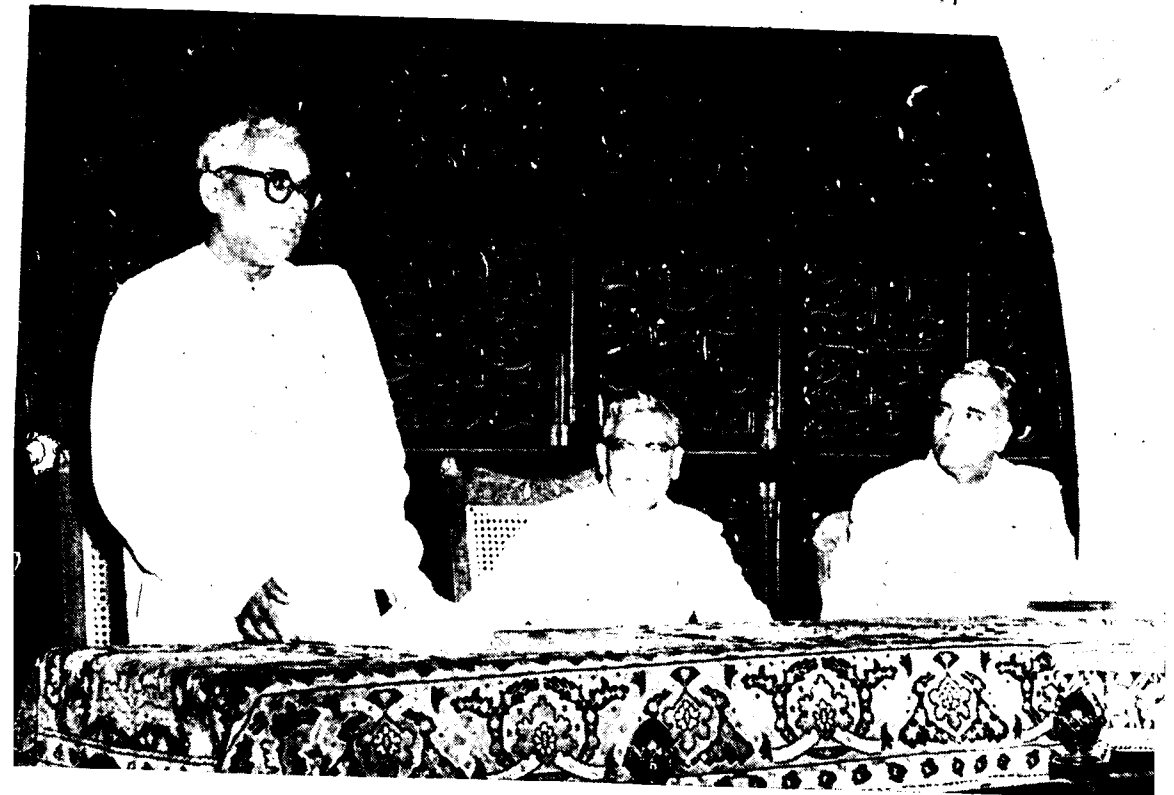


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The Madras Journal of Co-operation

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HONY. EDITOR :

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

ASSOCIATE EDITOR :

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

VOL XLIX]

AUGUST, 1957

[No. 2

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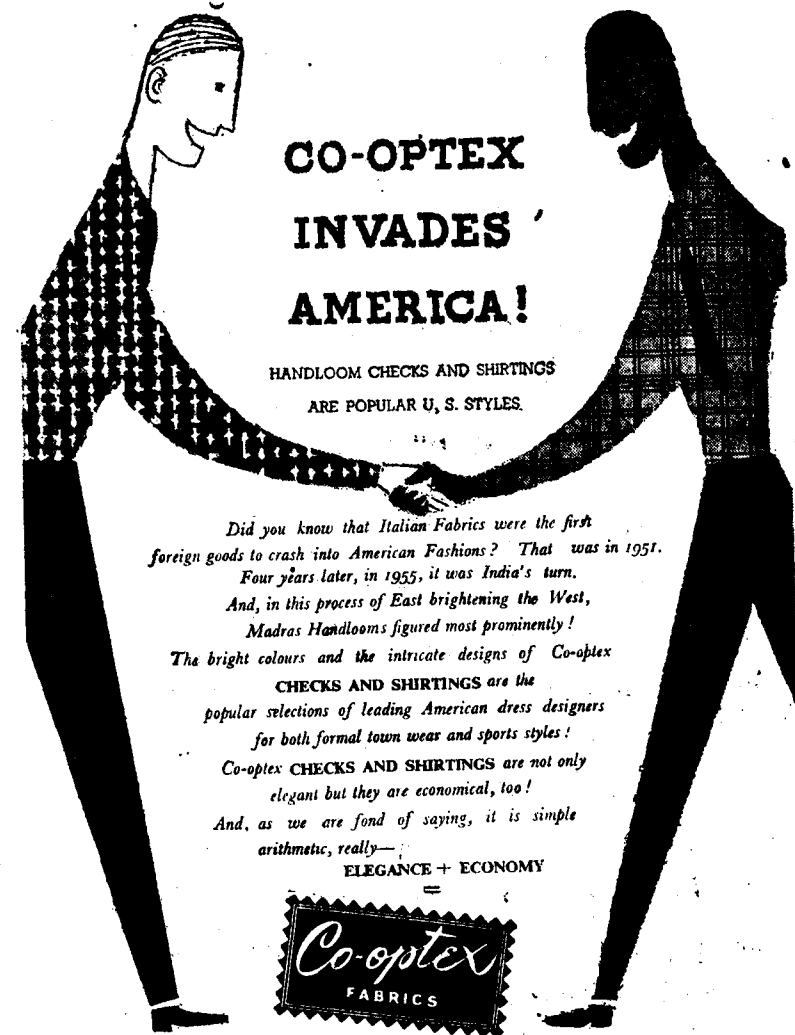
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P. NATESAN,
General Secretary,

The Madras State Co-operative Union,
379, Netaji Road, Madras-I.

THE Madras Journal of Co-operation

EACH FOR ALL AND ALL FOR EACH

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

AUGUST 1957.

No. 2, VOL. XLIX

PRICE Rs. 12 NET

THOUGHT FOR THE MONTH

Co-operatives Belong to the Future.

Of even greater significance to the economy generally is the fact, that co-operatives do not create wealth. Ownership is fundamental and important because it involves control and permits democratic management. The investment made by each member represents the effort he makes, with his neighbours, to establish and maintain the co-operatives as an instrument of service. The investment has no other significance. It will not buy privilege or profit or riches. Co-operatives help to reduce the cost of the services humanity needs. They do not contribute to the growth or maintenance of a privileged class.

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Now what does all this mean in terms of ethics? Developed to the limit, co-operation could mean that our daily work can be rooted in unselfishness. Co-operatives do not cater to the aggressive spirit. The co-operative way is one of mutual aid and conciliation and peace.

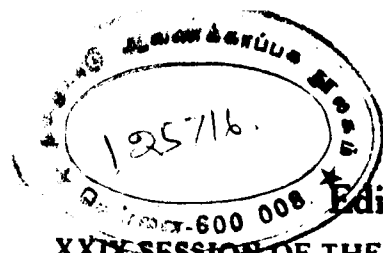
R. S. Staples.

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ON THE COVER

Sri M. Bhakthavathsalam, Minister for Home and Agriculture is seen inaugurating the Conference of District Central Marketing and Supply Societies, select Marketing Societies and Agricultural Banks held on 19-8-1957 at the Senate Hall. Sri R. Venkataraman, Minister for Co-operation also addressed the Conference. Sri A. Palaniappa Mudaliar, Registrar, presided over the Conference.



