the Muslims. It is not known how this impression has gained ground. In fact in the Far East the lungies are worn by all sections irrespective of their religious leanings. However this false impression is losing ground and people of all religions take to lungie wearing. The lungies are convenient and pleasant to wear especially when at home.

Long Live Handloom Weaving! *Long Live Lungie Trade!*

" When Adam wove and Eve span
who was then the Gentleman."

Proceedings of the Fourth All-India Handloom Week Celebrations in Madras City.

Need to Develop Foreign Market

Dr. U. Krishna Rao, Speaker of the Madras Legislative Assembly, appealed to those engaged in the handloom industry to maintain high standards in order that handloom cloth might have a sustained and continuous market.

The appeal was also endorsed by Mr. C. Subramaniam, Finance Minister. The speaker made the appeal while declaring open an Exhibition organised in connection with the Fourth All-India Handloom Week. The Finance Minister inaugurated the Week and presided over the inaugural function held at 34, Pantheon Road, Egmore and organised under the auspices of the Madras State Handloom Weavers Co-operative Society.

It was announced at the function that a rebate of As. 2 or 12 n.P. per rupee will be given for sales at handloom weavers co-operative stalls throughout the State during the celebration of the Handloom Week. (May 5th to 11th).

Mr. M. P. Nachimuthu Mudaliar, President of the State Handloom Weavers Co-operative Society welcoming the gathering, said that the Week had been organised to bring to the notice of the public the several varieties of handloom products, so that they might go in for them. This country had in the past enjoyed a high reputation for its handloom products and it was necessary to revive the export of their cloth to other countries. He suggested that delegation should be sent from this country to foreign countries to study the requirements of the people there.

Mr. W. Gnanasambandam read messages received on the occasion from President Rajendra Prasad, Dr. S. Radhakrishnan, Vice-President, and Mr. A. J. John, Governor of Madras.

Declaring the Exhibition open, Dr. U. Krishna Rao said that there were now signs of revival of interest in handlooms. After going round the exhibition, he had come across very fine varieties and he wondered why people should go in for other fabrics. He appealed to the public to patronise handloom goods and give the industry all encouragement. It was necessary to step up not only internal consumption but also export to other countries. For this, it was essential that those engaged in the industry should maintain a high standard. He advised handloom weavers to join the co-operative fold and strengthen the movement.

Mr. C. Subramaniam, who inaugurated the Week, said that the handloom products compared very favourably with other products both from the point of view of varieties and quality. Referring to the

need for exports, he said that people in other countries, particularly America took a fancy to handloom fabrics. It was very important that a high quality was maintained. Fashions in other countries changed frequently and it was the responsibility of those in the industry to see to it that they periodically studied the requirements of other countries and produced the varieties required. In this connection, he suggested that research should be carried out.

Mr. T. Chengalvarayan suggested that in the research for fresh varieties, the "colour factor" had also to be taken into account. He made a special appeal to women to patronise handloom products.

Mr. A. J. Arunachala Mudaliar, Vice-President, proposed a vote of thanks. Mr. A. Palaniappa Mudaliar, Registrar of Co-operative Societies and Mr. G. Ramachandran, Director of Handlooms were also present on the occasion.

There was then a dance recital by Nataraj Sakuntala and party.

O. P. R. Reddiar's Call to Weavers

Mr. O. P. Ramaswami Reddiar, former Chief Minister of Madras, told handloom weavers of the State on 6th May that the time had come to regain the pre-eminent position held by India in textile export trade and seize the opportunity by producing goods of quality and glamour to "capture the none too unwilling buyers in America and other countries of the West."

Mr. Reddiar, who presided over the meeting in connection with observance of the Handloom Week at the exhibition grounds in Pantheon Road, said while the State and Central Governments were undoubtedly doing their best to help the handloom industry it was necessary to gear up the machinery of aid to handloom co.operatives, so as to make it possible to draw into the co-operative fold the bulk of weavers, nearly two-thirds, who were still outside.

Mr. K. M. Balasubramaniam, in an address interspersed with songs in Tamil specially composed to bring out what he described as the "poetry of the hand-spun and hand-woven cloth", declared that if the promoters of handloom goods succeeded in converting college girls and cinema stars to the handloom habit, they would have won the battle all round and for all times for the trade. He said the glamour for the Indian "sari" in the West had become so great that this was the opportunity for them to convert ladies of the West also to the "sari habit."

Sri S. V. Sahasranamam and party staged a Tamil drama later.

Handloom Goods—Minister Urges Quality Designs

Presiding over a public meeting held at the Handloom Exhibition premises in Egmore on 7th May, Mr. M. A. Manickavelu, Revenue

Minister, appealed to the public to lend more support to the handloom textiles.

The Minister, after recalling the various steps taken by the Government to support the handloom industry, said that at present, in this State, about a crore of rupees was derived from the cess levied on mill cloth, and that nearly Rs. 35 lakhs of this amount were spent in giving rebates on the purchases of handloom cloth, to attract buyers.

The Minister said that the handloom cloth had recently acquired substantial markets in foreign countries like America, and if this was to be maintained and improved, he said, it was necessary that a high and fixed standard was maintained in the quality of the handloom cloth produced. He was glad to find that there had been improvement in the standards of production and hoped that this improvement would be maintained. In order to evolve attractive designs, he suggested the inclusion of women in the Designs Committees as in some other States.

Messrs. K. V. Jagannathan of *Kalaimagal* and M. K. Swami of *Kaithari*, and Srimatis Kolandai Ammal and Lakshmikantham, M.L.AS., also addressed the gathering.

Earlier, Mr. Nachimuthu welcomed the gathering.

Government Aid Assured

Presiding over the fourth day's celebrations of the All-India Handloom Week here on 8th May, Mr. R. Venkataraman, Industries Minister, stated that Government would help every handloom weaver, without distinction, whether he was in the co-operative fold or outside it.

Mr. Venkataraman also traced the growth of the handloom industry and pointed out that there could be no rivalry or competition between the handloom and mill industries. He felt that the imposition of the handloom cess had not affected the mill industry in any manner. He appealed to the people to patronise handloom goods and thereby place the industry on a firm footing.

The function was held in the spacious ground behind the premises of the Madras State Handloom Weavers' Society on Pantheon Road, Egmore, and the exhibition that was being held in connection with the celebrations, attracted a huge crowd.

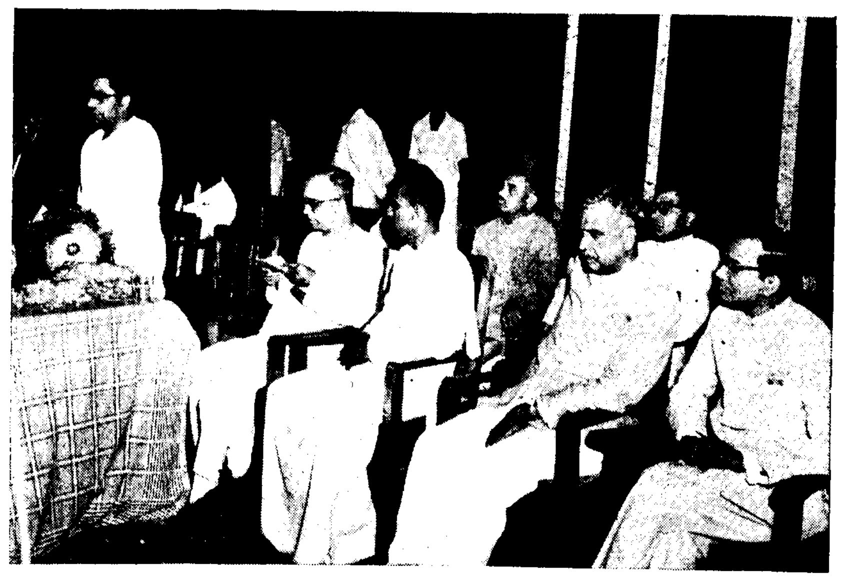
Mr. M. P. Nachimuthu welcomed the gathering.

Mr. K. A. Padmanabhan, Secretary of the All-India Handloom Board, who spoke, recounted the measures taken by the Government for the development of the handloom industry and said that the Board was considering ways and means of helping the industry further with the co-operation of the State Governments.

Fourth All-India Handloom Week 5th May to 11th May 1957.

A front view of the 'Handloom' Exhibition entrance.

5th May, 1957.



Dr. U. Krishna Rao, Speaker of the Madras Assembly inaugurated the exhibition. Sri C. Subramaniam delivered the presidential address. Sri A. Palaniappa Mudaliar, Sri G. Ramachandran, Sri. M. P. Nachimuthu and Sri A. J. Arunachalam, are seen in the picture.

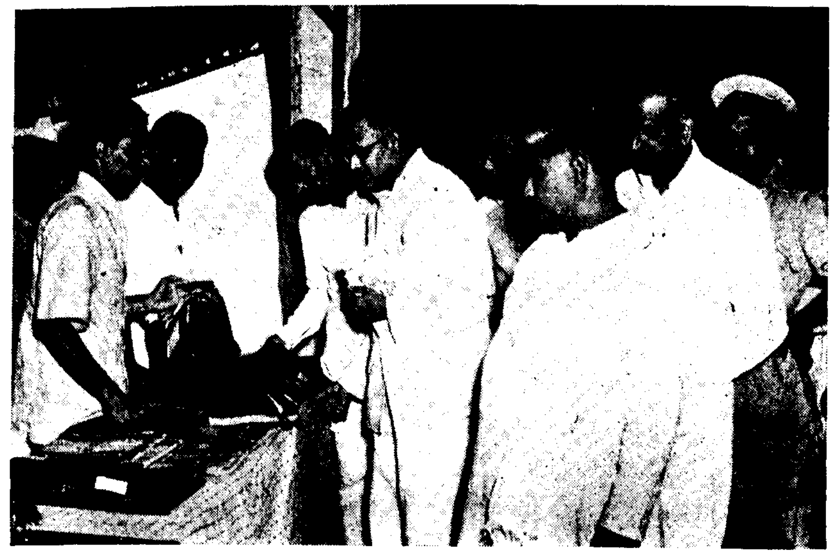
Fourth All-India Handloom Week
6th May 1957.

Sri O. P. Ramaswamy Reddiar is seen examining the Co-operative Handloom Fabrics on the 6th May '57. Sri A. Palaniappa Mudaliar, Sri M. P. Nachimuthu are seen in the picture.

7th May 1957.

Sri M. A. Manickavelu, Minister for Revenue presided over the Handloom Week Celebrations on the 7th May 1957.

Fourth All-India Handloom Week
8th May, 1957.



Sri R. Venkataraman, Minister for Co-operation examines the Co-optex fabrics at the Exhibition stall.

9th May, 1957.

Sri P. Kakkan, Minister for P.W.D. inspects an improved loom on the 9th May 1957. Sri A. Palaniappa Mudaliar, Sri G. Ramachandran, Sri M.P. Nachimuthu, Sri A. J. Arunachalam are seen in the picture.

Fourth All-India Handloom Week
10th May, 1957.

Srimathi Lourdammal Simon, Minister for Local Administration, Madras presided over the 'Ladies Day' of the Handloom week, on the 10th May, 1957.

11th May, 1957.

Sri K. N. Srinivasan, Mayor of Madras, presided over the 'Handloom Week' on the 11th May 57. Sri C. N. Annadurai, D.M.K. leader was one of the speakers on that day.

Mr. A. S. Gnanasambandam of All Indio Radia and a few students from City schools and colleges also addressed the meeting on the need to give encouragement to the handloom industry.

Mr. Venkataraman gave away prizes to the children from different parts of the City, who took part in the sports events conducted earlier in the evening.

Mr. A. J. Arunachalam proposed a vote of thanks after which a Tamil drama, "Grama Rajyam" was staged.

Advice to Weavers to join Co-ops.

Mr. P. Kakkan, Works Minister, on 9th May assured the handloom weavers that the Government would continue to evince keen interest in their well-being and do their best for them.

The Minister gave the assurance while presiding over the Fourth All India Handloom Week on the fifth day of the celebration at 34, Pantheon Road, Egmore. Mr. M. P. Nachimuthu Mudaliar, President of the State Handloom Weavers' Co-operative Society, welcomed the gathering.

Mr. Kakkan, after referring to Congress Government's work for the industry, said that handloom goods had now become so popular that they attracted the attention of the foreign countries. He appealed to those in the Industry to make suitable suggestions to the Government as to the direction in which help could be rendered. Handloom Weavers would do well to join the Co-operatives, he added.

Mr. G. Ramachandran, Director of Handlooms, said that in the whole country there were about 20 to 28 lakhs of looms, while in this State there were about five lakhs looms. Twenty lakh families in Madras State were engaged in the industry and on this calculation roughly nearly a crore of families were depending on this important industry in this country. Nearly a fourth of the cloth requirements of the country was met by the handlooms, and 34 percent of the weavers in this State at present belonged to Co-operatives.

Mr. M. P. Sivagnana Gramani suggested that the roles that handlooms and mills should play in the economy of the country should be determined and the public should regard purchase of handloom cloth as a national duty. He also stated that the development of handloom industry will facilitate the decentralisation of economic power and would be in accord with the concept of a socialist pattern of society. He further stated that in these days of air warfare, the dispersal of industries over the wide parts of India could be a tactical advantage in the matter of defence. Handloom weavers should also be considered as a backward class and given all concessions, he added.

Mr. K. Kasiviswanathan proposed a vote of thanks. This was followed by a drama "Vazhvin Thiruppam" by Co-optex Dramatic Club.

Mr. Kakkan distributed prizes on May 8 at an exhibition of handloom goods arranged by the Handloom Prize Award Committee (for Madras Chingleput and North Arcot Districts) at White Memorial Hall.

Use of Handloom Cloth—Minister's Appeal to Women

Presiding over the 'Ladies' Day celebrated as part of the Fourth All India Handloom Week, on 10th May, Srimati Lourdhammal, Minister for Local Administration made a particular appeal to women to patronise handloom goods and help the class of numerous people who were engaged in that profession from ages.

The function was held at the premises of the Madras Handloom Weavers' Co-operative Society in Egmore where an exhibition was being held as part of the celebration. The celebration was attended by a large gathering of men and women.

Mr. Nachimuthu, President of the Society, welcomed the Minister.

Srimathi Lourdhammal pointed out that lakhs of families were engaged in handloom production from ancient times. They all know the sufferings the families had to go through some years back and it was still green in their memories. Since then, the Central Government and the State Government had been taking vigorous steps to rehabilitate them and revitalise the industry. It was a matter for gratification that the industry had not only come into its own but was in fact, developing at a vigorous pace. This was possible with the ready response from the people in the matter of purchasing handloom goods and encouraging the industry. In that task, the housewives had to play a major role and true to their tradition they had done it. They were all happy that the production had shown vast increase over the previous year and improved designs had been adopted.

Srimathi Neelavati Ramasubramaniam exhorted the women of Madras to take a solemn decision to put on only handloom clothes. Many improved designs to suit the fancy of all classes of ladies were available and once the ladies take to handlooms, then there was a guarantee that the whole family would follow suit. The industry was fast devoloping and it was also finding very good foreign markets.

Srimathi Bagheeral also spoke appealing to women to encourage the handloom industry.

Mr. A. J. Arunachalam, Vice-President of the Society, proposed a vote of thanks. The function terminated with a dance recital by Kumari E. V. Saroja.

Relief to Weavers—Suggestion to Government

Mr. C. N. Annadurai, D.M.K. leader, appealed to the Government and the ruling party to consider and solve the problem of the handloom

weavers on a humanitarian basis, in consultation with all the parties. Mr. Annadurai was speaking on a public meeting held on 11th May at the Handloom Exhibition in Egmore. Mr. K. N. Srinivasan, Mayor presided.

The policy towards the handloom weavers, he said, should not be based on providing some temporary relief to them. They had to decide the fundamental question whether they were going to afford a future to the handloom industry, and whether it will be protected from the unequal competition of the mills.

Congratulating the organisers for arranging the Handloom Week Celebrations and the Exhibition, the speaker said, that more substantial results in the shape of increased sales could have been achieved in the month of Thai, when this part of the country would be in the midst of the marriage season and other festivities.

Offering some suggestions towards improving the sales of the handloom cloth. Mr. Annadurai said, that foreigners in the City should be invited to visit such exhibitions to see for themselves the high quality of the articles. While the Government were sending officials to explore foreign markets, he said, they committed a mistake in not sending along with them persons in the field who would be of much help. "If the Government is really interested in affording urgent relief to the weavers, it is the duty of the Government to see that all the requirements of cloth of the Defence Department, which is consuming nearly 200 crores of public money is met from the handloom and this will, in a very large measure, afford the needed relief to the weavers," he said.

Shortage of Yarn

But all these were, Mr. Annadurai said, only capable of giving temporary reliefs. The chief difficulties of the weavers were that there was shortage of yarn, lack of adequate wages, and the difficulty in regard to the disposal of the prepared articles. One or more of these frequently manifested themselves in a severe form, so that the condition of the weavers became intolerable, he said.

To find a lasting solution to the problems of the weavers. Mr. Annadurai said, the Government should dispassionately consider the question from a humanitarian angle and should evolve a common programme in consultation with all the parties. In this connection, he referred to the scheme put forward by Rajaji whereby certain categories of cloth production would be reserved exclusively for the handloom. Nobody could question the integrity, sacrifice, and ability of Rajaji, he said, but even the scheme prepared by that great person, which had the backing not only of the Legislature, but the entire mass of the people, was ignored by the Central Government. This, he said, was a disservice not only to the nation, but to the great person, who put forward the scheme.

Attempts were now being made, Mr. Annadurai said, to supplement the handloom with the powerloom, saying that the powerloom gave more income to the weaver. This, he said, was like advising a tea shop-keeper to abandon his tea shop and open a toddy shop, which gave more income.

The policy of the Government with regard to the problem was an enigma, perhaps even to the Government, the speaker said, and added that if there was to be a lasting solution, attempts to introduce the powerlooms should be abandoned, legislative protection should be accorded to the weavers, and some good scheme like the one propounded by Rajaji should be formulated.

These should be further supplemented by efforts to bring down the price levels, and raising the purchasing power of the common man. The price levels could be brought down, he said, by effectively preventing, hoarding and making of undue profits. In conclusion, he urged the Government not to consider the handloom industry as the cottage industry fit for the huts, but an industry which was devoid of machines, and encourage them in a proper manner.

Earlier, in the course of his remarks, Mr. K. N. Srinivasan, Mayor said that the position of weavers had greatly improved during the past decade, thanks to the vigorous policy pursued by the Government.

A Review of the Handloom Exhibition

Pressmen had a preview of the exhibition organised in connection with the Fourth All-India Handloom Week celebrations at the premises of the Madras State Handloom Weavers' Co-operative Society in Egmore.

There are nearly 100 stalls in the Exhibition grounds and the products exhibited are very much more varied than in the previous years. Demonstrations have also been arranged of production of cloth and allied processes of spinning, dyeing etc. The 16-spindle unit in respect of which a pilot project has recently been launched, is also on display. An interesting labour saving device known as the Ajanta automatic handloom attachment intended to ensure uniformity in weaving and for regulating the number of picks and enabling the weavers to increase the output per day by about 35 per cent by time-saving aids was also on display.

The Madras State Co-operative Union also took a stall. It displayed several interesting educational charts depicting the growth of Co-operative Movement in several fields. A large-sized map of Madras State showing the distribution of weavers co-operative societies was also displayed.

Opening Ceremony of the Godown of the Pakkam Co-operative Society

Sri A. Palaniappa Mudaliar M.A., I.A.S., Registrar opened the Godown of the Pakkam Co-operative Society, in Chingleput District Srimathi Namagiri Palaniappan opened the Office of the Godown.

Cups that cheer!

Children are happy with the Cups of Milk distributed on the 'Milk Day' by the Pudukottah Milk Co-operative.

Sri V. T. Krishnamachari, Deputy Chairman, Planning Commission.

Sixth Development Commissioners' Conference at Mussoorie

ADDRESS

BY

SHRI V. T. KRISHNAMACHARI,
Deputy Chairman, Planning Commission

I

It gives me sincere pleasure to meet Development Commissioners from States once again. I am glad that heads of development departments are also attending this conference. I accord a hearty welcome to them. I am sure that we shall benefit by their participation in our discussions.

2. This conference has a special importance. It is the first to be held after Parliament's approval of the Second Five Year Plan. For this reason, I propose in my introductory remarks, to cover wider ground than at previous conferences, and attempt to explain (i) the vital place Second Five Year Plan holds in India's economic development and (ii) the ways in which the National Extension movement should assist in its implementation. It must be realised that this movement has to fulfil the policies and programmes of social and economic growth embodied in our Five Year Plans and that it should make the maximum contribution it can to the national effort needed for carrying out these policies and programmes satisfactorily.

3. I should like to begin by repeating what I have often said to you. When we talk of the National Extension movement and the stages of N.E.S. blocks, Community Project blocks, etc.—we should always remember that these do not represent special programmes with temporary objectives. This is a 'movement' only in the sense that, when it is introduced in an area, it carries with it a radical departure from prevalent outlooks and modes of thought. In fact, it is the permanent pattern of the Welfare State. It works for social change. It recognises that rural improvement is a continuous process covering all aspects of rural life and is the main concern of every branch of the administration reaching down to the district and village and enlisting at every stage the assistance of the best non-official leadership. The entire responsibility for working it rests with States' normal agencies. It is an integral part of their system, not something outside it.

II

4. I talked of the vital place of the Second Five Year Plan in national life. We should understand clearly its significance in our programme of planned social and economic development. The Second

Five Year Plan seeks to initiate a process of rapid industrialization with special emphasis on heavy capital goods industries and future five year plans will carry this process much futher. The importance of this stage in economic growth can be seen from the following quotation from a recent article by Mr. W. R. Rostow. He says :—

> "The process of economic growth can usefully be regarded as centering on a relatively brief time interval of two or three decades, when the economy and the society of which it is a part transform themselves in such ways that economic growth is subsequently more or less automatic. This decisive transformation is here called the takeoff ".

The Second Five Year Plan seeks to initiate this "decisive transformation" which will be carried forward by the next three or four plans. When these plans are successfully implemented, growth can become "self-sustained" or "more or less automatic". It is in the years during which this "transformation" is taking place that we shall face many difficult problems and it is in them that the country will be called upon to make the largest effort on a national scale. The rate of development envisaged in the next twenty years can be seen in the following table, which I have extracted from the Planning Commission's Report on the Second Five Year Plan :

Growth in Income and Investment (1951-56 to 1971-76)
(At 1952-53 prices)

Item	First Plan 1951-56	Second Plan 1956-61	Third Plan 1961-66	Fourth Plan 1966-71	Fifth Plan 1971-76
1. National income at the end of the period (Rs. crores) ...	10,800	13,480	17,260	21,680	27,270
2. Total *net* ivestments (Rs. crores) ...	3,100	6,200	9,900	14,800	20,700
3. Ivestment as percentage of national income at the end of the period ...	7.3	10.7	13,7	16.0	17.0
4. *Per capita* income at the end of the period.	281	331	396	466	546

The figures under head 2 are of 'net' investment. The gross investment in the Second Five Year Plan would be Rs. 7,100 crores.

I would like to emphasize that this "take-off" is a necessary stage in the development of every country, that seeks large-scale

development. During this period of 20 years, we seek to ensure annual rates of investment rising from 10 to 17 per cent of the national income. If we are successful in this, we shall nearly double *per capita* income at the end of the Fifth Five Year Plan, *i.e.* 19 years from now. *Per capita* income will rise from Rs. 281 in 1955-56 to Rs. 546 at the end of 1976. This is a modest objective : and even at that level further economic growth may not become 'automatic'. At present, there are only a few countries in which *per capita* income is below Rs. 546—the level we aim at after 19 years. In his recent book "Contemporary Socialism" Mr. John Strachey makes the interesting point that a minimum social and economic level is necessary, among other factors, for the effective functioning of democratic institutions. He adds "it may be suggested, by way of illustration, that the economic and social level necessary today for the effective working of representative institutions may seem to be somewhere below that of Northern, and above that of Southern Itally. Thus Italy as a whole represents a sort of borderland case of a country which is at or about the indispensable level ". The figures he gives for Italy are Dr. Colin Clark's for 1955 ;

Southern Italy £. 112½ per year per head.

Northern Italy £. 202½ per year per head.

Compare this with Rs. 546 we aim at for 1976. The conclusion is inescapable that what we may be able to achive in the next 15 or 20 years will be decisive for the future of the country and on that will depend the survival of our economy and way of life. The nation should therefore make up its mind that it will make the united efforts needed for attaining the goals it has set before itself.

5. In all countries undertaking large-scale development, the question arises—what contribution should agriculture make towards the financing of industrial development? The experience in this respect is summed up in the following passage from "The Theory of Economic Growth" by Professor Arthur Lewis :

> "......in a number of cases an increase in the productivity of farming has been accompanied by heavy taxation of farmers, which has been used to finance capital formation in other sectors, and it has been true to say in these cases that far from agriculture absorbing capital from other sectors, it has been the farmers who have been forced to finance the industrial revolution. Japan is a case in point. In that country productivity per person engaged in agriculture doubled between 1885 and 1915, but much of the increase was taken from the farmers in higher rents or taxes and used to finance the rest of the economy. The

U. S. S. R. is another case where farm incomes per head were kept down, between the world wars, in spite of farm mechanization and the considerable release of labour to the towns. This was done jointly by raising the prices of maunfactures relatively to farm products, and by levying heavy taxes upon the collective farms. Current examples are provided also by the Gold Coast, Burma and Uganda, three countries whose governments have withheld from their farmers a very large part of the increase in the price of farm produce since 1945 and who are using part of the proceeds to finance economic development in other secters of the economy ".

I would mention also the example of China. Conditions there are similar to those in our country. Both have large populations subsisting on land which has been under cultivation for centuries and both are launching on large scale industrialisation. In China, the cultivated area is practically the same as ours while yield is double. China's agriculture pays annually taxes amounting to Rs. 550 to Rs. 600 crores, as against our Rs. 80 to 90 crores. I should not be understood as saying that taxation on this scale would be possible in our country or even desirable.

6. We shall have to find our own solution to the question as to the ways in which agriculture should contribute to the success of the Second and succeeding Five Year Plans and the extent to which it should assist in the financing of these plans. Before the First Five Year Plan, there was no systematic effort on the part of Governments to raise standards of agriculture, spread co-operation, increase irrigation facilities on a large scale and in other ways to modernise agriculture. It has been calculated that, in the years before the Second World War, the expenditure incurred by the Central and State Governments on improvements of agriculture and the co-operative movement amounted to about 8 annas per head of the agricultural population. The G. M. F. operations of the years 1947–48 to 1951–52 covered only a small proportion of the total cultivated area—2 to 4 per cent—though it would be correct to say that never before were sustained efforts made on such a scale as in these years. The First Five Year Plan initiated revolutionary programmes for improving rural life; and, for carrying them out, made allocations of funds on a scale far in excess of any even thought of previously. These comprised the National Extension blocks and Community Projects; multipurpose and large, medium and minor irrigation projects; and measures for improvement of techniques in agriculture in the widest sense (including animal husbandry, fisheries, afforestation and soil conversion) and the evolution

of a diversified economy. The National Extension movement covered about 200,000 villages at the end of March 1956. The book value of major irrigation works that fell to India's share at the time of partition was about Rs. 110 crores. The expenditure incurred in 1950–51 to 1955–56 on such works was about Rs. 400 crores. The expenditure in these five years on minor irrigation works and tubewells was Rs. 110 crores. We added, in this period, 3350 tubewells to the 2500 that we had at the commencement of the Plan. On minor irrigation works—apart from tubewells—we spent more than was spent in all decades previously. The area ultimately irrigable from large and medium irrigation projects commenced during the First Five Year Plan is about 29 million acres. Of these, it was expected that 6.3 million acres would be brought under irrigation by 1955–56. A further 10 million acres would be irrigated by minor irrigation projects. On agriculture and community development, the provision was Rs. 356 crores. The annual expenditure for these purposes in the First Five Year Plan was about Rs. 170 crores. The Second Five Year Plan, the revolutionary changes initiated in the First Plan are being carried much further. The N.E.S. movement will cover the entire country and 40 per cent of the blocks will be converted into community projects. For multi-purpose and large and medium irrigation projects there is a provision of Rs. 458 crores and 12 million acres will be added to the irrigated area in the country during the five years from irrigation projects under execution in the First Five Year Plan and new ones included in the Second Five Year Plan besides nine million acres under minor irrigation and tubewell programmes. For agriculture and community development, under which there is provision for minor irrigation and tubewells, the allocation is Rs. 568 crores. The total provision for all programmes of rural improvement is Rs. 1026 crores as against Rs. 770 crores in the First Plan. The annual expenditure provided is thus Rs. 205 crores. This does not include the funds allotted to rural electrification, cottage and small scale industries, sugar factories in rural areas, rural water supply schemes, etc. It is also certain that, in future plans, progressively increasing allocations will be made for these purposes as our policy continues to be a balanced development of all sectors of the economy. No programme for industralisation can succeed unless it has, as it counterpart, a programme for a large increase in agricultural production. The large industrial development envisaged under the Second snd future plans is bound to lead to rapidly increasing demands for agricultural products and these will have to be met by expanding production. There should also be an additional margin for exports for earning foreign exchange the demand for which will also increase as our plans progress. Further, it is only by increased production that the inflationary pressure caused by deficit financing can be held in check.

By far, however. the most important reasons for rapidly expanding agricultural production is the need for increasing the *per capita* income of the rural population. Increase in agricultural production and greater employment will promote savings and thrift and strengthen the sense of security in the community. On the other hand, the widening of the gulf between rural and urban incomes will produce internal stresses and strains and endanger social stability. It must also be remembered that rural areas benefit by large industrial projects and development programmes in towns. The integration of the life of the new industrial towns with the surrounding countryside will lead to increased rural incomes. This will also be the effect of the general process of the linking up of life in urban areas with that in rural areas, which is one of the aims of the N.E.S. movement.