Editorial Notes

XXIX SESSION OF THE CENTRAL BANKS CONFERENCE.

In our July issue, we have published the proceedings of the 29th Session of the Central Banks' Conference held on 27th July 1957. The Conference met at a very crucial juncture and discussed several important matters pertaining to the credit movement.

Sri Medai Dalavoi Kumaraswamy Mudaliar, President of the Madras State Co-operative Bank Ltd., in his welcome address referred to the important developments that have taken place since the last Conference. The participation of the State in the share capital of the Apex Bank was one such recent development. He stated that though the Government have invested Rs. 8 lakhs in the share capital of the Apex Bank, the progress of re-investment had not been as expected. The Conference also passed a resolution urging the Central Banks to amend the by-laws and to expedite the process of reinvestment.

Sri R. Venkataraman, Minister for Co-operation, Government of Madras made a comprehensive and lucid survey of the entire Co-operative Credit Movement. He was struck by the strength and stability of the Co-operative Credit structure and he complemented the non-official leaders of the Co-operative Movement for their untiring efforts. He pointed out that ceaseless efforts should be made to bring every family in the village into the fold of co-operatives and to satisfy the entire credit needs of the agriculturists, in order to enthuse them to work hard and to increase agricultural production.

In particular, he stated, there was great scope for expanding the

credit programme in the Community Development and National Extension Service areas. He also referred to a recent order of the Government appointing a representative of the Co-operative Central Banks as a member of the Block Advisory Committee. He observed that though the progress on the credit sector was satisfactory, the development of marketing had not kept pace with that of credit. He detailed the several measures taken by the State and Central Government and, in particular, to the establishment of the Central and State Warehousing Corporations and said that the marketing sector would receive a great stimulus on account of these measures. He also requested the Central Banks to come forward to finance co-operative farming societies and render all possible help to make these societies function successfully. He emphasised the need for mobilizing rural savings in a sustained and systematic manner. Lastly, he appealed to the Conference to examine the proposal for the provincialization of the higher personnel in the co-operative banks and to give effect to it expeditiously.

Sri N. S. Ramalingam, President of the Kumbakonam Co-operative Central Bank, Ltd., who presided over to the conference referred at the very outset to the proposed transfer of the Agricultural Credit Department from the Reserve Bank of India to the State Bank of India and said that the move was detrimental to the development of the Co-operative Movement. He pleaded for a higher deposit rate for Central Banks in these days of dear money. He wanted that the quantum of

guarantee given by the Government in respect of handloom finance should be increased. He emphasised that all Thakkavi loans issued direct by the Government to the agriculturists should be channelled through the Co-operative agencies.

The Conference discussed a number of important subjects. Of course, the most crucial resolution was the one opposing the move for the transfer of Agricultural Credit Department from Reserve Bank of India to State Bank of India. The entire problem of handloom financing had been referred to a sub-committee. The conference resolved to permit Central Banks to offer interest on deposits at a rate not exceeding $\frac{1}{2}$ per cent

over the maximum lending rate of the State Co-operative Bank to Central Banks. One resolution examined the scope for the participation of the Co-operative Banks in the National Savings Movement. The Conference desired that the National Savings Certificates should be declared as trust securities and should be made pledgeable; further, it stated that the present upper limit for investment in the National Savings Certificates by the Co-operative Institutions should be relaxed.

We do hope that the proceedings of the Conference would clarify many issues and would give a stimulus for the orderly progress of the Co-operative Credit Movement in our State.

JL

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The Madras District Co-operative Central Bank, Ltd.,

13/14, Mukkur Nallamuthu Chetty Street, Madras-1.

ESTD. 1930

TELEPHONE No. 2884.

President.

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Further particulars can be had from the undersigned:

N. M. SIVAPERUMAL,
Acting Secretary.

Just Out.

CO-OPERATIVE BANKING IN INDIA

By
G. M. Laud

Foreword by
Shri V. L. Metha

At present there is no book which deals comprehensively with the organisation and operational technique of co-operative banks in India. Even the overseas publications on the theory of co-operative banking are few. This book, therefore, fills a void in co-operative literature. In the course of over 700 pages, the author has surveyed the progress of co-operative banking in India since 1904, discussed the methods of its organisation and the technique of their working, and examined the plan for its re-organisation against the background of the overseas developments so that it can be fully responsive to the national programme of co-operative development.

"CO-OPERATIVE BANKING IN INDIA" is a MUST for all those who have been participating in the development of co-operative credit in various fields. It should be particularly useful to those who are actively associated with the management of co-operative credit institutions operating in the villages and towns and at the district and State levels. With its aid, they can not only formulate appropriate policies but also devise measures to implement them successfully and build up their institutions.

The author is the Financial Editor of THE TIMES OF INDIA and has been a prominent co-operator. The book is the fruit of his patient research and rich experience as a director of numerous credit institutions including the district co-operative banks, urban banks, employees' societies and the Bombay State Co-operative Bank and bears the impress of a sympathetic critique.

Pages 718. [October 1956] Price Rs. 27-8.

Agricultural Marketing in India,

(With special reference to Co-operative Marketing)

Prof: K. R. KULKARNI, M.A., F.R. Econ. S. (Lond)
(Second Edition, Revised & Enlarged)

Vol. I. Rs. 20. (Sept. 1956) Vol. II. (in Press)

Societies Registration Act :—(Act XXI of 1860)

With full commentary and all State Amendments upto 1st August 1956.

S. B. KHER, B.A., L.L. B. BAR-AT-LAW Rs. 8-8.

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BASIN BRIDGE	...	Corporation Model Cattle Yard near bridge.
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EGMORE	...	11, Mukkathal Street, Purasawalkam.

M. ARULANANDAM, B. COM. (Hons.)
Secretary.

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THENI

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PHONE 3420 *Vice-President.*

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Savings Deposits	2%
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1-8-1957.

SRI G. MADALAIMUTHU UDAYAR, B.A.,
Deputy Registrar-Secretary.



Sri D. Mahalingam B.A., B.L., passed away on the 27th August 1957. He was a prominent Co-operator and was the Vice-President of the M. S. C. U. for more than one decade. He was a leading member of the Tanjore Bar and a prominent member of the Rotary Club. He died on account of coronary thrombosis at the age of 54. He leaves his wife, a son and three daughters.

May his soul rest in peace!

SPECIAL ARTICLES

Towards A Co-operative Socialist Commonwealth

By

VAIKUNTH L. MEHTA

Chairman, Bombay Provincial Co-operative Institute

I

Concept of a Co-operative Commonwealth

In its most recent pronouncement on social policy, the Indian National Congress has reiterated as its objective the establishment of a Co-operative Commonwealth and a Welfare State.

This, it is stated, involves the elimination of unemployment, the production of increased wealth in the country and the adoption of measures to secure the proper distribution of this wealth among the people. The present social structure which continues to partake of the features of an acquisitive economy, has, to subserve the social purpose in view, to be changed progressively into a socialised economy.

Is the Co-operative Movement, as it understood by its votaries, capable of bringing about the transformation in the social structure that is necessary for reaching the objective? In theory, there appears to be much in common between the ideology of the Co-operative Movement as it has developed in most countries and that set forth above on behalf of the Congress.

Over a century ago, the principles animating this form of social and political organisation were expounded by Robert Owen, the organiser of the conception, in the following terms :

(i) the abolition of the system of private profit :

(ii) production for use by voluntary association of producers :

(iii) common ownership of the means of production by the voluntary accumulation of the profits of combined enterprise ; and

(iv) the utilisation of the wealth of the community for the improvement of the character and happiness of mankind.