We have, therefore, to ask ourselves two questions :—

Firstly, what is the order of increase in agricultural production at which the nation should aim over the next fifteen to twenty years? In other words, if the aggregate national income is to increase in the manner indicated, what should be the increase in the national income from agriculturre and allied pursuits?

Secondly, if 10 to 17 per cent of the national income has to be saved by the nation for investment in the coming years, how much of the additional incomes generated by the large expenditure in the rural sector to which I have referred should be turned into savings for financing the second and later plans?

We have to formulate our answers to these questions in the light of the objectives the nation has placed before itself and of the heavy annual productive expenditure incurred for the improvement of our rural economy. There are also the recent trends—rise in prices and stringency of foreign exchange. These trends are, in my view, temporary: and the best solution for them is immediate expansion of agricultural production.

III

7. The responsibility for carrying out programmes for increasing production and stimulating savings rests with State Governments. The agency they have for this is the N. E. S. and Community Projects Organisation which let me repeat, is both official and non-official at all levels. This now exist, in nearly 200,000 villages and will cover the entire country by 1960–61. The agency is under the complete control of the State Government, though States are assisted by a permanent grant from the Central Government for setting it up. It was estimated in 1952 that the Central grant, when the movement was spread throughout the country would amount to nearly Rs. 6 crores a year representing half the additional cost of the staffs needed. This estimate will

almost certainly be exceeded and the Central grant may amount to Rs. 8 crores a year. An additional expenditure equivalent to this will be incurred by the State Governments by 1960–61. Thus, the total *additional* cost on staffs for setting up of the National Extension Organisation throughout the country would be of the order of Rs. 16 crores a year shared equally between the Centre and the States.

8. At former conferences, I have explained the philosophy of the movement—its fundamental principles and aims and objectives. I do not wish io repeat today what I have said before. I will only remind you that the aim of the movement is to bring about social change—to create among the rural population a keen desire for much higher standards of living than they at present enjoy and a determination to achieve these by their own efforts. The motive force of improvement should come from the people themselves. Self help and co-operation are at the root of the movement. We regard land reform also as an integral part of the programme of social change. This social change is sought to be achieved by the following programme of activities :—

(i) Increased employment and production.—Every family should have a plan of improvement of its own—improved agriculture, cottage and small-scale industries etc.; the necessary assistance should be given for the implementation of this plan.

(ii) Co-operation.—The co-operative movement is the main agency for the social change. It should be spread so that every family is represented on at least one co-operative society in its own right. The primary aim of the movement is to encourage thrift.

(iii) Community Works.—Every Family should make its own contribution in labour or money or both for works of permanent benefit to the community, and in this way the vast unutilised energy in the country-side should be harnessed for the benefit of the community.

(iv) Women's and Youth Movement.—A well organised women's and youth movement should be developed in all villages.

These activities are financed by the large annual expenditures for rural improvements included in the Plan to which I have referred.

9. I should emphasise that there are two pivotal points in the organisation. Firstly, the movement should be broad-based on village self-government—every village having a village panchayat, a village multi-purpose co-operative, and a village school which should form the centres for all social and economic activities of the village. These village institutions should be so organised as to be able to meet the

requirements of a programme of intensive production and saving. Secondly, there is the role of the trained village level worker as the common agent of all development departments at the point of contact with the village and as the link between the villages and the development teams at the block and district levels making unified approach possible.

10. It is my earnest hope that the movement will go on increasing its dynamism, deriving strength from the people and developing their creative energy. It is only in this way that it can justify the important place given to it in our national life.

IV

11. I now come to the first of the two questions I put earlier—What is the order of increase in agricultural production at which the States should aim over the next 15 to 20 years ?

12. I have no doubt all of you have been following recent trends in agricultural production and prices. From the base level of 54 million tons, food production rose to 58·3 million tons in 1952–53 and 68·7 million tons in 1953–54. However, in 1954–55 food production fell to 65·8 million tons and in the last year of the First Five Year Plan it declined further to 63·5 million tons. It is clear that the country is yet far from assured of sustained and continuous growth in agricultural production. This situation is reflected in the rise in prices of food articles by about 18 per cent between February 1956 and February 1957.

13. In a letter to the State Governments of 22nd February, 1955, the Planning Commission suggested that they should attempt to double agricultural production in 10 years. In connection with the Second Five-Year Plan, the Commission suggested 40 per cent increase in the five year period. In their discussions with the Commission State Governments have agreed to 28 per cent. The main items are :—

Commodity	Unit	Base level of production for the Second Plan	Revised targets of production for the Second Plan	Percentage increase in index of production
Foodgrains	Million tons	65.0	80.4	24.6
Oilseeds	,,	5·5	7·6	37·0
Sugarcane (Gur)	,,	5·8	7·8	33·9
Cotton	Million bales	4·2	6·5	55·9
Jute	,,	4·0	5·5	58·1
Other crops	,,	...	...	22·4
All commodities				27·8

14. The Planning Commission is taking steps to have a 15 to 20 year programme for irrigation projects and also estimates for the same period of increases that can be obtained in agricultural production. State Governments have been addressed in regard to the first and will be addressed shortly in regard to the second.

15. As regards the possibilities of increased agricultural output in India, fhe following extract from the Report of the World Bank Mission to India made in August 1956 may be read with advantage :—

> " Proper application of known techniques, in conjunction with the possible expansion of irrigation and the cultivated area, could increase India's agricultural output four or five-fold. By the time that has been achieved, new techniques will have been evolved and the way will be open far further progress. Results of the crop competitions organised for the Grow More Food Campaign show yields about seven times higher than the local average. India's yields are at present among the lowest in the world ; with the labour force available they could be among the highest. There is thus a great deal of scope for progress that is technically easy but is retarded by proverty and ignorance. As progress becomes technically more difficult, the rate wtll be maintained by the increasing power of educational forces that will develop more slowly ",

16. The following are the measures to which State Governmeuts should devote special attention :

Firstly, there is need to utilise fully the irrigation facilities that have been made available as the result of the expenditure incurred in the First Five-Year Plan. I have had a statement prepared showing for each State the total area under command by irrigation sources completed under the First Five-Year Plan: the area which according to the Plan of the State ought to have been brought under irrigation by 1955-56 ; and the area actually brought under cultivation. This shows that out of 6·3 million acres the State Governments expected to bring under irrigation, only about 4 miilion acres have been actually irrigated. This is thus a waste of national assets—water impounded at enormous cost being left unutilised. State Governments sholud see that National Extension or Community Projects are set up in these areas, among the first duties of which would be to see that the lands under command are actually brought into cultivation within the minimum possible time. Further, as I have mentioned, during the Second Five-Year Plan, 12 million acres will be provided with irrigation facilities. Here again, National Extension or Community Projects blocks should be established immediately so that they may assist in the

19. From what I have said, it is clear that the technical and administrative agencies of Government should achieve a high standard of efficiency if productivity is to increase. Techniques, seeds, fertilisers etc., should be carefully tested under local conditions before they are recommended and supplies should be made available at the right time and at points close to villages. Also, the arrangements for dealing with outbreaks of cattle diseases, crop pests, etc., should be prompt. State Governments should give the most careful attention to these and similar problems.

V

20. The mention of the role of co-operative societies brings me to the second question, namely, how much of the additional incomes generated by the large expenditures in the rural sector should be turned into savings? Obviously, the most suitable agency for stimulating savings in the National Extension movement which aims at establishing contact with every family and in each village the most suitable agency is the village multi-purpose co-operative society.

21. I should like to emphasise at the outset that co-operation is the most imporant agency through which social change can be brought about in rural India. The credit aspect is important: but other aspects—the encouragement of thrift and the creation of a sense of unity of interest among the people—what are broadly termed "moral" aspects are more important. The aim is that there should be societies, members of which know one another and have a feeling of community interest which should see ;—

(i) that every loan—in money or kind—is linked up with a plan for increased production ;

(ii) that every family is assisted to come into the movement in its own right by using loans for productive purposes ;

(iii) that every family makes a saving out of increased production and invests it in the society so that within a short time all the credit needed by its members may be provided by the village itself ; and

(iv) that every family makes a saving for investment in the National Small Savings Movement.

The basic problem in co-operation is how to enable small owners and tenants, who have no 'security' in a banking sense, to rehabilitate themselves by increased production and saving. The only effective manner of achieving this is for the village leadership to issue loans in kind (seeds, fertilizers, organic and green manures), see to their proper

utilisation and ensure saving. What counts is a strong village public opinion for production and saving and feeling of unity of interest. This, of course, is the *raison d'etre* of the co-operative movement and of the national extension movement of which co-operation is the vital element.

22. In co-operation, as in agricultural development, comparatively small allocations of funds were available before the First Five-Year Plan and the coming in of the Community development of which Co-operation, as a people's movement, is the keystone. The co.operative departments of States were everywhere inadequately staffed. Further, co-operation was not linked up with other activities in the rural sector—like agricultural improvements. As the G.M.F. Committee and the Planning Commission have pointed out, co-operation can make satisfactory progress *only* if it is conceived as part of an integrated movement for improving all sides of rural life, and specially for raising levels of production. In spite of handicaps, many non-official leaders of great ability felt themselves attracted to the movement because of its 'moral' aspects. They made the spread of the movement their life's work and, by their single-minded devotion and sense of dedication, built up a many-sided structure of which we can be proud. Their efforts were directed towards developing a genuine people's movement, accepting official guidance but not control. Confining myself to agriculturel credit, I have tabulated* facts showing achievements in this field in a statement, which I invite all of you to examine carefully.

23. A study of this table shows that there is no justification for the view that societies organised and conducted by village leaders with the help of non-official leadership at higher levels and guidance from officials have not shown good results. On the other hand, the numbers of societies, membership, working capital and assets of the societies at the end of 1952–53, are evidence of the vitality of the movement. It is true that the movement was stronger in certain areas of the country than in others, but during all these years it worked under serious limitations and was not supported by a nation-wide programme of social and economic development.

24. Another conclusion emerges from the study of these figures. They indicate the rate of progress that has been made possible under the N.E-S. movement and the large developmental expenditures incurred under the plans. The N.E.S. movement provides non-official leadership at all levels. It also provides official guidance—at the village level—by one village multi-purpose worker in charge of 5 to 10

*Please see Annexure.

villages with approximately 800 to 1000 families and at the level of block, district etc. by higher officers specially trained in co-operation.

	End of 1952–53	Addition in		
		1953–54	1954–55	1955–56
		1953–54	1954–55	1955–56
Number of Societies	1,11,628	15,326	16,366	16,619
Number of Members	51,26,002	7,23,378	7,16,036	12,25,434
Working capital (Rs. in lakhs)	49,18.34	5,22.50	8,51.86	16,17·48
Paid up share capital (Rs. in lakhs).	9,90·09	1,53·20	1,83·15	3,53·89
Investments and assets	8,88·83	1,86·99	1,80·10	4,31·81

In the three years 1953–54 to 1955–56, the number of societies rose from 1,11,628 to 1,59,939 (43 %), the number of members from 5.13 to 7·79 million (52%), working capital from Rs. 49·18 to 79·1 crores (61%) paid up Share Capital from Rs. 9·9 to 16·8 crores (70%) and investments and assets from Rs. 8·9 to 16·9 crores (90%). It will be noticed that increases in share capital, working capital and investments and assets are proportionately larger than increases in membership. A large proportion of the societies, members etc. added in the years 1953–54 to 1955–56 were in N.E.S. and community Project areas. It is necessary to remember that these results have been secured though the N.E.S. movement had covered only 83,000 villages by October 1955 and that it did not devote in the earlier years the concentrated attention to agricultural production and co-operation which it is now devoting.

25. In the Second Five Year Plan, the N.E.S. will cover the entire country and development expenditures will also show a large increase. I therefore suggest that the co-operators—non-officials and officials—should proceed with programmes of expanding existing societies and forming new societies which have shown so much promise in the three years ending 1955–56. Figures for 1956–57 are not yet available.) In Chapters X and XI of the Second Five Year Plan, the Planning Commission has drawn attention to the broad aims and objectives of the movement. I quote below three relevant extracts :

"The limit to the range of activities to which the principle of co-operation can be applied is set by the fact that a primary co-operative group should be reasonably small for its members to know and trust one another. For certain purposes a number of small groups may, and indeed must,

combine into larger organisations, but, in the last analysis, the strength of co-operation comes from relatively small and homogeneous groups which function actively. If strong primary units exist at the base, effective organisations can also be built up at higher levels. The structure as a whole can then undertake activities and provide services which require large resources and organisation."

"In implementing the programme of rural co-operation, there are three aspects to which special attention has to be given. Firstly, credit, is only the begining of co-operation. From credit, co-operation has to extend to, a number of other activities in the village, including co-operative farming. In co-operation hard and fast rules of development cannot be made and every step is determined by the experience of the people. The second aspect is that every family in a village should be member of at least one co-operative sooiety. The third aspect is that the co-operative movement should aim at making every family in the village creditworthy. At present, even in areas in which the movement has spread most, only 30 to 40 per cent of families are able to satisfy the tests laid down. The primary co-operative society and the village panchayat have to work in unison if the needs of all the families in the village are to be met."

"More than 380,000 villages have populations of 500 or less and the question of combining small villages into units with the population of about 1,000 deserves to be examined. It is necessary to have villages which are small enough to have a sense of solidarity and yet not so small that personnel cannot be provided for the essential services organised for their benefit. Considerations which bear on the organisation of convenient village units are also relevant to the consideration of the size of the primary co-operative society. Its area of jurisdiction should, on the one hand. be large enough to make it an efficient unit and, on the other, it should not be so large that it might become difficult to secure amongst members the knowledge, the sense of mutual obligation and concern for rehabilitation of the weaker sections of the community and the intimate contact between the committee of management and individual families without which co-operation cannot make a real impact on rural life- Co-operatives, like village panchayats, are institutional agencies for achieving social cohesion."

26. Let me express what I have said in a different way. There can be no single ready—made solution for the problem of revitalising the rural credit movement. The solution will be different in different areas and different groups of societies. The essential elements in this process are (i) developmental expenditure undertaken by the State with maximum local co-operation for increasing employment and production; (ii) increased production in the village through such expenditure; (iii) savings effected from increased production and (iv) such savings coming back to the movement. Obviously, societies in the more favoured regions can be revitalised much more easily than those in the less favoured ones. In these latter, States should undertake developmental programmes—medium and minor irrigation, contour-bunding, afforestation etc—and people should make their own contribution by means of labour to their execution. With the increased production resulting from these, the villages should finance the requirements of the co-operative movement. It is for the N.E.S. Organisation—let me repeat that this means the State organisation at all levels—to devise suitable programme for each area, out of the allocations in their plans, which will evoke popular participation to the maximum and lead to increased saving and investment. There can be no other solution.