Though co-operative thought and practice have undergone considerable modifications in the country where the Movement originated and elsewhere in the world since the days of Robert Owen, most of the principles he formulated still constitute the bedrock of co-operative theory. If the system of private profit in the sectors outside the Co-operative Movement has not been abolished with the extension of the Movement, within the Movement itself economic action is inspired by the motive of service and not of profit. While the successors of Robert Owen originally conceived of a co-operative community composed entirely of consumers, co-operative thought has accorded in the Commonwealth a place to groups of producers, agricultural or industrial, who conduct self-governing, self-contained farms or factories. Common ownership of the means of production is not to be restricted to the combined enterprise of consumers, but should be encouraged for producers as well. Almost everywhere, the co-operative social system has been deemed to postulate the recognition of

human dignity and integrity. And, lastly all over the world the social change sought to be brought about by the Movement is assumed to be a peaceful process.

It is not enough, however, that there is fundamental concurrence between the ideals of the Co-operative Movement as understood by its adherents and the social purpose of the Co-operative Commonwealth as visualised by the Congress. Because it will have to be seen how far practice in India conforms to theory and it will also have to be examined what effective action can be taken by the workers in the Movement, in collaboration with Government, to ensure ordered progress towards the goal that the Congress has indicated.

By and large, it may be stated that practice is in consonance with theory, although in India the development so far has been mostly of what is described as the resource side of the Movement where the object is the provision of various types of resources for individuals as distinct entities and it is only the accumulated gains of the combined enterprise that are available for the individuals as a social group. The common ownership of the means of production either for groups of consumers or of producers, appears to be a somewhat distant objective.

What is needed first if we want to build for economic democracy on the basis of co-operation, is a process of education, both of those who are in charge of administration and of organisation and of those who are sought to be befriended in the Welfare State. That the permanence of the Welfare State can be ensured only on the basis of economic democracy, is not easily understood by those in authority.

The task of reaching the masses of men and women who are to be the backbone of the Co-operative Commonwealth of the future, with the message of co-operation is probably more arduous. In its essence the message is a simple one—voluntary association on a footing of equality, democratic management, elimination of scope for individual profit, distribution of the surplus earnings in proportion to custom and not capital, practice of thrift, readiness to work for a common cause.

It is only as part of a programme of social education that this teaching can be spread. But spread it must, because, otherwise we can have no lasting foundation for co-operative organisation and without such a form of organisation there can hardly be a sound basis for the functioning of an economic democracy.

II

Road to Socialistic Pattern of Society

Despite the attention that the Resolution adopted by the Indian National Congress at its Avadi Session has evoked, it is pertinent to point out that it is not only one political party that plans to establish in India a Socialistic Pattern of Society. There is scarcely any responsible group of political thought in India to which this goal does not appeal. To most, it appears as implicit in the preamble to the Constitution of India. But even before the Constitution was adopted, our national aims were set forth by Shri Jawaharlal Nehru (in the Report of the Economic Programme Committee of the A.I.C.C. submitted to the Congress President in January 1948) in terms which even today will command general acceptance.

"Our aim should be to evolve a political system which will combine efficiency of administration with individual liberty and an economic structure which will yield maximum production without the operation of private monopolies and the concentration of wealth and which will create a proper balance between urban and rural economies. Such a social structure can provide an alternative to the acquisitive economy of private capitalism and the regimentation of a totalitarian State."

Writing nearly forty years ago, Mr. Bertrand Russell in his "Principles of Social Reconstruction" averred that there were four main tests which should be applied to judge the social value of an economic system: "Whether the system secures (1) the maximum of production, or (2) justice in distribution, or (3) a tolerable existence for producers, or (4) the greatest possible freedom and stimulus to vitality and progress". These tests more or less, coincide with those that have led the leaders of our nation to think in term of a new social order. But there is, to my mind, this main difference that, owing to the existence in our midst of unemployment on a colossal scale, the objective of maximizing production has to be made subordinate to the objective of eliminating the evil of unemployment.

If we interpret socialism to signify democracy in the sphere of economic life, it should be our aim to ensure that all sectors of that life are informed by the spirit of democracy. The predominant sector is the agricultural one, which roughly contributes nearly half of the national income. The question may be asked whether the socialistic form of organization connotes the nationalization of all land or an immediate resort to collectivization. Farming is carried

on today, in the bulk, by self-employed persons operating mainly small-sized units. If we keep in mind the broad objectives referred to above, the conclusion is inevitable that it will be unwise—and it is unnecessary—either to nationalize agricultural lands or to establish collective farms all over the country. Social control can be introduced through other means. The process of abolishing feudal rights in lands, eliminating individual intermediaries or conferring tenancy rights are parts of a programme of agrarian reform now in operation in almost all States in India. The pace of that reform should, however, certainly be expedited.

Along with it, there should be ceilings fixed for land holdings in harmony with the general intention to place a limitation on incomes from all sources. At the same time, it will be necessary to define the minimum unit of farming below which cultivation becomes unproductive and uneconomic. Out of these uneconomic units and the surplus lands available for redistribution with the imposition of ceilings should be constituted consolidated blocks which should be available for cultivation by the landless workers on the land and the holders of uneconomic units of cultivation. The cultivation of these consolidated blocks should preferably be through co-operative farming societies. The formation of co-operative farming societies for this purpose or for the cultivation of reclaimed khar, desert, or forest lands should be encouraged by State Governments in accordance with a planned programme of development. The development programme may also cover tenants' farming societies or voluntarily constituted holders' farming societies or societies accepting joint village management. The aid that

Governments extend should be both financial and administrative and the *quid pro quo* would be their acceptance of social control, that is, willingness to implement a common policy evolved in the national interest.

It may, however, be that a large section of the agricultural community will be outside the range of this programme. It is unlikely that these will constitute any anti-social elements. In fact, as a social thinker has asserted, only "a community which is predominantly rural has the social basis of democracy secure". This strata of the community consists mostly of the underprivileged with their economy underdeveloped, possessing poor resources and usually subject to gross exploitation. To meet a similar situation in Ireland at the commencement of this century, when the country was not free, its Poet-Seer Statesman, George W. Russell (A. E.) visualized the creation of "a number of free associations of workers and producers which would produce more beauty, happiness and comfort than", as he picturesquely phrased it, "the gigantic mediocrity which is synonymous with State Socialism". These co-operative organizations that we also wish to see developed in India, undertaking activities connected with rural production, consumption and distribution, will, as they grow more comprehensive in their aims, make the individuals constituting them more conscious that their interests are identical with those of the community. That is the form which community development should increasingly take when we plan for a socialistic order of society and not merely for the Welfare State.

For this form of development, there has to be a properly phased

programme. What the broad outlines of such a State sponsored programme should be in the field of credit and marketing—two of the most vital aspects of an agricultural producer's life—has been indicated in the Rural Credit Survey Report of the Reserve Bank of India. But there are aspects of agricultural organization it leaves untouched, such as soil conservation, irrigation, animal husbandry, all of which, as the Economic Programme Committee of the Congress advocated seven years ago, could be suitably handled through the encouragement of co-operative enterprises according to a planned programme. It is only when we have such a programme that we may hope, in the course of the next ten years, to fulfil the recently expressed determination of the Planning Commission that we double the quantum of production and withal double the *per capita* income in the country. Only then can we hope to provide increasing opportunities for employment in the rural setting to those who are under-employed or seasonally unemployed on the land. No increase in the *per capita* income can be contemplated without providing aids to agriculture on a basis which stimulates self-help and mutual aid and at the same time reduces, if it does not remove, the scope for exploitation.