27. When the reorganisation of existing villages as envisaged by the Planning Commission is completed, the resultant picture will be somewhat as follows. There will eventually be in the country about 2,50,000 primary multi-purpose societies with as many panchayats with identical jurisdictions and each village society will have on an average of 200 to 300 members with transactions of Rs. 20,000 to Rs. 30,000. Both panchayats and primary co-operatives will be linked up to units at higher levels. The co-operative will be linked up to unions and through them to processing and marketing and other societies as well as to central banks and apex banks. Similarly, the panchayats will be linked up to taluk or tehsil and/or district panchayats and through these to the broader administrative structure of the State.

28. The aim of the co-operative movement should be two-fold: (i) within a specified time the village primary societies should increase their membership so as to bring in all the families in their areas and also find from their own resources the short-term capital needed by them, (ii) and within a specified time each village society will work up to a target for investment in the national savings movement, all co-operatives becoming 'recognised agents'. As targets for the period of the Second Five Year Plan, I suggest that the movement should cover half the families in the villages and provide by 1960-61 about Rs. 150 crores for short-term credit, aud make contributions to the

national savings movement beginning from Rs. 40 crores in the current year and raising to Rs. 60 crores in 1960-61, in addition to the contributions they are now making. Obviously, the societies that have been working for some years can do better than those recently formed and those in comparatively backward areas. In the aggregate, however, these targets constitute a small portion of the additions to the national income resulting from developmental expenditures in the Second Five Year Plan and in my view can be realised. During the Thrid Five Year Plan, it is hoped that all village societies will have increased their membership so as to cover all the families in their jurisdictions; contribute the entire short-term credit needed by the movement, namely—about Rs. 500 crores a year at the end of 1965-66—and make an annual contribution of Rs. 100 crores to the national savings movement. Here again, I do not think these targets are difficult to reach, having in view the additions to the national income in the rural sector likely to be generated by development expenditures in the second and third Plans. Even if all these targets of savings are fulfilled, agriculture would provide only a fraction of the expenditure needed in the sector in the second and later plans. The capital for irrigation and power projects and other schemes of long-term economic development will have to be found from outside the rural sector.

29. To carry out these programmes the States would need a highly trained staff of Registrars and Deputy Registrars. These should be men with wide kowledge of the co-operative movement in India and in other countries and intimate contact with rural life and problems. It is equally essential that the co-operative movement should be able to attract at all levels large numbers of non-official workers with missionary zeal and sympathy. Such workers will be attracted only if the 'moral' aspects of the movement are always kept in view and it remains a dynamic, peoples' movement.

VI

30. I now come to my third point. In an underdeveloped economy suffering from acute unemployment and under-employment, programmes for harnessiag the vast unutilised energy in the country side for carrying out works of benefit to the community are of the highest value. In the N.E.S. and Community Projects areas, much is already being done in this respect and Shramdan weeks are becoming popular everywhere. In the coming years, these efforts should be organised with the aim of building up permanent assets for villages like small irrigation works, afforestation and soil conservation, fuel plantations, improved village pastures etc. A five-year programmes should be prepared for each N.E.S. block in which programmes of works for (i) individual villages, (ii) groups of villages, and (iii) one entire block

should be prepared on a co-ordinated basis and each village authority should carry out its own share of this comprehensive plan.

VII

31. If the National Extension movement is to be in a position to undertake the responsibilities I have described, we should organise educative efforts on a nation-wide scale. Every one connected with the movement should understand its relation to the Five Year Plans and the responsibilities it has to undertake for their successful achievement. For the higher officials, the regional seminars should be utilised for discussion of these general aspects. Lectures on these aspects should also be included in the courses of instruction given to block development officers and village level workers. Further, in every N.E.S. block, 3 to 4 months in the off-season should be systematically devoted to such programmes. These should take two forms. First there should be refresher courses for village level workers and other officials, including the training of villages teachers and or the younger men in villages in the duties of secretaries to panchayats and/or co-operative societies. Secondly, there should be seminars for non-official workers in villages for short periods in which they should be given a clear idea of the essential featnres of our Plans and of the responsibilities devolving on them for stimulating production and savings and working panchayats and co-operatives as agencies for these purposes. I suggest that suitable curricula should be devised for these different purposes and 'talking points' prepared and circulated. These can be useful as 'guides' but it is only by experience over a period that those engaged in these activities—officials and non-officials—will learn the best methods of approach.

VIII

32. In what I have said I have attempted answers to the questions I put at the beginning of this talk. These are in general terms. It is for each State Government apply these to their own conditions, always remembering that our Plans are national Plans which need sustained national efforts over long periods, for their implementation. It is only by making this great national effort for production and saving and social justice that we can achieve unity and preserve our democratic institutions and way of life.

33. I am afraid I have detained you much longer than I intended. If I have succeeded in communicating to you even a small part of the sense of urgency that I feel, I shall consider myself amply rewarded. As one who has spent many years in administration, let me say that administrative efficiency can contribute, more than any other single factor, to the success of the Second Five-Year Plan. Here is a

challenge to all of you. This efficiency should take several forms. In planning and executing every large or small project, there should be concerted effort to achieve the utmost economy in terms of time, money and resources and to ensure that the maximum results are secured for the expenditure incurred at every stage. Also, supplies and services should be organised in such a manner that they are available at the right time when they are wanted and at places convenient to the people. There is another point which is much more important. It is this. A Welfare State is the most difficult thing that has ever been attempted hitherto. It demands a greater degree of true citizenship from every one than has ever been demanded before. In all our measures, therefore, our aim should be to see that in all fields of endeavour the people concerned are enabled to manage their own affairs—in other words that the creative energy of the people is released. The Welfare State is a constructive and co-operative enterprise in which all sections of society should be enable to play a constructive part.

ANNEXURE

Agricultural Credit Societies

	Upto end of 1952-53	In 1953-54	In 1954-55	In 1955-56*
	(Amounts in lakhs of rupees)			
Number of societies	1,11,628	1,26,954	1,43,320	1,59,939
Number of members	51,26,002	58,49,380	65,65,416	77,90,850
Share capital paid-up	9,90·09	11,43·29	13,26·44	16,80·33
Working capital	49,18·34	54,40·84	62,92·70	79,10·18
Deposits held				
Members	2,57·70	2,78·32	3,22·16	4,09·05
Non-members	1,60·59	1,62·86	1,83·92	2,35·07
Societies	23·51	20·14	38·31	60·57
Cash				
On hand	1,49·22	1,66·81	1,96·17	2,69·67
In banks	97·20	1,33·70	1,44·59	2,22·89
Investments on				
Land and Buildings	50·39	58·55	63·88	1,02·65
Trustee securities other than land and buildings	98·68	1,10·12	1,39·25	2,02·42
Deposits with banks	2,08·83	2,04·78	2,28·46	3,14·54
Other assets	5,30·93	7,02·37	8,24·33	10,68·12
	8,88·83	10,75·82	12,55·92	16,87·73
Percentage of overdues to outstandings	28	29	30·3	25

*Figures are provisional.

The Second All India Co-operative Editors' Conference

PRESIDENTIAL ADDRESS

BY

Dr. P. NATESAN, M.B., B.S.

Honorary Editor, The Madras Journal of Co-operation

AND

General Secretary, The Madras State Co-operative Union

Dr. Punjab Rao Deshmukh, Delegates to the Conference and friends,

It gives me very great pleasure to preside over the Second All India Co-operative Editors Conference and at the very outset, I wish to express my heartfelt gratitude to Mr. Patel for inviting me to preside over this Conference. It is indeed very kind of Dr. Punjab Rao Deshmukh, Union Minister for Co-operation to have consented to inaugurate this Conference. That shows the abiding interest of the Union Minister in the development of Co-operation and his willing participation in the Conference is an eloquent testimony to the great interest of the Government of India in the 'building up of a Co-operative Sector as part of the scheme of planned development'.

The First Co-operative Editors' Conference

Last time, in July 1954 when the Co-operative Editors met for the first time many momentous changes were taking place in the Co-operative Movement. The place that Co-operation shall occupy in the planned development of India was being discussed; the All India Rural Credit Survey had just then concluded its labours and the conclusions of the Survey were being anxiously awaited; Planners were recognising the need to employ Co-operative techniques and agencies both for greater agricultural production and speedier rural development. It was then, for the first time, the Co-operative Editors in India met and discussed the vital role that Co-operative Press has to play and the steps to be taken to strengthen the Co-operative Press, both financially and technically under the able presidentship of Dr. S. R. Sen.

The Present Conference and the Co-operative Background

The present Conference is meeting under more momentous circumstances. The Second Five Year Plan has already been finalised and the importance of co-operation has been adequately recognised.

"Economic Development along democratic lines offers a vast field for the application of co-operation in its infinitely varying forms. Our socialist pattern of society implies the creation of large numbers of decentralised units, both in agriculture and in industry. These small units can obtain the advantages of scale and organisation, mainly by coming together. The character of economic development in India with its emphasis on social change, therefore, provides a great deal of scope for the organisation of co-operative activity. The building up of a Co-operative Sector as part of the scheme of planned development is, thus, one of the central aims of national policy.".

Not only that. The Second Five Year Plan has also drawn up sector-wise physical targets for achievement during 1956–61. These targets and objectives have been periodically assessed, reviewed and the pace of development has been accelerated by the annual conferences of the State Ministers for Co-operation. The findings of the All India Rural Credit Survey that "Co-operation has failed and that Co-operation must be made to succeed" struck the note of fundamental challenge to the Movement; its no less important recommendations of (1) State participation, (2) Integration of Credit with marketing, processing, and other allied economic activities and (3) Administration of co-operatives through trained and rurally biased personnel, have been accepted with certain essential modifications by the Patna Co-operative Congress and several schemes have been formulated and are in the process of implementation. In order to impart further strength to the rural credit machinery, the State Bank of India has been nationalised and the institution has been commissioned to open 400 branches during the Second Plan period and take active steps to offer credit facilities to marketing, warehousing, small scale industries etc. The Reserve Bank of India has established the Long Term (Operations) Fund and the Agricultural Credit Stabilization Fund. The Government of India, have already passed the Agricultural Marketing of Produce Act, 1956 and the National Co-operative Development and Warehousing Board has been constituted.

A Committee has been appointed to revise, rationalise and codify a simple Co-operative Law to help the growth of the Co-operative Movement on right lines. The Central Committee for Co-operative Training has taken vigorous measures by starting Intermediate Level Training Centres, Senior Officer Training Courses and Block Level Workers Training Courses, in order to make available to the growing movement trained personnel, responsive to the needs of a rural population. At the State Level, an intensive drive has been initiated to work out the Integrated Credit Schemes. In certain advanced States, like Madras and Bombay. many detailed plans have been drawn up to strengthen the Co-operative Movement in non-credit activities, like weaving cottage industries, housing, milk supply, marketing, consumer stores and publicity. By far the most important of all the developments is the implementation of the scheme for the training of members and panchayatdars, sponsored by the All India Co-operative Union, with the financial assistance of the Government of India. All these are encouraging trends, which emphasise the bright outlook for co-operation in years to come and it bids fair to become one of the major socio-economic forces of the country.

The Role of the Co-operative Press

We cannot rest on past achievements. We have to think on fundamental issues and plan future developments based on our basic ideals. Especially, the Co-operative Press which is the guardian of co-operative values has the heaviest responsibility. One of the most fascinating and challenging characteristics of the co-operative institution is that it is a combination of both the social and economic elements; that it is both an association of persons and a business undertaking to carry out the objective of satisfying the common needs to the advantage of every one of the members of the group. As a business institution, the Co-operative should adopt the most rational methods and should strive for utmost efficiency. As an association of persons, it should evolve methods and techniques both to improve the service of the Society, to foster the member-society relationships, and to build up a strong community of co-operative democracy and fellowship. The role, therefore, of the Co-operative Press is, primarily, that of increasing and fostering the economic and social effectiveness of the Co-operatives. The Co-operative Press should take steps to improve the business efficiency of Co-operatives, by disseminating information on improved practices, advanced technical know hows, techniques of management, accountancy and business administration. Equally important is the task of the Co-operative Press in the matter of building up the co-operative democracy. For a Co-operative ceases to be a co-operative, if it does not derive its strength from the knowledgeable participation of its members. Each decision of the Society should have the well informed backing of the members. Co-operatives are economic democracies. As Dr. G. Faquet remarks:

> " The primary aim of the co-operative institution is the improvement of its members economic position, but through the means it employs and the qualities, which it demands of its members, it achieves a higher purpose. The goal of Co-operation is to make *Men—Men*, with a sense of both

> individual and joint responsibility so that they may rise individually to a full personal life and collectively to a full social life."

On a realisation of two-fold role of the co-operatives, the Co-operative Press should evolve its techniques and methods, so as to enhance the value of co-operation, both in its social and economic setting.

Co-operative Press—its Special Role

Press in the modern technological society is an arsenal of social power. Napolean said : " The printing office is an arsenal, to which nobody should have free access." To-day the fact is that nobody, but those with money can enter the arsenal. A big paper is usually a big business. The task of the Co-operative Movement is to open that powerful arsenal, that a modern giant printing office represents and to make it serve the interests of the people and the common good. To the Co-operative Press belongs before all, the duty of presenting co-operative philosophy to the public. This is not, by any means a simple task, for we know that the mind of a modern man is not romantic or sensitive, but is essentially economic. A modern man thinks mainly in concrete, material and economic terms. Though the Co-operative Press, in nursing public opinion should start from the fact that a modern man thinks economically, it should not stop there. On the contrary, only by giving public opinion an idealistic and moral inspiration does the Co-operative Press create the safest foundations for an intelligent, peace loving social order. The Co-operative Press should always remain intellectually on a high level : it should stick to facts and truth and that its goal should be the common good. Further, it should be remembered that a slow, evolutionary and democratic movement like Co-operation always finds itself in the difficult position of making " news ". In a tension ridden world, where the mad race for power breeds conflicts of all types, engenders competitive and combative impulses of the worst kind, it is always quite easy to sensationalize news and attract a large circulation. But Co-operative Press has to appeal to the co-operative and constructive instincts in man, enlighten them about human and cultural values of this Movement and build up a public opinion, guided by co-operative ideals. It is, indeed a very difficult task.

Aims of Co-operative Press

Mr. Nils Thedin, has beautifully and eloquently explained the aims of Co-operative Press:

> " Our ambition has been instead of to make the magazine a living, dynamic, positive force in Swedish cultural life, a balancing factor against the " Coloured Press ", an opinion

building element serving general, radical work of progress among the people as a whole ".

The watch words of the Co-operative Press should be :—

" We will entertain and amuse without dulling intellect. "

" We will reflect contemporary reality but not falsify it ".

" We will act as a link with the cultural tradition, but not romanticize the past ".

" We will follow the struggle of ideas, but not blow with the wind ".

" We will cultivate the ideal Community, but not give up the demand for individual freedom."

" We will broaden the horizon."

The Functions of Co-operative Press

(i) *To raise the Standard of Business Efficiency of Co-operatives:* Having explained the aims and ideals of Co-operative Press, it is my duty to explain them in the context of present day reality. We know that both the Movement's leaders and the Governments representatives are taking concerted measures to improve the working and operational efficiency of a variety of co-operatives in our country by the initiation of training courses for personnel, by the organisation of large sized credit societies, by the integration of credit with marketing, processing and other allied economic activities, by rationalizing co-operative marketing structure and by several other measures. The Co-operative Press has the important duty of disseminating information on all these aspects; watch and report spectacular results and stimulate healthy and constructive criticism. In this manner, it will contribute to the improvement of the business efficiency of co-operative societies. Well-written articles on the several technical aspects of co-operation will bring knowledge and enlightenment to those, who are in intimate charge of conducting these co-operatives.

(ii) *To Uphold Co-operative Democracy:* The second and more important task of upholding the essential principles of self-help and mutuality and of defending the values of co-operative democracy is, perhaps, one beset with innumerable difficulties. The danger to co-operative democracy may come from both within and without.

Dangers to Co-operative Democracy

(i) *Member-Apathy:* If the members are apathetic to social incentives and if their participation in the co-operative is limited purely to the economic aspect, then the danger starts from within. It may prove fatal to co-operative efficiency and the power of the

institution may pass on to a clique, defeating its very basic purposes. The Co-operative Press should through its bright feature columns, quizz and other attactive items stimulate the interest of the members and re-awaken the sense of ownership and self-government in the hearts of the members and thus give a fresh life and energy to the undying ideals of the Movement.

(ii) *Danger from without:* One of the exceedingly well organised activities initiated by the Co-operative Movement especially in certain States, of which India will feel proud, is the credit structure, which has penetrated far into the depths of different villages. These institutions are mainly resposible for instilling the philosophy of co-operation and stand as a monumental instrument of co-operative propaganda. The organisation and the operational efficiency of these institutions have been developed as a fine art from apex State Institutions down to the Rural Credit Society. The Reserve Bank of India with its motto that co-operation is the one and only instrument, through which credit could be distributed in a very extensive manner has commenced during the recent years to finance the Apex Institutions at a cheap rate of interest. To the casual, very shallow and unscientific observer, a change from $1\frac{1}{2}\%$ from the Reserve Bank of India to $6\frac{1}{4}\%$ to the ultimate borrower in the village society will appear as abnormally usurious rate of interest and has resulted in the stereotyped arm chair criticism that the " intermediary co-operatives " are responsible for the high rate of interest. A studious economist will certainly hesitate to pass an unscientific criticism of the type mentioned. It is out of the small margin of $4\frac{1}{2}\%$ that the entire secretarial needs of the financing banks and the rural credit societies, the creation of the statutory and several types of reserves, the development of the mechanism of scrutiny, distribution and collection of loans, the entire inspecting machinery, payment of dividend on shares, arrangement for annual and special general body meetings, the organisation of conferences, financing of audit and last but not least, the maintenance of the Co-operative Journals and Periodicals, are met with. Nothing is received from Government in the form of a subsidy towards these important aspects of the democratic administrative setup. I challenge whether any other agency will be able to so successfully manage this colossal credit structure within this small margin. To those unscientific critics, the answer would be that if these over-heads, which are utilised for the highly and absolutely essential details mentioned above, are met with in the form of subsidy, Co-operative Movement will pass on the amount received at $2\frac{1}{2}$ per cent itself to the ultimate borrower in the village. Another recent move that is being whispered every where is the transfer of the agricultural credit machinery from the Reserve Bank of India to the State Bank of India. The transfer may appear to be a "nominal" one: but its repercussions on the entire rural credit machinery from the State Co-operative Bank to the Primary Co-operative Society would be quite far reaching and detrimental to the existence of a federated rural credit set-up. The transfer of the Rural Credit Department from the Reserve Bank of India to the State Bank of India would mean that the State Bank of India would first begin to route the funds through its own branches, thus severely competing with the State and District Co-operative Banks both in the matter of funds, deposits and even rates and finally it may affect the working of these institutions and render the State and Central Co-operative Banks almost superfluous. As mentioned already, I have not the slightest hesitation to say that the actual cost of routing and recovering the credit through State Bank branches is bound to be much more than the present cost incurred by State and District Co-operative Banks. If that be so, why should not the Government see the unmistakable advantage of utilising the co-operative agency and subsidise the cost of staff and bad debts incurred by these institutions and thus help these institutions to continue to do their service to the villages at very low margins? Is it not an accepted fact by a successive body of experts that the co-operative is the best and the most successful democratic agency to dispense credit to the rural population? Is it not proved beyond the least shadow of doubt that the superior claim of co-operative in the rural credit sector remains unchallenged by any other agency for the past two or three decades at least in the co-operatively advanced States of Madras, Andhra and Bombay? If that be so, the most urgent duty of the Co-operative Press in India to-day is to give the widest publicity to the inherent superiority of a federated co-operative credit set up and mobilise the opinion of the public against any untoward inroads into the freedom and autonomy of co-operative credit institutions in India. It should be remembered that if co-operative credit institutions are rendered functionless, then the days of collapse and slow decay of other types of co-operatives are not far remote. Co-operative credit institutions are the tap roots of co-operative democracy. If you allow the co-operative credit institutions to decay, it may be apex or district or village, the whole Co-operative Movement would crumble. Therefore, I appeal to all Co-operative Journalists to take up this issue in right earnest and request the Government to consult the All India Co-operative Union and the State organisations before effecting any drastic change or transfer.

Types of Journals

Now I shall pass on to the question of the type of Journals, that the Co-operative Movement in India would require. We know that in India there are about 20 Co-operative Journals, commanding a

circulation of nearly 25,000, 7 of which are in English and 13 are in the regional languages. Two Journals are quarterly; while 13 Journals are monthlies, two are fortnightly journals and 3 weeklies. It would appear from the 'Co-operative Press Directory' (1954) published by the International Co-operative Alliance that most of the Co-operative Journals in India are of the semi-technical type: they cater to the select circle of co-operators, who are either connected with the administration of co-operative societies or actually serving the movement as paid officers; these Journals contain well-reasoned articles on co-operative theory and practice, exhaustive case studies, detailed report of outstanding co-operative events, Departmental and Governmental circulars relating to the several facets of the movement, Co-operative News and Notes and book reviews and the like; most of them carry Editorials of very high academic levels: they are also brightened with nice and attractive blocks and their get up is generally good. They serve a very useful purpose in improving the knowledge of the interested readership, but they serve only a limited clientele.

The "Family Type" Journal—the Need of the Hour

But a Movement, whose objective is to enlist the support of every family in the rural areas to the idea of co-operation and whose present membership is more than 160 lakhs must have a Press, which must reach out its message to the millions and enthuse them with an animating co-operative spirit. There must be a net work of Co-operative Journals of the family type like 'Vi' (We) of Sweden, 'Ie-No-Hikari' (Light of the Home) of Japan, whose circulation is enormous, exceeding 6 and 10 lakhs respectively. I think the Conference should give its earnest consideration to this question of the starting of Family—type Journals, having regard to the growing momentum gained by the Co-operative Movement and the necessity to bring the large masses of people into the co-operative fold in years to come. These family Journals should be bright like the "Ananda Vikatan". or "Life" magazines and contain short well written articles on different subjects, short stories, good humoured charts, women and children's pages, pictures and cartoons. The outward appearance should always attract an active attention. Co-operative Family Journals should be ahead of their competitors with regard to editorial methods and techniques. I think it would be a modest proposal to attempt to start one family journal in each of the regional languages and this conference may consider in detail the resources, techniques and methods, that may be necessary to implement this suggestion.

Problems and Solutions

I shall now pass on to consider the present status and position of the Co-operative Press in India, its problems and the suggested remedies to make the Co-operative Press, a very effective and powerful instrument of Co-operative opinion. For the sake of clarity, the problems can be discussed under the heads (i) Management, (ii) Finance, (iii) Circulation, (iv) Materials and Equipment, (v) Editorial staff and training (vi) Co-operative News Agency, (vii) Co-operation of writers.

Management

The Co-operative Journals in India are generally run by the State or All India Co-operative Union. That trend is a very welcome feature. Since these journals are managed by the Executive Committees of the respective Unions, on which are represented the important and influential office-bearers of different types of well-run co-operatives, the journals naturally become the effective instruments of influential co-operative opinion and indirectly derive a healthy and strong economic support from the Co-operative Movement. Such a uniform policy in the management of the Co-operative Journals would lead to the adoption of rationalised procedures and also ensure the improvement of the efficiency in the conduct of Journals.

Finance

Finance is the most important stumbling block for the growth of Co-operative Journals. This fact is reinforced, when we remember that almost all the Journals are of a technical type and the circulation prospects are limited. The main sources of income for co-operative journals are (i) subscriptions (ii) advertisement revenue and (iii) donations from co-operatives on important occasions.

Subscriptions : The cost of publication of a Journal may be divided into two parts (i) fixed costs like rent, office expenses, interest on capital and equipment etc. (ii) variable costs like paper, materials. block charges, printing charges, postage, wages etc. We will, therefore, have to study the behaviour of the average cost curve over a limited range of demand and then fix up the rates of subscription. It would be advisable that subscription rates are generally 30% more than the average cost per copy. That would be a sufficient cover to meet any loss due to unsold copies.

Advertisement Revenue : Co-operative Journals on account of their limited circulation do not attract the advertising clientele of the other Press ; moreover the Journals only reach a particular specialised circle of readers. Therefore, with the best of efforts, it is not possible to attract the advertising custom of the private enterprise, though we do not rule out advertisement space to private enterprise, which do not come into conflict with Co-operative Movement. But such advertisements are very rare, indeed. So, we have to rely on Co-operative and Government advertisements. Such of those co-operative

business institutions, which have a huge trade should with advantage book maximum space with co-operative journals both as a measure of popularising the trade through co-operative medium of publicity and also indirectly supporting the journals. The above plea applies with equal force to Government advertisements and advertisements of public bodies like Life Insurance Corporation, Railway administration etc. Of late, Government of India have greatly expanded their advertising campaign. It would be the duty of this conference to frame concrete proposals in the matter of securing maximum advertising space from the Government agencies and, if necessary, an effective and active liaison agency under the auspices of the All India Co-operative Union may be formed to contact Government and quasi—Government agencies and to take steps to secure advertisement space in the Co-operative Journals. I am sure that if by our concerted attempts, we could secure all the Government advertisements both at the Centre and at the States, the Journals would most certainly be assured of a copious and continuous source of finance.

Donations : On important occasions like the Silver Jubilee of big co-operative institutions, the Journals should bring out special Souvenirs both as a measure of publicity to the good work done by the co-operatives and as a measure of giving encouragement to co-operative development. On such occasions, the institutions concerned should make it a practice to give liberal donations to co-operative journals and help the cause of Co-operative Press. We, in Madras State have been benefited by such donations and such income may also be regarded as a source of revenue to the Journals.

Circulation

The problem of circulation of the Co-operative Press is a thorny one. In our country, where the highly organised newspapers are finding it extremely difficult to attract a huge circulation, the problem becomes more complicated with Co-operative Press. As I have stated earlier, our Journals by their very nature have only a very limited circle of co-operators. Unless we succeed in the direction of starting and popularising "Family Type" Journals, we must reconcile ourselves only to a limited circulation; but we have to bear in mind that each copy of the magazine has a nominal yet active readership of atleast 6 persons ; and further our Journals are read and followed by an influential circle of co-operative membership; in that sense, though our circulation is limited, the influence, which Co-operative Press exerts in the development of co-operation is by no means small. Therefore, it is the duty both of the Movement and the Government to increase the circulation of the Co-operative Journals, which are the life blood of the Movement.

In Madras State, there are about 15,800 societies of which about 3,000 societies are affiliated to the Madras State Co-operative Union and the Tamilnad Co-operative Federation. These societies get the Journals free of cost, but they pay annual contributions to the Union and Federation. But the small rural societies, primary stores, Unions and other organisations find it pretty difficult to meet the contribution liabilities: very often, they do not get themselves affiliated and, therefore, do not obtain the advantages of getting the Co-operative Journals. If the message of co-operation is to percolate the rural and semi-urban areas, it is absolutely essential that the Co-operative Journals, the printed messiahs of co-operation should reach atleast 50% of the societies during the Second Plan period. That would mean that about 2,500 copies of *'The Madras Journal of Co-operation'* in English and 5,000 copies of the *'Kootturavu'* in Tamil must be printed and supplied free of cost or at a 50% cost to the societies. There is, therefore, a very urgent need for a subsidy in this regard. Hence, I would urge that we should put forth a concerted plea before the Government of India for the sanction of a scheme of subsidy for increasing the circulation of the Co-operative Journals. The principles on which the subsidy has to be distributed should be discussed in detail. Population and the number of societies in each State may be main basis of allocation of the above subsidy.

Materials and Equipment

Paper: An adequate and regular supply of good printing paper, art paper etc. is very essential to the conduct of Journals. During the war, paper control created very heavy hardships; the position is much better now; but still, the costs of paper are going up every year. The upward rise in paper prices is causing great anxiety to the publishers of Co-operative Journals. The Government of India can also help us in this matter by subsidising the cost of paper and making it available at a moderate cost to the publishers of Co.operative Journals. I am very happy to state that our elder Statesman Rajaji also has endorsed this principle of subsidy in the case of the Book Trust, in order to enable them to bring out publications at cheap rates. Secondly, the Co-operative Journals should also make use of art paper both to improve the quality of the Format and also to enhance its æsthetic value.

Photography:—A very important and essential equipment for an efficient Journal is a well organised and equipped photography section under the control of an expert photographer. At present, the only source of supply of photographs is from Publicity Departments of State Governments and in a few cases from the Co-operative Departments. Most of these photographs generally cover important

meetings and conferences. The human story behind the growth of co-operative societies should be highlighted by the photographs and the photographer attached to the Co-operative Journals should be trained in this special field.

Co-operative Press:—It would be a great advantage, if the publishing organisation also owns a well equipped press. Magazine printing is a specialist's task and requires a thorough understanding and expert knowledge of the Magazine make-up, selection of proper and elegant types, layout, block impression, colour composition, finishing, binding, etc. Particular care and attention should be bestowed on the question of "Printing" and it should be remembered that "Printing" is as important and a vital aspect as "Editing" itself to the efficient and attractive production of a Co-operative Journal. In fact, very few Co-operative Journals have their own Press. But most of them get their Journals printed from printing institutions organised on co-operative lines. It would be desirable to organise printing Press, under the auspices of Co-operative Unions, which publish the Journals. But it would require initial capital. Here is another field, where the assistance of the Government of India in the shape of a block grant for the purchase of printing equipment would be of great value to step up the productive efficiency of co-operative journals.

Library:—Every Co-operative Union which publishes the Journal must have a well-equipped Library. The Library should have reference books like encyclopedia, Government reports and blue books etc. The Library should cover a wide range of books on co-operation, history, economics, politics, social sciences, culture, literature etc. both in English and in the regional languages. The Union should also have a reading room. Important dailies and other periodicals should be subscribed for; wherever possible, exchange-copies should be obtained. A paper clipping and documentation service would be a very useful adjunct to a Co-operative Journal Office. In this respect of building a good library, we can press for a block grant from the Government of India and recurring grant from the State Government, especially from the Library Authorities constituted for the purpose of strengthening the library movement. I may mention here that the scale of library grants in some of the States like Madras in extremely small and inadequate.