Democracy, as a writer has said, will prosper only if it learns to use every agency created by the people to advance the cause of social justice. These agencies, such as the co-operative forms of organization recommended for adoption, must be fully utilized as part of the process by which the social ideals of democracy are realized. Nationalization in this context or collectivization, under the direction of a centralized machinery, will be plainly in

conflict with the basic objectives of our Constitution and will prove inflexible and unworkable in practice. The method that we adopt should not be such as carry us in the direction of serfdom, but must pave the way to greater freedom and a fuller and better life for each individual.

It is not only in the field of agriculture that we should plan to introduce and develop the co-operative form of organisation. The observations of the Planning Commission on the suitability of the co-operative method for various forms of economic activity are spread over 16 chapters of its Report, on the First Five Year Plan, exclusive of the chapter devoted to the subject of co-operation by itself. For dairying and horticulture, for fisheries, for the felling of trees in forests and the collection of forest products, for provision of labour on small and large construction works for rural and urban housing and, lastly, for the better functioning of village industries, handicrafts and small-scale industries resort to the co-operative form of organization is favoured by the Planning Commission.

In some respects, the Economic Programme Committee of the Congress went further. It took the view that in certain sphere, "no State aid should be allowed to an individual except through his co-operative society". In the opinion of that Committee, the promotion of co-operative distribution was necessary to secure a balanced progressive economy in which regulated distribution would form an integral part of a comprehensive economic plan for the country. That process, it was recommended, should be encouraged and assisted by the State by the grant, where necessary, of

special facilities for transport, storage, etc.

Very similar is the attitude taken up elsewhere also by those who plan for a socialistic order. In a "Collection of Essays" published by the Fabian Society in 1948, the view is expressed that "the voluntary co-operative system of industry [economic?] both productive and distributive is nearer their [socialists'] own ideal than semi-corporated industry. Far from regarding co-operative as mere step to State ownership they should in some fields, at any rate, regard State ownership and control as the first step to a more complete co-operative socialist system". In a Statement of Policy issued by the British Labour Party in the same year, the aim of the Party is defined as that of securing for the workers by hand or by brain the full fruits of their industry upon the basis of the "common" ownership of the means of production, distribution and exchange, thus accepting the position that nationalization *per se* is not a prerequisite of socialization.

The structure of the co-operative movement provides for free public participation and control and brings public control into closer relationship with the consumers of the products than through a scheme of State trading. Besides the co-operative method of participation in trade surpluses is more direct and socially more acceptable than under a system of State or municipal trading. Hence the need for evolving a system of retail and wholesale trading which though conducted by the consumers themselves, does not stand apart from the State, but functions in close contact with the State as a recognized part of the mechanism of socialized enterprise. That, as observed in a Statement of Policy

issued by the British Co-operative Union, would be the proper way to ensure social justice in the sphere of distribution.

Even more important is another sector of our economy, that of selfemployed persons engaged in industries other than agriculture who, in the aggregate, contribute more to the national income than factory enterprises and who number many times those engaged, on a wage basis, in the factories. Unfortunately, among producers of wealth their *per capita* income is the smallest. This is due to the fact that, like their comrades in the field of agriculture, these self-employed persons have poor resources, are subject to exploitation, are unable, under the stress of competition, to find enough work throughout the year and have above all neither the knowledge nor the wherewithal to achieve technical improvement.

In the Directives of Social Policy embodied in the Constitution, there is a reference to the promotion of cottage industries on a co-operative basis in rural areas, a basis which found acceptance with the Economic Programme Committee as likely to be helpful in keeping out the element of exploitation and securing orderly growth, both technical and organizational. It is through these industrial co-operatives or rural multi-purpose co-operative societies that we have to plan for the redress of the grievous imbalance in our economy between agriculture and industry.

From the sociological point of view, to quote from a recent publication of Mr. Bertrand Russell's, the "lack of opportunity for personal initiative is one of the great dangers of the modern world." In India, we still have the opportunity open to us

to plan for an order of society in which, to the extent that is feasible and that is compatible with our objectives, we can provide for the exercise of those qualities which enrich human endeavour and minimise the scope for the exercise of powers of control and authority over the lives of the industrial producers. The road to a better society," as Mr. Aldous Huxley summed up in his "Ends and Means," "is the road of decentralization and responsible self-government". "Capitalism", as he says elsewhere "tends to produce a multiplicity of petty dictators each in command of his own little business kingdom. State socialism tends to produce a single, centralized totalitarian dictatorship wielding absolute authority over all its subject [through a hierarchy of bureaucratic agents." To increase the number of co-operative and to extend their scope may not look revolutionary, but it would certainly result in a radical modification in the existing system in the direction of common ownership and distributive justice.

However, it is neither the psychological nor the sociological consideration that should impel us to plan for the vigorous development of decentralized consumers' industries on co-operative lines as an integral part of our socialistic pattern of society with the shelter afforded or protection of the type contemplated by the Economic Programme Committee of the Congress and by the Planning Commission. It is extremely doubtful if the spectre of unemployment can be laid at rest unless we provide on an organized, systematic basis and on a nationwide scale employment in rural areas, partly in part-time occupations, partly in full-time industries.

The growth of manufacturing industries producing consumers' goods invariably spells the displacement from their traditional crafts of large numbers and should, therefore, in a socially controlled economy be disallowed. The positive step which follows, as a corollary, is the intensification of production by organized effort in the corresponding cottage industry. Such a process is essential to check the growth of unemployment, to increase employment opportunities, to enable production to expand in pace with demand and, above all, to permit of our planned economic effort resulting in more equitable distribution of wealth and income. One of the makers of modern Israel, Mr. Ben Gurion, has said that "the evil of the world stems from our attempts to live off the labour of others". The Father of our Nation gave us the same message, namely, that democracy should inform productive activity and that we should ever strive to achieve economic self-sufficiency. In planning for a new social order, let us not ignore this teaching, for, otherwise, we shall fail to eradicate unemployment from our midst and to progress towards an equalitarian order of society.

III

Economics of Human Happiness

The main difference, to my mind, between our First Five-Year Plan and the Second one is that, while the objective of the First Plan was the establishment of a Welfare State, the Second one aims at the creation of a Socialist Pattern of Society. It is an institutional change that we now seek to bring about by planning to reduce inequalities of income and wealth and to bring about a more even distribution of economic power. This, of course,

is in consonance with one of the directives of State Policy embodied in the Constitution of India which prescribes that the ownership and control of material resources are so distributed as best to subserve the common good and that the operation of the economic system does not result in the concentration of wealth and means of production to the common detriment.

It is not intended in this article to deal at length with the various steps that have been taken or are proposed to be taken to lead the country to the goal that has now been set before it or to examine whether they are or not adequate for the purpose. This article is confined, mainly, to an examination of the place that the Co-operative Movement can occupy in a Socialistic Order and, if so, whether it can be utilised, effectively, as an instrument of social policy. To the founder of modern co-operation, Robert Owen, the two terms *Co-operation* and *Socialism*, were apparently, synonymous. According to Owen's conception, the Co-operative Movement was intended to bring about a revolutionary change in the very structure of society involving the entire supersession of capitalist individualism and competition by a new order based on common ownership and community living. Owen visualized the Co-operative Commonwealth that he sought to establish as made up of local communities, each resting on the principle of mutual service and educating the new generation in the spirit of social fellowship. Self-supporting home colonies and the type he envisaged may seem an anachronism in the western world today; but, despite the changes that have taken place in the social structure in India, that form of social organisation will certainly not

seem to us either inappropriate or incapable of achievement.

It is true that the modern conception of doctrinaire socialism represents a transformation from the earlier thesis propounded by Owen and his contemporaries, the change having been wrought mainly by the teaching of Karl Marx. That was a revolution in thought; but a veritable revolution in action was brought about when Lenin applied the principles of Marxist Socialism to the building up of a new Social Order in Russia. A number of countries to our West and China to our East have sought to reorder their social structure on the lines pursued in Russia, though the exact pattern differs from country to country. In these countries, it will be found, while over the broad field of economic action, the predominant pattern is that of State Socialism, there remain sectors of economic life where the form of organisation is co-operative. The main distinction between the two methods noticeable in these countries is that, while in some spheres the ownership and control rest in the State as a whole, in others they rest in groups of individuals who are participants in and beneficiaries from those particular enterprises. The extent to which the principle of voluntary association, basic to co-operation, is honoured differs from country to country and from activity to activity. But that for operating in certain fields, groups of individuals functioning separately can produce better results than are attainable through a State controlled mechanism is generally accepted.

Economic thought and action with us in India have been influenced considerably by the country in the West with which

we had, until ten years ago, the largest contact, namely, Britain. Hence, it is interesting to examine whether in that country where the Co-operative Movement had its origin. Socialism and Co-operation were looked upon as antagonistic or as complementary forces. Both co-operators and socialists had their own stand points from which they viewed the subject. However, a large number of thinkers of the socialist school, particularly the Fabian Socialists of the current century under the influence, mainly of the Webbs, have been of the view that it is possible not only to bring about a synthesis between the Co-operative Movement and Socialism in practice, but that such a synthesis was essential, if the small groups of individuals who constitute society were to enjoy opportunities for democratic action in their economic life.

In the early post-war years when, with a Labour Government installed in authority, British socialists and co-operators believed that Britain was firmly on the road to Socialism, considerable thought came to be devoted to defining the relationship between Co-operation and Socialism in practice. The Fabian Society was responsible for two publications: "The Co-operative Movement in Labour Britain" edited by Mr. N. Barou and "The British Co-operative Movement in a Socialist Society" by Mr. G. D. H. Cole. On behalf of the Co-operative Union there was issued a modest publication dealing with the same subject, entitled "The Co-operative Movement in a Collectivist Economy."

The basis of this re-examination of the respective roles of Co-operation and Socialism is provided by the Statement of the aims of the Labour Party which says:

"To secure for the workers by hand or by brain, the fruits of their industry and the most equitable distribution thereof that may be possible upon the basis of the common ownership of the means of production, distribution and exchange and the best obtainable system of popular administration and control of each industry or service."

Arguing that "common ownership," and not nationalisation, is the objective, the Co-operative Union urges that in some of the most important sectors of economy the Co-operative Movement is eminently suited to achieve the end, based as it is upon free public participation and control, and ownership by members of voluntarily organised bodies of consumers or producers. Co-operative principles of participation in trade surpluses are, it is claimed, more direct and socially more equitable than the outcome of State and municipal trading. Approaching the subject somewhat differently, in the Fabian Society's publication the view is propounded that "the voluntary system of industry is nearer their (the socialists' own ideal than semi-corporated State industry." Far from regarding Co-operation as a mere step to State ownership, socialists should, it is further urged, "in some fields, at any rate regard State ownership as the first step to a more complete Co-operative Socialist System".

In his more exhaustive study, Mr. Cole analyses the causes which led to these two forces, both having a common origin and nearly identical aims—namely, elimination of the profit motive and democratic control—to possess separatist tendencies. Historical reasons, mainly, are accountable for this the first being the domi-

nation exercised by the doctrine of *laissez-faire* over economic policies, particularly in Britain until the advent of the present century. The next factor which kept the movement away from the State, was a keenness to retain autonomy and resentment of interference on the part of a State which, until the introduction of adult franchise was none too sympathetic towards the economic organisation of the common man. The third factor was the peculiar structure of the British movement, mainly an organisation of consumers, looking upon their institutions as constituting a State within a State. These factors, according to Mr. Cole, do not count in the context of the developments that have taken place in the Co-operative Movement everywhere, particularly in view of the increasing role of the State in moulding the economy of every progressive country, hence his fervent plea for a rethinking on the part of both Co-operators and Socialists. The former should appreciate that "it is not a long step from voluntarism to anti-socialism," and the latter that "the best chance of preventing Socialism from degenerating into Bureaucracy is to have those who believe in the voluntary spirit acting on the side of, and not against those who accept the need for compulsion where it is the necessary condition of doing things properly."

These discussions have a topical—and practical—interest for those who wish to assist in the task of establishing a Co-operative Socialist Commonwealth in India, in consonance with the fundamental principles of the Constitution of India. These provide the basis of our institutional fabric: social justice, equality of opportunity, liberty of thought

and assurance of the dignity of the individual. In the social order which we are called upon to bring into being, justice should inform all the institutions of national life. It is the principles enunciated in our Constitution that determine the direction of all economic activity in the country and set the pattern for our social and economic planning. The role that the Co-operative Movement can play in the new social structure is dependent on the extent to which it can effectively subserve the basic concepts of State Policy such as those formulated in the constitution and can become an instrument of social policy under a regulated economy such as planning necessarily connotes.

Among the principal objectives of the national plan are the reduction of the inequalities in income and wealth and a more even distribution of economic power. That the Co-operative Movement can be an appropriate and effective medium for applying this principle to economic life will be obvious from the earlier sections of this article dealing with recent trends in socialist and co-operative thought in Britain. As the Planning Commission have recognised, the co-operative method is eminently suited for bringing about conditions of social equality in various sectors of our economic life, although it must be admitted that the Commission's approach is mainly a practical one. But, from whatever standpoint one examines our economy, avoidance of concentration of power, assurance of personal dignity, enlisting of popular participation, awakening of personal interest in work, the co-operative form of organisation appears to be the only one available in the conditions of our economy.

These conditions are that our principal industry is carried

on by a multitude of farmers operating small-sized units of cultivation and that the members engaged in small-scale enterprises are over four times those employed in factories. These are, besides, the spheres of productive effort where exploitation is rampant and where low incomes are the order of the day. If reduction of inequalities of income and wealth is to be achieved and a more even distribution of economic power is to be secured, it is persons in these sectors of our economic life, which contain the bulk of those in the lowest income groups, that have to be organized, so that they can free themselves from exploitation, secure the material aids that they need, raise the level of their incomes and go on to a progressive economy. It is a characteristic of the co-operative structure that it is built upon the most numerous and smallest economic units. It is another feature of this form of organisation that the institutions, small and scattered as they are, do not stand alone but that, by creating their federal organisations, they can secure almost all the benefits normally conferred by large-scale financial, administrative and technical concentration. But this concentration of resources does not represent centralisation of authority, for the units enjoy, to the maximum extent feasible, responsible autonomy and retain their full identity.

"Our socialist pattern of society" the Planning Commission have observed, "implies the creation of large numbers of decentralised units both in agriculture and in industry." The character of economic development, it adds, with its emphasis on social change, therefore, provides a great deal of scope for the organisation of co-operative activity. In the field of agriculture, the provision of credit, the

supply of agricultural and domestic requisites, the marketing of produce, the processing of various agricultural products are planned to be developed co-operatively and the co-operative method is proposed to be utilised for providing services such as construction of field embankments or bunding, the provision of irrigation facilities or cattle breeding. A great many of these activities will not be sponsored by Government, but the Plan provides for financial participation by the State in these enterprises, thus combining co-operative and State effort so as to raise the economic standards of the most disadvantaged strata of the rural community. The development of co-operative farming in accordance with a phased programme represents a departure in co-operative practice in harmony with our new conception of the social ownership of means of production in the field of agriculture.