Editorial Staff and Training

***The Requirements of a Good Co-operative Editor*:** More important than the business aspect of running a Journal is its cultural and intellectual aspect. The rich intellectual and moral value of a Co-operative Journal can only be ensured by the appointment of competent Editorial Staff. A very efficient editorial staff is the *sine qua-non* for the successful management of a really first rate Journal. The Editorial Staff should be vigilant and alert and should be the "watch dog" of the Movement. The qualities of a Co-operative Editor have been summarised eloquently by Mr. E. Topham of the "*Co-operative Review*" as follows :—

> "As I see it, a Co-operative Editor should believe in Co-operation; he should be able and willing to present Co-operative views and give a fair and balanced assessment to his readers. Whilst he may give priority to official co-operative point of view, it is equally his duty to see that fair show is given to the views of any substantial minorities. A co-operative Editor should not suppress inconvenient facts or figures. He should accord the right of reply and claim that right for himself. He should protect the anonimity of correspondents, who do not desire their names disclosed. A co-operative editor should strive to report the truth, as he sees it."

A deep wisdom coupled with a wide knowledge of affairs, the capacity to sift the essential from the non-essentials, the gift for making correct judgements, the rare virtue of respecting others' opinions are the necessary qualities of a co-operative editor; moreover, the task of an editor is essentially that of an expert. Therefore, it is absolutely essential to recruit men of first rate ability and pay them attractive remuneration. The working editor must be a qualified, full time professional journalist, steeped in co-operative philosophy. He should have a flair for Co-operative Journalism. It would be a good policy not to associate editorial functions with other administrative and managerial functions. But such a meticulous division of functions cannot be followed by Co-operative Unions in their present financial position, having regard to the high costs involved in such a division. In our State, the Government have sanctioned a subsidy towards the actual pay of the Associate Editor. That has been very helpful in maintaining a high standard of editorial efficiency. I suggest that this conference may frame proposals for the grant of subsidy towards the pay of the working Editor on a decent scale for all the Co-operative Journals. The Editor must be assisted with adequate staff in technical matters like proof reading, cartoons, photography etc. and also in administrative matters relating to circulation, subscription, advertisement etc. All the Co-operative Journals in India, to-day, are very much under-staffed in these respects and we will have to think out vigorous measures to remedy the situation.

The Editorial Board and the Honorary Editor : In the interest of Co-operative democracy, it would be better that a small, compact Editorial Board of not more than three persons is constituted for every Journal, in order to assist the Editor regarding the editorial policy of the Journal. Honorary Editorship is a very useful institution, through which the Journals can get the expert knowledge and mature counsel of the top-leaders of the Co-operative Movement.

Foreign Training for Co-operative Journalists: There is a very important question, to which I would like to refer in this context, namely the training of Co-operative Working Journalists. I remember that in the last conference, we discussed this question and I do not know what arrangements have been made to implement the suggestion. The proposal for the training of Co-operative Working Journalists in India is a very important one. But the training should not be on any ad-hoc basis; it should be properiy planned and should be carried out by a highly capable and expert body. The standard of training should be of a very high and advanced technical level. I am of the opinion that an international body like the International Co-operative Alliance, should be the proper agency to execute this scheme. The International Co-operative Alliance should start an 'International Co-operative Journalists Press School', as it had done in 1949 and give an intensive training for a period of not less than six months in all the technical aspects of Co-operative Journalism. All the Co-operative Working Journalists, serving the various Co-operative Journals in India should be deputed to attend the course; if necessary, the Government of India may use their influence and obtain a few Travel Fellowships from International Labour Organisation and other bodies or finance the Fellowships from their own funds. The training course should be held in a co-operatively advanced State in Europe like Sweden or Denmark and should be followed by an extensive study tour of the Co-operatives in the country concerned. Axel Gjores, Editor-in-Chief of the K. F. Publication Department had stressed the inestimable value of such foreign study tours to co-operative journalists even as early as 1936.

Co-operative News Agency.

The organisation of a competent, regular and authoritative Co-operative News service, both at the National and State levels is also a matter, which should be gone into fully. The flow of Co-operative news from the centres of origin to the apex centre and the distribution of the same to the regional and State Journals is a problem, frought with many difficulties. I am glad that the All India Co-operative Union has taken the initiative and that they are releasing two fortnightly news handouts every month regularly ; of late, the handouts purvey international, national and State Co-operative News. I must state that the news service is becoming increasingly useful and popular. I hope that the news service should establish contacts with the several news agencies in India like the P.T.I. U.P.I. NAFEN etc; But I find that the District Correspondent System is not working properly, for the Central banks are now overworked and their officers do not have the time, the resources and the inclination to gather co-operative news from the interior parts, collect the material and edit them and then pass it on to the State Co-operative Union for further transmission to the All India Co-operative Union regularly and punctually. We have to think out a proper agency; further it may be necessary to award suitable remuneration for the agency or persons, who undertake the correspondents' work. Methods of reporting and Editing of News are technical tasks and proper and adequate training has to be given to the reporting personnel in these respects. These remarks apply with equal force to the organisation and the development of the Regional Co-operative News Service. Analogous to the question of news service is the organisation of a syndicated feature and article service. In India, we have no machinery now to supply Co-operative Journals with feature articles and regular articles. To some extent, the British Information Service, the Co-operative Departments in India, the United States Information Service, the Indian Co-operative Union, the Reserve Bank of India etc., are doing this service in a very limited manner. The All India Co-operative Union should also take steps to organise a syndicated feature and article service and strengthen the same.

Co-operation of Writers and News Agencies

No Co-operative Press worth its name can afford to function without the active co-operation of co-operative writers. They are the main spring of the Press; they feed the 'Journal' with their intellectual stuff; they raise issues, set in motion a debate and invite criticism and thus enlighten the co-operative folk. Besides stimulating reader interest, they broadcast the seeds of co-operation on the right soils, which they themselves have ploughed and prepared. The Editorial Staff have the prime responsibility to gather materials, select them and use them in their editorial notes, their reviews and their contributed articles; We discuss here the probable sources, from which we could get valuable co-operative news and views.

(1) First and foremost, the Editorial Staff should contact the high dignitaries of the Government, who are the chief policy makers and induce them to write on current problems of the movement. It is generally very difficult to obtain articles from such men of eminence and executive responsibility for whose time, there is always a heavy demand. The Editor in charge of the Journal may adopt, if necessary, the interview method and obtain the authoritative views of such high-placed officials on difficult problems.

(2) There is another class of writers, who are generally specialists in the field in India and abroad and whose knowledge of co-operative theory and practice may be extremely useful to the workers in the Co-operative field. Articles of such experts, who formulate policies in co-operation are very valuable to the sustenance of the movement and as such should find a place in co-operative journals from time to time. The All.India Co-operative Union should take special efforts to secure such valuable articles and publish in the All India Co-operative Review. These articles may be reproduced in the State Journals and the Language Journals.

(3) A third way is to tap young talent from the cadre of University Lecturers and Research workers. If finance permits, a small remuneration may be given to such young writers who contribute quality articles.

(4) The executive officers of the Co-operative Department of Government have a great part to play in the expansion of the Movement. They may come across several problems, confronting the co.operatives and they may with their rich experience of the day-to-day questions able to offer some new suggestions or solutions. Here again, there is another fruitful field, where from good material for publication may be gathered. For example, the executives of a Land Mortgage Co-operative may have some new plan or method to abridge the time-lag between the date of application to the date of disbursement or about the equitable spread over of the loan in the entire area of operation, In such cases, it might be enough to publish a brief article, highlighting the problem and its solution.

(5) In the same way, officials of co-operative institutions like Secretaries, Executive Officers and Assistant Secretaries, who man several big institutions in the districts should also be encouraged to write articles. The articles may be brief, touching one or two problems. Such articles will be highly stimulating, having regard to their practicalness. They may be encouraged to write letters of topical interest to co-operative journals periodically.

As regards, securing the co-operation of the news agencies like P.T.I., U.P.I., and NAFEN, there are certain limitations. Their news coverage is world wide; Co-operation is seldom covered by such agencies. Further they act through the teleprinter. As things stand to-day, no co-operative journal, monthly or weekly can afford to take advantage of the news purveyed by such agencies; till the Movement grows to such a scale so as to necessitate the running of a Co-operative Daily, there may not be any need to make use of established news agents. Further, the costs are bound to be prohibitive. For the present, it is enough if we improve the All India Co-operative News Agency.

Friends, I have covered a very wide ground and surveyed the entire position of the Co-operative Press, its aims, policies, role, its problems, technical personnel, organisational and financial and wherever possible, I have hinted at a possible solution. May be there are other means, more effective and more useful. I would be happy to welcome such fruitful suggestions. Let us by our concerted efforts help to make a free, efficient and energetic Co-operative Press. I am sure that the Co-operative Press in India has the necessary vigour, vitality and willingness to play a very noteworthy part in ushering into existence a truly Co-operative Commonwealth, where, as Rabindranath Tagore said :

> " Where mind is without fear and the head is held high,
>
> " Where knowledge is free,
>
> " Where mind is lead forward by thee into everwidening thought and action.
>
> " Into that Heaven of Freedom, my father! let my country awake!"

G.O.'s and Circulars

AMENDMENT TO RULE XIV (3)A

Copy of the G.O. Ms. No. 1241, dated the 30th March 1957 of the Industries, Labour and Co-operation Department.

GOVERNMENT OF MADRAS

ABSTRACT

Acts and Rules—Madras Co-operative Societies Act, 1932—Rules—Rule XIV (3) (a)—Amendment—confirmed.

READ—

G.O. Ms. No. 3841, Industries, Labour and Co-operation, dated 28th August 1956.

From the Registrar of Co-operative Societies, No. Rc. 183298/55-B, dated 17th November 1956.

ORDER—

In the notification published and page 540 of the rules supplement to Part I of Fort St. George Gazette, dated 12th September 1956, the Government of Madras published under sub-section (1) and (2) of Section 65 of the Madras Co-operative Societies Act, 1932 (Madras Act VI of 1932), a draft amendment to the Rules issued under the Act. The Government have not received any objections or suggestions and are of the view that the amendments published should be confirmed. The appended notification will be published in the Fort St. George Gazette.

(True Copy)

APPENDIX

In exercise of the powers conferred by sub-section (1) and (2) of section 65 of the Madras Co-operative Societies Act, 1932 (Madras Act VI of 1932), the Governor of Madras hereby makes the following amendment to the rules published with the Development Department Notification No. 264, dated the 1st August 1933 at pages 1178–1185 of Part I of the Fort St. George Gazette dated the 1st August 1933, as subsequently amended, the same having been previously published as required by sub-section (3) of the said section.

AMENDMENT

In sub-rule 3 (a) (i) of rule XIV of the said rules, in the penultimate sentence, the following words shall be added at the end namely:—

" And shall utilise the said funds for the said purposes within a period of three years from the date of execution of the deed. If the trustee or trustees fails to utilise the amount within the aforesaid period in accordance with the terms of the trust deed, it shall be competent for the Registrar after giving an opportunity to the trustee or trustees to state their objections, if any, to assign the amount to the reserve fund of the financing bank working in the area in which the dissolved society carried on its operations.

(True Copy)

Office of the Registrar of
Co-operative Societies, Madras,

Endt. No. R. 183298/55-B, Dated, 10-4-1957.

A copy of G.O. Ms. No. 1241, of Industries, Labour and Co-operation Department dated 30-3-57 with the appendix is communicated to all the Deputy Registrars on general duty for information and necessary action.

(Sd.) U.K. ABDUL KHADIR,
For Registrar.

REMISSION OF COURT FEES ON DOCUMENTS PRESENTED BY CO-OPERATIVES

Copy of G.O. Ms. No. 100, dated 12th April 1957, Home Department.

ABSTRACT

Court Fees—Madras Court Fees and Suits Valuation Act, 1955—Documents presented by Co-operative Societies chargeable with Court Fees—Remission of Notification issued.

READ—

G. O. Ms. No. 818, Home, dated 10-2-40.

G. O. Ms. No. 607, Home, dated 25-2-56.

From the Registrar of Co-operative Societies, Rc. 13892/56-Q, dated 8-5-56, 27-7-56 and 9-11-56.

ORDER—

The following notification will be published in the Fort St. George Gazette.

NOTIFICATION

In exercise of the powers conferred by section 73 of the Madras Court Fees and Suits Valuation Act, 1955 (Madras Act XIV of 1955), and in supersession of Notification No. 214, dated 25th February 1956, published at page 313 of Part I of the Fort St. George Gazette dated 14th Macrh 1956, the Governor of Madras hereby remits the fees chargeable under article 10 of Schedule II to the said Act on applications or petitions presented by the Co-operative Societies in the State of Madras to any of the Offices of the Government of Madras, except those items mentioned hereunder in respect of which the proper Court Fee shall he levied:—

1. (i) Appeals to the Registrar under sub-section (8) of section 47 of the Madras Co-operative Societies Act 1932, and

(ii) Copies of any proceedings or order or copy of any account statement, report or the like which form enclosures to (i) above.

2. (i) Application or petition to the Registrar under section 57 of the Madras Co-operative Societies Act, which have in view the exercise by the Registrar of powers or authority under the Act or rules; and

(ii) Copy of any proceedings or order of copy of any account statement, report or the like which form enclosures to (i) above.

3. Applications for the remission of audit charge under rule XI of the rules issued under the Madras Co-operative Societies Act, 1932.

4. Applications for copy of judgement, decree or order passed by the Registrar or Deputy Registrars or arbitrator or sale officer or for copy of any other record or documents in such office.

5. Vakalats presented to the Registrar or any officer subordinate to him.

6. Applications for decision by the Registrar under section 8 or for amalgamation or for division of societies under section 13 or for change of liability under section 5 of the Madras Co-operative Societies, 1932.

APPLICATION

7. (i) for an enquiry under section 38 of the Madras Co-operative Societies Act 1932.

(ii) for an inspection under section 39 of the Madras Co-operative Societies Act, 1932.

(iii) for leave to sue or take any legal proceeding or to proceed with any suit or legal proceeding under section 48 of the Madras Co-operative Societies Act, 1932.

(iv) for sanction to pay remuneration to office-bearers under the by-laws.

8. Appeals to the Government under section 10, 12(2), 44(2) and 57 of the Madras Co-operative Societies Act, 1932.

(True Copy)

Office of the Registrar of
Co-operative Societies, Madras,

Endt. No. 13892/56-Q Dated, 11-5-1957.