It is that conception which also calls for the development of industrial co-operatives, the counterpart in the field of small-scale industry of co-operative farming in the agricultural sphere. "Most kinds of manufacture of consumption goods" Mr. Cole observed, are better suited to co-operative organisation than to nationalisation. That form of organisation is needed not merely to provide credit and to promote orderly marketing—important as these objects are in themselves—but is intended to enable the worker in a cottage to own his means of production jointly with his confreres and to appropriate the gains from the common productive enterprise for himself and the social group constituting the industrial co-operative. There is little difference between these collectivist enterprises and the form of Guild Socialism that was popular in Western Europe in the

last century. The adoption of this form of organisation is advocated by the Planning Commission since it provides "the basis for the structure of the essentially decentralised (democratic) society" and stimulates programmes of economic development at a fairly rapid rate.

A large number of our population belongs to the scheduled tribes and castes, most of whom engage themselves in casual labour in forest, on roads and canals, in building operations. They are among the most underprivileged sections of the community whose housing and living conditions continue to remain deplorable despite the progress achieved by other groups in society. It is part of the Plan to raise the living standard of these persons, who constitute the bulk of those in the lowest income brackets by State-aided and sponsored co-operative schemes for the working of forest coupes, for construction of public and private works and for housing. Unless the State actively participates in this type of economic organisation co-operative effort cannot succeed; on the other hand, State action by itself cannot bring about the strengthening of group solidarity which alone can yield lasting results.

There are other sectors of economic life where the application of the co-operative method can aid in taking us to our cherished goal of an equalitarian society. Among these are the improvement of rural and urban housing, the manufacture, for instance, of sugar in the interest of the sugarcane producers and of yarn in the interest of handloom weavers, the extension of banking among persons of small means, group insurance and the like. In most countries of the west, the co-operative organisation of consumers

represents a most important element in the socialising of their economic life. In India, it is not unlikely that, when regulated distribution will form an integrated part of the economic plan, the consumers movement will come in for greater attention than it does at present. State trading it at present thought of for the conduct of external trade in some commodities and for the control of internal wholesale trading in some others. It can scarcely be as effective an agency as the co-operative, as our own experience during the war and in post-war years shows, in providing consumers' goods for the community.

Thus, it will be evident, to quote the words of the Planning Commission, "economic development along democratic lines offers a vast field for the application of co-operation in its infinitely varying forms." The co-operative structure, as has been well observed, resting as it does on the broadest basis and on the deepest foundation that can be found in the whole economic and social

complex, consequently remains in close touch with the practical conditions of man's life and labour. A radical change in these conditions is what Socialism stands for. The co-operative way provides for this decisive change being effected, over large sectors of our economic life peacefully.

Conflict may be a strong force in society, but so is co-operation, probably more so. To arouse the desire and capacity of individuals and groups to combine to serve a common end is a worthier task than to breed ill-will. Democratic socialism, it has been claimed, is the best cure for poverty and the best method of furthering human happiness. Co-operation in certain spheres of our life can subserve the same great purpose. This has to be recognised not only by those who are in actual charge of planning for progress, but equally by those who mould public thought. Only then can the Co-operative Movement be made to play an active part in the new social order that we wish to see established in our midst.

Co-operation - A Rethinking

By

R. SUBRAMANIAN

The philosophy of co-operation emanates from an attitude of the mind; it is a synthesis between man's ineffectiveness to overcome difficulties *individually* and his ability, given the courage and strength, to face them *collectively* and with success. It enables him to look up and hammer out a solution for his economic problems in an effective manner. Incidentally it helps him to live a community life, leading to the 'love—thy—neighbour policy. The ideas and ideals of co-operation are particularly commendable from this point of view and the Community Projects have a special case for the development of the lofty ideals of co-operation in every villager in the rural parts of India, so as to bring forth the 'co-operative personality' in him.

India is marching ahead, like other countries of the world, in co-operation; but it may not be far from truth, if we say, that in spite of more than half a century of co-operation in our country, its impact on the masses has been insignificant in the sense that its influence on them has not been what it should have been. A rethinking, therefore, is necessary from this point of view. We should change our methods and approach in this matter or else we may not be able to achieve the purpose for which it stands in all its entirety.

The significance of such a statement is borne out by the fact that, taking the Indian family as consisting of five members, about sixty-three million people out of the 364 million, or about eighteen per cent of the population in

India comes under the co-operative fold; this reveals to us the depth of the roots of co-operation among the people. No doubt, the movement has come to stay in our country and the imperative need for developing co-operation in our country is widely recognised on all hands, especially by the Planning Commission; it is quite heartening to note that the Planning Commission has earmarked a sum of Rs. 47 crores in the Second Five Year Plan, compared to an allotment of Rs. 7 crores in the First Five Year Plan.

That the institution of co-operation can be usefully harnessed to cater for such needs of the population as the supply of credit for agriculture and industry and trade and other non-credit activities, cannot be denied. In the fields of agriculture and industry, the prospects of utilising the co-operatives are immense and the accruing benefits innumerable. Governments and the people the world over, have begun to think in terms of co-operation in relieving the distress of farmers and the poor alike, and it is looked upon as the medium to further social and economic progress. For example, in Denmark, the home of co-operation, every Dane is proud of his being a member of half a dozen co-operatives. In New China, co-operatives form an integral part of its economy. Our country has recently tried to learn about co-operative farming societies in New China whose lessons may be helpful to us in our endeavour along this line.

The Government of India also pins its faith in founding more and more agricultural and industrial co-operatives, thereby helping to create a co-operative sector alongside of the public and private sectors. The problems of distribution are as important as those of production and it is in the former sphere that co-operatives can render more assistance so as to bring about an even distribution of goods and services.

Admitting, thus, the importance of co-operation we may do well to ponder over the question, why co-operation has not yet attained that level of success which it should normally have reached, in spite of more than half a century of history behind it. There may be some or a few contributory causes; but the 'right approach' hereafter, to this problem, means much from this angle.

The right approach is the direct way of dealing with the people at large so as to help them imbibe the principles of co-operation in them. Mere giving away of loans to agriculturists or assuring them of a reasonable return to their produce through marketing societies, or linking up of the credit side with that of marketing, etc., goes only half way to meet them on the right path. Healthy propaganda as to what exactly the government do for the people with regard to co-operatives and what benefit the people derive from them, if they take to them etc., forms only the 'rituals'; and these rituals circumbulate the *sanctum sanctorum* the minds of the people; what matters is not the rituals as such but the spirit behind them. Our methods of approach should not be circumscribed by mere rituals, but should touch the very root of understanding of the people, turning them into 'co-operative conscious'

beings, so that the ideals of co-operation may sprout in them rather from 'within' than from 'without'. In other words, it should penetrate the realm of the spirit in them so as to reform them internally to suit with the ideology of co-operation.

Up till now, we have been fostering co-operatives in a businesslike manner, though co-operation is itself a way of doing the everyday business of life; we confined our attention more on the *business of life* than on the *way of doing it*. We have to correct ourselves now on the 'way' hereafter.

While it must be acknowledged that co-operation in our country has registered progress on credit, non-credit and multipurpose lines (and now on the lines of integrated credit scheme) we have to turn many stones by the right approach; that is by reorientating our former policies to fit in with the framework of life today and of planning so as to make it grow firmly amidst them and to gain thereby, their enthusiasm more and more.