S. V. RAMACHANDRACHAR,
For Registrar.

PROCEDURE RELATING TO DISTRIBUTION OF PROFITS EARNED PRIOR TO AMALGAMATION OF SOCIETIES

Circular of the Registrar of Co-operative Societies, Madras

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

D. Dis. 216976/56-A. 2. Dated 10-4-1957.

SUB:—Large sized credit societies known as Co-operative agricultural banks—Amalgamation of the existing rural credit societies—Distribution of the profits earned by the societies prior to amalgamation — Procedure—Instructions issued.

1. Large sized credit societies known as co-operative agricultural banks are formed in this State by the amalgamation of the existing rural credit societies under Section 13 (b) of the Madras Co-operative Societies Act VI of 1932. In most of the cases of the large-sized societies already formed the amalgamation of the societies was effected after 30th June 1956, i.e. after the close of the co-operative year 1955-56. It is presumed that the accounts of each of the amalgamated societies for 55-56 have been audited and an audit certificate for 55-56 issued. It is also presumed that the accounts of the amalgamated societies from 1-7-1956 upto the date of amalgamation have been audited and the outstandings as on the date of amalgamation incorporated in the books of accounts of the agricultural banks concerned.

2. A question has been raised as to what should be done with the profits, if any, earned by the amalgamated societies for 1955-56 and not distributed as per their by-laws before their amalgamation. The following points have been raised in this connection :—

(a) Whether the members of the amalgamated societies are entitled to a share (as dividend) of the profits earned by their societies prior to amalgamation and not distributed as per the by-laws of societies as they (by-laws) stood before the amalgamation.

(b) If so, which is the authority competent to distribute the profits of the amalgamated societies as their general bodies do not exist after amalgamation and whether the general body of the new large-sized society which emerged after amalgamation is competent to distribute the profits of each of the amalgamated societies in accordance with the bylaws of those societies.

With reference to the above points, the Registrar has been advised that, payment of dividend to the share-holders of the amalgamated societies, accrued prior to amalgamation is a liability of the large-sized

society which emerged after the amalgamation, within the scope of section 13 (b) (6) of the Madras Co-operative Societies Act, that the general body of the largesized society is competent to distribute the profits of the amalgamated societies in accordance with the by-laws of those societies as they (the bylaws) stood before the date of amalgamation and that in order to regulate the distribution of the profits of the amalgamated societies in such cases, the larged-sized societies concerned, may adopt a transitory by-law as follows, under their by-law No. 55 :—

> " Notwithstanding anything contained in any of these by-laws, the profits earned by the societies amalgamated into this bank for the co-operative year... ... ...or for previous years as declared in the audit certificates of the societies concerned shall be distributed by the general body of this bank in accordance with the by-laws of the societies concerned as they stood before the amalgamation."

(NOTE:—The relevant year or years may be filled up in the bank.)

The above transitory by-law should be adopted by all large-sized societies where the amalgamation of the societies was given effect to, after 30th June, i.e., after the close of the co-operative year.

3. If in any particular case, the audit certificate had been issued and the general body of that society had ordered the distribution of the profits and if the amalgamation had taken place before the actual disbursement of the dividend, the large-sized society concerned, is competent to distribute the profits of that amalgamated society in accordance with the decision of its (amalgamated society's) general body and disburse the dividend, if any, ordered, on that basis.

4. All the Deputy Registrars on general duty and the Special Deputy Registrars for Credit and Marketing are requested to issue suitable instructions in the matter to the agricultural banks functioning in their respective jurisdiction, on the above lines.

A. PALANIAPPAN,
Registrar.

SUPERVISORS—RECRUITMENT AS JUNIOR INSPECTORS—CONDITIONS

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

Rc. 11540/56 G 2 Dated 12-4-1957

SUB :—Public Services—Madras Co-operative Subordinate Service—Employees of Co-operative Institutions–other than Supervisors—Recruitment as Junior Inspectors—regarding.

REF :—G. O. Ms. No. 1101, Department of Industries, Labour and Co-operation dated 19-3-1957.

According to the Madras Co-operative Subordinate Service Rules, Supervisors of Co.operative Societies who have not completed 30 years of age and who possess the following qualifications are eligible for appointment as Junior Inspectors of Co-operative Societies by direct Recruitment subject to the following conditions :

1. Minimum general educational qualification specified in the schedule to the General Rules or eligibility for University Course.

2. A course of training in any of the Co-operative Training Institutes in the State and a pass in the examinations in Co-operation, Auditing, Banking and Book-keeping conducted by the Madras State Co-operative Union ; and

3. Service of at least five years as Supervisors of Co-operative Societies.

With a view to meet the demand for men with practical experience to implement the Second Five Year Plan Schemes, the Government have passed the following orders :—

1. That the non-official employees of Co-operative Institutions who posses qualifications similar to supervisors shall also be eligible for recruitment as Junior Inspectors.

2. That the present age limit of 30 for recruitment of non-official employees of Co-operative Institutions be raised to 32 ; and

3. That the number of posts of Junior Inspectors to be filled up by non-official employees of Co-operative Institutions be limited to 15 per cent of the vacancies.

All the Co-operative Central Banks, Madras State Handloom Weavers' Co-operative Society and Madras State Co-operative Union are requested to bring the above facts to the notice of the employees working in Co-operative Institutions.

A. HIRUDAYASWAMY,
For Registrar.

CENTRAL BANKS—RATES OF DAILY ALLOWANCE REGARDING

Proceedings of the Registrar of Co-operative Societies, Madras.
SRI A. PALANIAPPA MUDALIAR, M.A., I.A.S.,
Registrar,

Rc. 34974/57-A.1. Dated : 13-4-1957

SUB .—Co-perative Central Ranks—Payment of Travelling Allowance to the members of the Committees—Maximum rate of Daily Allowance—Prescribed.

READ :—Registrar's Proceedings Rc. 22187/55-A. I Dated 23-11-56

ORDER :—

Under Sub Rule (v) of the Rule XXVIII-A of the Rules framed under the Madras Co-operative Societies' Act VI of 1932, the Registrar of Co-operative Societies, Madras, is pleased to fix the maximum rate in respect of Daily allowance payable to the members of the Committee of Central Banks :—

Daily allowance for journeys and halts outside the District including Madras City.	Rs. 10 per day when no sitting fee is paid.

(By Order)

K. V. SUBBARAYAN,
Manager.

C. W. S.—SUPERVISION FUND—PAYMENT OF

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

Rc. 145014/55-SI. Dated : 13-4-57.

SUB : Stores Societies—Co-operative Wholesale stores—Payment of supervision Fund of Central Banks—Instructions—Issued.,

In the Registrar's circular Rc. 88522/53-SI dated 27-8-55 it was suggested that when a primary co-operative stores desired to have internal check of its accounts conducted by the co-operative Central Bank staff and work it was willing to pay supervision fees, it might do so and the Deputy Registrars were asked to advise the primary co-operative stores societies to adopt a note at the end of the model bylaw 36 of stores societies to the effect that a nominal supervision fee of Rs. 5 per year alone should be paid to the Central Bank when the society is not supervised either by the Central Bank or by the local supervising union.

2. On the representation made by Co-operative Central Stores that a similar relief might be given to them also in respect of payment of

supervision fund to the Central Banks, the Central Banks in the State were consulted. Almost all the Co-operative Central Banks were agreed to the request of the central stores societies for the fixation of a nominal rate of supervision fees payable to the Central Bank at Rs. 50 per annum when the Central Bank does not effect supervision over the society concerned. The Registrar has agreed to this proposal.

3. The Deputy Registrars on general duty are therefore requested to advise the co-operative wholesale stores aud District Co-operative Supply and Marketing societies to amend their by-laws suitably making provision for the payment of this nominal sum as supervision fund when the Central bank does not effect supervision over the society concerned.

A. PALANIAPPAN,
Registrar.

AGRICULTURAL BANKS—APPROPRIATION OF NET PROFITS TO RESERVE FUND—ENHANCEMENT OF

Circular of the Registrar of Co-operative Societies, Madras,

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

R.C. No. 150991/56, A-2. Dated: 14—4—1957.

SUB: Co-operative Agricultural Banks—Building up of Reserve Fund—Enhancement of the provision for appropriation of net profits to Reserve Fund—Suggested—Instructions—Issued.

The existing by-law No. 55 (1) of the model by-laws of agricultural banks lays down that 85 per cent of the net profits of the bank as deciared by the Registrar shall be carried to the credit of the Reserve Fund. The Registrcr considers that in view of the facts that the agricultural banks are based on liability limited by guarantee, i.e., to the extenf of only ten times the share capital subscribed by members and that they are expected to finance, eventually, a large number of small and medium sized cultivators especially landless poor, tenant cultivators etc., mainly on the security of the anticipated crops of the borrowers it is desirable for them to build up substantial Reserve Fund, in their own interest, within as short a time as possible. For this purpose, it is suggested that provision be made in the by-laws of agricultural banks for setting apart 1/3rd of the net profits to Reserve Fund until the total of the Reserve Fund and other reserves equals the paid up share capital and thereafter one quarter of the net profits. Such a provision is existing in the hy-laws of Central Co-operative Banks. The Board of Management of the Madras State Co-operative Bank which was consulted on this suggestion has agreed to the

proposal. Accordingly, the Registrar suggests that all agricultural banks should carry atleast 1/3rd of their net profits to Reserve Fund until the total of their Reserve Fund and other reserves equals their paid up share capital and prercribes the following amendment to the existing model by-law 55(1) of agricultural banks :—

Recast the existing by-law 55(1) as below :

"Thirty three and one third percent shall be carried to the Reserve Fund until the total of the Reserve Fund and other reserves of the bank equals the paid up share capital of members held by it and, thereafter, not less than 25 per cent of the net profits shall be carried to the credit of the Reserve Fund."

2. The special Deputy Registrars for Credit and Marketing and Deputy Registrars on general duty are requested to see that the agricultural banks already working and which will by formed hereafter in their areas, adopt the above provision without fail.

A. PALANIAPPAN,
Registrar.

SUPERVISORS TRAINING—GRANT OF STIPENDS—REGARDING

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

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

Rc. No. 53377/57, N. Dated: 18-4-1957.

SUB:—Co-operative Training and Education—Training of Supervisors in the mofussil co-operative institutes—Regarding.

According to the existing arrangements experienced supervisors of co-operative central banks are appointed as paid secretaries of the Agricultural Co-operative Banks which are being started under the Scheme of Integrated Credit and Marketing. During the year 1957–58 150 Agricultural Co-operative Banks are proposed to be formed in the State in addition to the 90 Agricultural Banks that are being formed in 1956–57. In this connection, a suggestion has been made that Junior Inspectors of the Department may be appointed as paid Secretaries of these agricultural co-operative banks. The Registrar considers that it is not necessary generally to appoint Junior Inspectors as Secretaries of the Agricultural Co-operative Banks. Apart from the heavy cost which the Banks will have to bear on account of the Junior Inspector Secretaries, it is not possible to place the services of the Junior Inspectors at the disposal of the co-operative institutions, as their services will be required in the department.

Further they cannot work in co-operative institutions for a long time and devote their attention to the development of the institutions as they are likely to be disturbed on account of their promotion, their services being required for other items of work, etc. The Registrar therefore considers that these institutions should preferably be managed by non-official employees who can be placed at the disposal of the institutions for a considerably long period.

2. The Co-operative Central Banks which are largely responsible for the healthy devolopment of the movement and for the sound growth of the primaries in the districts have a special responsibility in providing suitable and trained personnel to work in the co-operative institutions, particularly the large-sized credit societies (Agricultural Banks) which are organised under the Second Five Year Plan. The Registrar therefore suggests that each Central Bank may estimate in advance, the requirements of trained candidates to work as supervisors of Central Banks, Land Mortgage Banks and Supervising Unions and as supervisor-secretaries of the Agricultural Banks in its area and sponsor such number of candidates as it can employ after training, to undergo the supervisors' training course in the Co-operative Training Institutes. In such cases, the candidates will be eligible for stipend and Travelling Allowance from the Co-operative Training Institutes. The Central Banks can depute the candidates sponsored by them for training after taking a suitable agreement from the candidates concerned that they will serve the co-operative institutions for a period of atleast 3 years after training.

3. Since the next training course for supervisors will commence in July 57 in the mofussil co-operative training itstitutes at Tanjore, Coimbatore and Madurai, the Central Banks are requested to estimate the number of canditates required with reference to the number of agricultural banks proposed to be formed in their respective areas in 1957-58 and with reference to the number of vacancies that are likely to arise in the posts of supervisors in their indoor and out door staff and depute sufficient number of candidates to undergo the supervisors' training course to commence from July 57 so that they can be absorbed in the vacancies after their training.

They are also requested to intimate the Registrar the number of vacancies of supervisors likely to arise during the year 1957-58 for information of the Registrar.

4. The Registrar shall be glad to have the reports from the Central Banks before 30-4-57.

A. PALANIAPPAN,
Registrar.

News and Notes

SECOND ALL INDIA CO-OPERATIVE EDITORS CONFERENCE

The Second All India Co-operative Editors' Conference would be held at New Delhi on the 31st May and 1st June 1957 at the premises of the All India Co-operative Union. Dr. P. Natesan, Honorary Editor, "*The Madras Journal of Co-operation*" and General Secretary, The Madras State Co-operative Union will preside over the Conference. Dr. Punjabrao Deshmukh, Union Minister for Co-operation will inaugurate the Conference. The Conference will be attended by the representatives of nearly 30 Co-operative Journals all over India. The All India Co-operative Union is convening this Conference as a measure for promoting co-operative propaganda and publicity. A comprehensive agenda for the Conference includes among other subjects the role of Co-operative Press, the difficulties experienced by Co-operative Editors, the measures of assistance required by Co-operative Editors, the starting of new types of Co-operative Journals, training of Editors, organisation of Co-operative News Service, Co-operation of writers etc.

Dr. P. Natesan, Honorary Editor and Sri C. M. Janarthanam, Associate Editor would represent at the Conference on behalf of the "*Madras Journal of Co-operation*", the official monthly organ of the Madras State Co-operative Union.

SWITCHING ON CEREMONY OF 'MILK—COOLER' IN MADRAS CITY.

Dr. P. S. Lokanathan has been invited by the Madras Government to go into the entire question of levy of Sales Tax in the State and advise them in regard to imposition of a simple and equitable levy.

This was disclosed by Mr. R. Venkataraman, Industries Minister in charge of Commercial Taxes, and Co-operation while switching on a "Milk Cooler" installed by the Madras Co-operative Milk Supply Union at the C.I.T. Colony near Mowbrays Road on 21-5-1957.

Mr. Venkataraman referred to the repeated plea of the Union for exemption from the payment of Sales Tax and said the Government were in the unfortunate position of having to levy tax on food articles. As he had already announced in the legislature, the Government had decided to review the position in regard to sales Tax levy and he assured that the Union's plea for exemption would be considered then. In pursuance of their decision, he added, the Government had invited

Dr. Lokanathan to examine the entire Sales Tax structure and give his advice on the question of modifying it so that the levy could be made equitable and no inconvenience would be caused to the people.

The Minister congratulated the Union on its efforts to make available to the people hygienically prepared and unadulterated milk and felt that such "Coolers" should be set up in all parts of the City.

The "Cooler", which is the second to be opened by the Union in the City, is housed in a building constructed by the City Improvement Trust and given to the Union on a 'hire purchase' system. Bottled pasteurised milk will be available at this place at all times of the day.

Earlier, welcoming the gathering, Mr. K. Nachinarkiniasivam, President of the Union, reiterated the plea for exempting the Union from paying Sales Tax which amounted to Rs. 60,000 a year. He said that the benefits which the Union would get by way of this exemption would be passed on to the consumer in the form of reduction in the price of milk. As regards the proposals for the establishment of milk colonies he suggested that cattle should be removed to the outskirts of the City where small colonies should be started and houses constructed and given to the cattlemen on a 'hire purchase' system. These milkmen could organise themselves into a co-operative society which should arrange for the collection of milk. But the distribution of milk to the City should be left to the Union which had experience in this line.

MADRAS CO-OPERATIVE HOUSING SOCIETIES' NEW VENTURE

Childrens Playground Inaugurated

A children's playground in the Rajah Annamalaipuram colony of the Madras Co-operative House Construction Society was declared open on Thursday the 9th May 1957 as 5 p.m. by the Hon'ble Smt. Lourdammal Simon, Minister for Local Administration. Mr. V. S. Ratnasabhapathy, President of the Society presided and Padma Sri Mary Clubwala Jadhav addressed the gathering. Residents including ladies and a large number of children attended the function at the end of which sweets were distributed to the children.

In his opening address the President said, the Society had constructed so far about 1000 houses and the R. A. Puram colony contained about 400 houses. The playground was originally a big pit which was filled up and converted into a playground of nearly 5 grounds equipped with playground materials such as swings, sea-saw, sloping slide etc. The formation of the play-ground was mainly due to the initiative and enthusiasm of the Ladies Association, R. A. Puram to which generous support was given by the Vice President of the

Society Sri B. C. Panchanathan and the local Director of the Society Sri P. Kothandaramaswamy.

Speaking in Tamil the Minister complimented the Ladies Club in bringing forth the playground and said that ladies wanted their children to be well and happy. In the development plans, childrens' playground occupied an important place and it was necessary for children to have free play after learning their lessons in the school under discipline. She said that she was pleased to note that the place was beautiful and convenient. She thanked the organisers for having invited her to the function.

Speaking next Mrs. Mary Clubwala Jadhav said that it was very appropriate that the Lady Minister in charge of Local Administration should have opened the playground as the well-being of children was very much a part of her portfolio. She hoped the Lady Minister would utilise the services of the ladies of the City in her work. She was glad that the Ladies Club took charge of the playground and as provision of playgrounds is a part of Government work she hoped the Club would seek the aid of Government in maintaining the same. She advised them to build a Nursery school for the Children likewise and said that the Central Social Welfare Board offered aid to Nursery Schools run by voluntary means which the Ladies Club could make use of. They could also get grants from Government towards teachers' salaries etc. She also hoped that when she visit the colony next time they should maintain a Library also.

Prof. (Miss) Vasanthi Devi, Secretary of the Ladies Association proposed a vote of thanks during which she expressed her thankfulness as also that of the Ladies Association to the President and Directors of the Society for their generosity in having allotted the land for the children's playground as requested by the Ladies Association of R. A. Puram.

OPENING CEREMONY OF THE GODOWN OF THE PAKKAM CO-OPERATIVE SOCIETY

Opening the godown constructed by the Pakkam Multi-purpose Co-operative Society on 19—4—1957 at Pakkam in the Tiruvallur Taluk, the Registrar of Co-operative Societies, Madras, Sri A. Palaniappa Mudaliar, M.A., I.A.S., pleaded for the establishment of more godowns by rural credit societies to help the agriculturists to stock their paddy immediately after harvest and for marketing later at an advantageous price, obtaining grain-pledge loans at low interest. He emphasized the need for the formation of large sized co-operatives otherwise called co-operative agricultural banks with proper godown facilities to enable them to issue produce loans. He also explained in detail the several kinds of assistance given by the Government for the formation and successful functioning of the large-sized societies in this State during the Second Five Year Plan. Mr. Thiruvenkatachariar, President of the Pakkam Multipurpose Co-operative Society welcomed the gathering and presented an address of welcome to Mr. and Mrs. Palaniappan. Srimathi Namagiri Palaniappan inaugurated the business connected with the godowns and distributed prizes to the technical workers who constructed the godown.

FOURTH ALL INDIA HANDLOOM WEEK CELEBRATIONS

Satyavedu (Chingleput Dist).

The fourth All India Handloom Week was celebrated at Satyavedu under tha auspices of the Kalamanaidupet Saraswathi Vilas Weavers Co-operative Society an 11—5—1957. A procession was started from Kalamanaidupet led by Sri D. Parthasarathy Naidu, B.A., Deputy Registrar, Tiruvallur.

An exhibition was opened by Sri P. Audikesava Mudaliar, Special Deputy Registrar for Weavers Co-operative Societies, Madras. Sri M. G. Selvaraj, B.A., Marketing Officer took part in this function.

A public meeting was held at Satyavedu Board High School under the Chairmanship of Srimathi Kamalambujammal, M.L.A., Messrs, D. Parthasarathy Naidu, K. Gajapathy Reddy, E. Venugopala Reddy, A. Raghava Reddy. N. V. Subramanyam, N. Balasubramanyam, S. Sreenivasalu, N. P. Malliah and S. Gopanna spoke on this occasion on the importance of handloom cloth and suggested various measures and means to get a favourable market for the handloom goods especially Madras Handkerchiefs.

Sri S. Balakrishnan proposed a vote of thanks.

Tiruchi

Sri Ramachandran Chettiar, President of the Woriyur Devanga Handloom Weavers Co-operative Society presided over the Fourth Handloom Week celebrations. Sri A. D. Dhanaraj, inaugurated the function. Messrs. A. S. Krishnamurthi, K. R. Rajaram, S. Velayutham, spoke on the occasion about the importance of Handloom Industry and how to improve them. On 7—5—1957 a big procession was conducted.

Sri R. S. Malayappan, I.A.S. Collector of Tiruchy, presided over the meeting in the evening. Sri P. R. Narayanaswami Iyer welcomed the gathering. Messrs. A. V. R. Krishnaswami Reddiar, K. W. A. Govindarajan, A. S. Krishnamurthi, K. R. Rajaram, Dr. G. Chitrambalam and S. Velayutham, spoke on the occasion about the durability of the Handloom cloths and appealed to the audience to

wear only the Handloom cloth and thus encourage the Handloom industry. Sri P. R. Narayanaswami Iyer proposed a vote of thanks.

Erode

The Fourth All India Handloom week was celebrated at Erode on 5-5-1957 at the Erode Town Elementary School under the Presidentship of Sri M. A. Eswaran. The Handloom exhibition was declared open by Sri T. S. Rajagopalan, Dist. Veterinary Officer, Erode.

The Deputy Registrar Sri G. V. Thangasami explained the part played by the handloom Industry in the State and in this circle. He explained the housing scheme proposed for the circle at Thingalur, Chennimalai and Erode. Sri T. P. Loganathan, Marketing Officer, Erode, appealed to the public to purchase the handloom goods during the handloom week and avail themselves of the special rebate. Sri S. S. Pachiannan of Thiruchengode appealed to the weavers to maintain the standard of production. Mr. Kuppuswamy Chettiar on behalf of the consumers spoke that the quality of handloom goods was for superior to mill cloth.

Sri N. Jagannathan proposed a vote ef thanks.

Vellore

The inaugural function of the 4th All India Handloom Week was celebrated with great eclat in Vellore. There was a long drawn procession. Sri N. Krishnaswami, I.A.S., District Collector, North Arcot District presided over the largely attended public meeting and inaugurated the "Week". An exhibition of handloom goods was also held. Within the few hours, sales were effected to the extent of about Rs. 2,000 from the Stalls. 14 Societies participated in the Exhibition. Sri P. I. Subramanya Pillai, Deputy Registrar, North Circle welcomed the gathering. Sri T. S. Badrachalam Pillai, of Tiruvannamalai and Sri Krishnamoorthi Gounder of Mullukkombai addressed the meeting. With a vote of thanks, the meeting came to a close.

Tuticorin

The IVth All India Handloom Week was inaugurated by Sri. C. P. Srinivasa Rao, B.A., Revenue Divisional Officer, Tuticorin.

Sri D. A. Susainathan, Deputy Registrar of Co-operative Societies, Tuticorin presided. In his welcome speech he explained the various schemes that are being worked for the benefit of handloom weavers and appealed to the general public to continue the whole hearted support for the handloom goods.

Messrs. R. M. L. Pandian, Sri A. Ramasamy Iyer, and Mrs. Mary Ratnam Pandian, spoke on the inaugural function and stressed the need for encouraging the handloom goods.

In the morning, the Exhibition arranged near Thirugnanasambandar Madam was opened by Sri J. L. P. Roche Victoria.

MORE MILK DAY CELEBRATIONS

Tiruvallur

The "More Milk Day" was celebrated on a grand scale on 13-4-1957 under the auspices of Sri K. Deivasigamani Mudaliar Co-operative Milk Supply Society Ltd. Sri Muthumayan, B.A., Revenue Divisional Officer, Tiruvallur, presided over the function. Sri Venkataraman, B.A., B.L., Advocate performed the "Go-Puja". A big procession consisting of officials and non-officials was arranged under the head of Sri D. Parthasarathy Naidu, B.A., Deputy Registrar of Co-operative Societies, Tiruvallur. Sri K. Nachchinarkinia Sivam, President, of the Madras Co-operative Milk Supply Union distributed milk for about 1,000 children and Srimathi Sivam distributed prizes to the owners of best maintained cows and buffaloes. With a vote of thanks by Sri T. D. Thulasi Aranganathan, the function came to a close.

Uttiramerur

Under the auspicies of the Uttiramerur Co-operative Milk Supply Society "More Milk Day" was celebrated on 13-4-1957 under the presidency of Sri P. Lakshmikantha Mudaliar, Special, Deputy Registrar for Credit and Marketing, Kancheepuram.

Free Milk was distributed to children and expectant mothers. There was procession of elites of the town and school children with music, placards and bonners.

Sri V. Ayyaswami Naicker proposed a vote of thanks.

THE PUDUKKOTTAI WOMEN'S CO-OPERATIVE MILK SUPPLY SOCIETY LIMITED.

The Milk Day was celebrated on 13-4-1957 by the Pudukkottai Women's Co-operative Milk Supply Society Ltd., in Gandhi Nagar. Sri R. Perumal, B.A., L.T., Special Officer for Education, Pudukkottai presided over the function and distributed milk to the poor children. Messrs. Kamala Sikamani, Mrs. D. Balakrishnan, Mrs. Rajagopal, Mrs. A. Ignatius, distributed fruits and sweets to the poor children on the occasion. After a vote of thanks the function came to a close.

Karaikudi

The "More Milk Day" was celebrated by the Karaikudy Co-operative Milk Supply Society Ltd., on 13-4-1957. In the morning a big procession was arranged and went through the important streets.

Milk was distributed freely for about 400 children in the morning by Sri S. M. R. N. Murugappan, President of the above Society. In the evening Sri P. Senthil Nayagam, Revenue Divisional Officer, Devakottai presided over the meeting. The President of the Society, Sri Murugappan welcomed the gathering. Sri G. Ethirajulu, Municipal Commissioner distributed the prizes for the best maintained cows and buffaloes with a short speech. After the Chairman's speech, Messrs. A. R. Arunachalam, A. L. Palaniappan, S. Ponnia Mudaliar and S. P. Karuppiah spoke about the growth of the Society and regarding the maintenance of cows and buffaloes. At the end after the vote of thanks by the President of the Society, Milk was distributed to the gathering.

Tuticorin

The Tuticorin Co-operative Milk Supply Union Ltd., Tuticorin celebrated the "More Milk Day" on 13-4-1957, the Tamil New Year's day.

Dr. R. Rajan, Health Officer, Tuticorin Municipal Council presided over function and declared open the "Cattle Show". Sri D. A. Susainathan, Deputy Registrar of Co-operative Societies, Tuticorin unfurled the Union flag and Co-operative Flag.

In the evening there was a procession.

A large gathering attended the public meeting presided over by Sri C. P. Srinivasa Rao, Revenue Divisional Officer, Tuticorin, Sri D. A. Susainathan, welcomed the audience. Sri G. R. Meenakshisundaram, Lecturer, Teachers' College, Tuticorin explained the importance of Milk and alluded to the various methods of improving the Milk business. Sri G. Damodaran, Lecturer in Tamil, V. O. C. College, Tuticorin spoke about the importance of Milk. Sri Srinivasa Rao, gave away five prizes to the winners of the morning Cattle Show. With a vote of thanks proposed by Sri Januarius Fernandoe, Secretary of the Union, the celebration concluded.

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Share Capital :

		Rs.
Authorised	..	5,00,000
Paid up	..	3,06,788

Reserve Funds :

Statutory	..	3,82,968
Others	..	1,88,263

All types of Banking business done and every kind of deposits accepted at favourable rates of interest.

B. Bakthavatsulu Naidu M.L.A.,
President.

To

All the Member-Societies of
the Madras State Co-operative Union.

SUB :—Annual Contribution—Current and Arrears—Payment—Requested.

All the Member-Societies of the Madras State Co-operative Union are requested to remit their annual contribution due for the current year (1956–57) as well as the arrears if any, on or before 30th June 1957 to the undersigned.

P. NATESAN,
General Secretary.
The Madras State Co-operative
Union, Madras-1

THE RAMANATHAPURAM
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Authorised Capital	Rs. 15,00,000
Paid up Share Capital	Rs. 9,53,639
Reserves	Rs. 7.33,718
Working Capital Exceeds One Crore	

Deposits are accepted at the following rates :

Fixed Deposits :			
6 months	2½%	3 years	3½%
1 year	3%	4 years	3¾%
2 years	3¼%	5 years	4%

Season Deposits for Rs. 5,000 and above for 4 months onwards	3%
Savings Bank Deposits	1½%
Current Deposits upto Rs. 5,000	½%
Provident Fund Deposits	3½%

Season Deposits are accepted at decent rates in our Karaikudi Branch.
All kinds of banking business transacted.

Sri I. Deepanayacam,
Co-op. Sub-Registrar and Secretary.

R. Nagulusami Naidu,
President.

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The Madras State Co-operative Union,
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The Madras Journal of Co-operation

SUB :—Renewal of subscription for Vol. XLVIX (1957-58).

With the next issue (June 1957) of the Madras Journal of Co-operation, the present Volume No. XLVIII would be completed. The new Volume No. XLVIX (1957-58) begins from July 1957. Therefore subscribers who are in arrears of subscription are requested to remit their dues to the undersigned on or before the 25th June 1957. The subscribers are also requested to renew their subscription for the next Volume No. XLVIX (1957-58) by remitting the annual subscription of Rs. 8 in advance.

P. NATESAN,
General Secretary,
The Madras State Co-operative Union,
379, Netaji Road, Madras-1

75/1757

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