Governments with the assistance of officials and non-officials should not only propagate the ideas of co-operation in a more emphatic way among the masses with the help of the modern means of mass communications and volunteers under the auspices of the N. E. S. and Community Projects, but also should 'educate' the people in 'Co-operative living' from the practical as well as theoretical sides; such an education should not be skin-deep, but should touch the inner faculty in men so as to rouse in them the needed psychology for the change and the sociology for the transmission of this change to the society at large. The dissemination

of such an outlook on co-operation by these and other means will take the Institution of Co-operation to every door of an Indian who, if rightly approached, would not hesitate to welcome it. To train the people in the art of co-operation is itself a part of social education.

Co-operative ideas and ideals form an eclectic philosophy avoiding the evils of capitalism on the one hand and absorbing the virtues of communism on the other: and

I believe, the new approach should begin in the minds of men and having prepared the ground, should be put to the practical use more and more of requiring it to solve the peoples' economic issues in every field of activity.

For, co-operation has a magic effect on the individual; once it is understood by the villager, he can never afford to lose it. It is the surest means to achieve in our country the goal of socialistic pattern of society.

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Physiological Continuity as a Health Factor*

By

JAMES PETER WARBASSE, M.D.

Woods Hole, Massachusetts

[This is a rare article from the pen of James Peter Warbasse. Besides a medical man of great eminence, he was devoted to Co-operation and Social Welfare. In this article, he explains the value of vacation as an active ninety year old man feels it. Dr. Warbasse died recently on 22nd February 1957 living a full and vigorous life till his end—Edr.]

Physiologic continuity means; keeping on doing the same or similar thing. It signifies uninterrupted action. The modern vacation habit illustrates a violation of this principle. To keep monotonously at an occupation until near the point of exhaustion, and then to depart from work entirely and "take a vacation" for the sake of one's health is not altogether salutary, and the vacation often fails to do its duty. We are familiar with the pleasantries of the man who comes home from his vacation to recuperate.

Early in a surgical career, I found it advantageous to take a vacation before exhaustion set in. Instead of a vacation once a year, I took a vacation once a day, and refuse to let myself become exhausted at any time. We had six lively children, and during their juvenile period, I knocked off work at 5 p. m. each day and became juvenile. My colleagues knew I was occupied from five to seven and not accessible. Three able assistants took care of emergencies. During those two hours with my children I went into the nursery and played. I was a bear more ferocious than any bruin that ever growled its way through the forests. A gymnasium made it possible to put on acrobatics that vied with Barnum, and left me in a sweat. A broken collar bone in

one of my boys, sustained in these events, gave me unsolicited surgical experience. Tours to the museums, art galleries, and manufacturing plants came later. I taught all my children tennis, skating, skiing, swimming and sailing until each one, seriatim, was better than I. This five o'clock engagement with the fellows, as we called them, was kept as punctiliously as though it were a consultation appointment. I did not fail them—nor myself.

While this vacationing, mixed with professional work, went on each day, a considerable amount of time was given to reading and writing. This was usually early in the morning. For thirty years, I wrote reviews of the new surgical books for *Annals of Surgery*, thus training myself in writing and building up a surgical library. I interrupted my editorship of the *New York State Journal of Medicine* to write for W. B. Saunders Company a book on *Surgical Treatment*, which grew into a work of three volumes of 2600 pages. Some of this writing was done with an infant astride my shoulders, or upsetting the ink on my manuscript. The only word I ever said was, "Now, see, what you have done!"—when it was all quite obvious.

In the summer, I moved my family to Woods Hole, Massachusetts, but everything went on

much the same. Four days were spent in the city and three in the country. On the boat, back and forth, I wrote and read proof. Each day in the country was interrupted by physical action—swimming, working in the garden, wood chopping, sailing and tramping with the children.

All this is to illustrate physiologic continuity as the aging process went on. There was no thought of retiring from action. The things that had been done were continued, the early activities were uninterrupted as the years passed. At 87 I was still skiing and enjoying figure skating because I had never stopped. The general health was good.

After thirty years of medical practice, having made myself a competent artisan in that field, I wished to satisfy a long developing hunger to address myself to the larger problem of the social ills. Patching up human beings to go back into a sick society seemed not altogether a satisfying enterprise. Furthermore, my surgical colleagues were dropping down about me, and I wanted to live. Surgical practice is peculiar. The medicine the surgeon administers to his patient is the surgeon himself—and it behoves him to see that the medicine is good. The tired surgeon, the old surgeon, the surgeon who was up all the previous night, is not the best medicine. It is better to stop while people wonder why you stopped than to deteriorate slowly on the job. I stopped while the stopping was good.

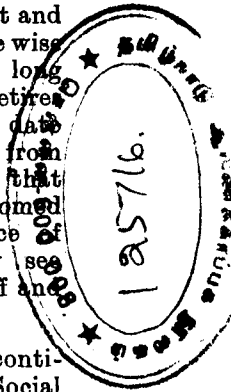
The man who works hard at an exacting job that has wholly occupied his life, and then retires, is in a bad way. The nice picture of him and his wife with their happy faces, at the rail of a steamer, while he points at the rocks of

Gibraltar, is no more correct than that of the happy senescent pulling a trout from a placid pool, while his adoring spouse looks up from her knitting on a grassy bank. Before these old fellows reach the Gibraltar and trout stage, they have gone to the doctor and been told to take up a hobby. But the hobby does not always do the trick, because both retirement and hobby are a bit belated. The wise oldster takes up the hobby long before the retirement. He retires gradually, so that when the date line comes, he does not retire from very much, and the hobby that engrosses him is an accustomed thing. It is like a good piece of splicing: you can scarcely see where the old rope leaves off and the new one begins.

In my case, physiologic continuity was maintained. Social problems had always had my attention. For the last fifteen years of surgical practice, I gave time to charity work and to observation and to study of the pressing social affairs of the period before World War I. Charity work—making it easier for other people to the poor—does not satisfy the able person. I studied the radical movements by going inside and becoming part of the movement studied. This experience was fun, highly educational, and made me conscious of the abysmal ignorance I had brought to the enterprise. Discontinuing surgery was easy because it gradually faded out while my hospital and private work were turned over to assistants, and more time was given to economic study, writing and teaching in that field.

Having made myself an expert in a single aspect of consumer economics, I was immediately occupied in further research in my subject, and giving special courses in the colleges and universities, organizing and lecturing. I entered

*Source: Reprinted from *Geriatrics* Vol. 10, pp. 440-442, Sept. 1955.



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upon a new life without cataclysm or shock, and found it a larger and more entrancing field than the old. It was a change, but of quality, not of quantity.

In the medical field, I had published eight books and many monographs. In the socioeconomic field, time has been made to write 12 books, numerous pamphlets, and monographs. So much for the social facts while senescence was living with me day by day. My idea has been to keep on exercising physiologically the same anatomy that had been exercised before. This is an ancient doctrine. The processes of aging have called for few variances of the habits of life. Life has been full and each day too short for the opportunities offered. At the present time, many things I have planned and hope to accomplish remain yet unfulfilled. There is always plenty waiting to be done. Now, at the age of 89, among other things I am completing the writing of my autobiography.

The only serious setback came about a year ago in the gradual development of a spinal reflex nerve dystrophy from overtaxing muscular and nervous systems. This disproved my theory of continuity, for the time to lessen activities had come and been ignored. Now I am nearly well except for some weakness of the hand but they continue to improve. My time is occupied in constructive writing, moderate work in the garden, and in chores about the house and in my work shop. For the past ten years much of my reading has been done lying on a sofa in my library. Perhaps, it is a good habit to lie down while talking with visitors—they seem not to mind it, and I am always looking up.

All this is to illustrate from one prolonged life the possibilities of physiologic continuity, and to show that the fruit ultimately ripens, drops from the tree and teaches a lesson wherever there is enough Newtonian sagacity to learn.

(UNDER PRINT)

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With Rule and Case Law and Act VI of 1942 and

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With Rules and Act X of 1904, and

Important Circulars of the Registrar of Co-operative Societies with Case Law and Amendments up to 30-6-56

(ELEVENTH EDITION)

EDITED BY

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Madras State Co-operative Union, Madras.

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Dr. James Peter Warbasse*

By

FLORENCE PARKER

California

The Consumers Co-operative Movement in the United States lost its revered patriarch with the death of Dr. James P. Warbasse on Washington's birth day February, 22nd, 1957.

Of Danish descent, Dr. Warbasse was born in Newton, N. J., on November 22nd, 1866. After graduation from the Newton Collegiate Institute, he had the advantage of a twelve-month interval during which, among other things, he read much on the theory of evolution and on the various religions of the world. Then followed study and graduation (in 1889) from Colombia University's College of Physicians and Surgeons; and service as army surgeon in the Spanish-American War, as a result of which, as he says in his autobiography, he "developed a strong pacifist leaning" that remained throughout his life.

The Doctor of Medicine

This pacifism led to a disagreement with the Kings County Medical Society and his expulsion from it at the time of World War I—an action retracted twelve years later, when he was restored to good standing with apologies.

Later, he did postgraduate work at the Universities of Gottingen and Vienna. Returning to the United States, he began private practice in 1892, joined the staff of the Brooklyn (N. Y.) Methodist Hospital and there established a surgical pathological laboratory—the first in any American hospital.

The years that followed showed him in numerous capacities—as librarian and then president of the Brooklyn Surgical Society, chief surgeon at the German Hospital of Brooklyn, editor of the New York State Journal of Medicine, and special editor of the American Journal of Surgery. During a ten-year interval, he also worked on a book, *Surgical Treatment*, in three volumes, which became a classic in the medical profession.

In 1902 he married Agnes Dyer (descendant of Samuel Adams) who became the mother of his six children (four boys and two girls) and worked untiringly at his side throughout her life time. She was active in various social causes and was one of the founders of the New School for Social Research in New York City. This energetic, sweet and charming lady (to whom incidentally, Dr. Warbasse wrote sonnets as long as she lived), served as the unpaid secretary of the Co-operative League until 1928. She died in February, 1945. Among her special interests was co-operative housing, on which subject she wrote numerous articles and pamphlets. The Warbasses' spacious homes in Brooklyn and on Cape Cod were rallying points for co-operators from all over this country and abroad.

Seeking an Answer

The Doctor's medical experiences in the tough areas of Brooklyn and with the poor impressed upon him "the injustices and impracticability of the prevalent economic

*Source: Review of International Co-operation, May 1957.

system" and engendered dissatisfaction with it. Accordingly, he began to explore the different social and economic movements.

For fifteen years, he was active in the labour movement, serving as labour picket, participating in strikes, lecturing on labour problems, and providing shelter in his attic for fugitives from police brutality (which was all too common in time of strike in those days). For persons with the Warbasses background—the product of a family in easy if not wealthy circumstances, she the daughter of a well-to-do manufacturer, this interest in social problems was remarkable, especially at that time.

Socialism, the single-tax movement, and anarchism were then tried in turn. But none of these appeared to him to have the answer he sought.

Meetings with Sir William Maxwell, president of the Scottish Co-operative Wholesale and Albert Sonnichsen, leader in a New York co-operative, rekindled an interest in consumers' co-operation, the seed of which had been sown during his sojourn in Gottingen in 1891. He read the literature Sonnichsen gave him, and "the more I thought about it the better I liked the idea." On his part, Sonnichsen said it was "the most successful job", he ever undertook for the co-operatives. For Dr. Warbasse became a prime mover in the group that organised (in March 1916) the present national Co-operative League. From that time forward, the League was a dynamic coordinating force in the development of consumers' co-operation in the United States.

Orthodox Approach

Dr. Warbasse became the League's first president and

remained in that office for 25 years. (He retired from the active practice of medicine in 1919, in order to devote his full time to the co-operative work.) For the first 15 years of the League's existence, he was also its financial mainstay.

With his insistence on the observance of orthodox Rochdale principles, the Doctor became the St. George intent upon slaying the dragons of pseudo co-operation that for a decade or more were the plague of this country's co-operative movement. In so doing, he also incurred the enmity of well meaning leaders who favoured modification and short cuts in order to develop a big movement quickly. Generally they countered his blasts by charging him with "impracticability," and pointed out that he was merely a theorist and thus incapable of running a business enterprise. Strict adherence to Rochdale principles, they said, was alright in theory but did not work out in practice. All of their showy enterprises, however, went down to defeat. It was owing principally to Dr. Warbasse and the stand of the Co-operative League that the movement was held to sound principles and was able to survive not only the collapse of the unfortunate centralised wholesale movement, but the depression of the early 1920's.

The League had not yet become a really representative organisation. The local co-operatives were too weak financially to give any significant monetary support and many of their leaders knew little of either sound co-operation or sound business practice. Literature, speakers, teachers and advice on business, legal and other matters, were needed. These needs the League was attempting to fill, on merely token "dues"

from the so-called members, and with the ever-recurring deficits being met mainly from Dr. Warbasse's private purse. Without this whole-hearted devotion and support from him the development and integration of the co-operative movement in the United States would have been delayed indefinitely.

International Contacts

Notwithstanding all his executive duties, editing and writing articles for the League's periodical, *Co-operation*, trips for service and exploration, lecture tours, etc. Dr. Warbasse was never too busy to talk to students of co-operation, and generously opened his files and records to them. A sympathetic interest in co-operation was always an Open Sesame to his time and attention.

He made contact with the International Co-operative Movement soon after the organisation of the Co-operative League and before its first birthday the League had become a member of the International Co-operative Alliance. Thereafter League representatives (in the early years, usually Dr. and Mrs. Warbasse) were always in attendance at its International Co-operative Congresses.

Believing that thorough understanding of co-operative aims and principles was the *sine qua non* of a sound co-operative movement, Dr. Warbasse continually stressed the necessity of education. He realised that making convinced co-operators out of the general run of people could not be done overnight, but only through unceasing educational work. It was his dream that some day the movement in the United States should have a co-operative college that would be the foundation stone of the work. With this in

mind, he founded Rochdale Institute in 1937. It was a major disappointment to him that the Institute failed to develop as expected.

Champion of True Faith

After 25 years Dr. Warbasse retired from the League presidency in 1941. He continued on its board until 1945. The last decade of his life was devoted to the writing of books on co-operation, economic subjects, and the Warbasse family. He never yielded to the pressure of advancing years, unless to work faster, for there were so many things he wanted to do. For his contributions to human welfare, the American Humanist Society named him "humanist of the year" in 1955.

My acquaintance with Dr. Warbasse began in November 1920, when, as observer for the U. S. Department of Labour, I attended the second biennial Co-operative Congress. There I had my first view of him as champion of the "true faith" of Rochdale Co-operation. For that congress was invaded by representatives of the biggest fraudulent organisation that ever tried to capitalise on the reputation of Rochdale for the aggrandisement of the promoters. Their acceptance as delegates would have constituted recognition of genuineness by the League and therefore an endorsement they could use in their assault on the workers' purses. But they miscalculated. The League had already taken the measure of the Co-operative Society of America: and its hucksters of fake co-operation were expelled from the meeting after a report from Dr. Warbasse.

Thereafter I saw him in action many times, as expounder of co-operative principle, as narrator of

Rochdale history, as seeker for the truth, as raconteur par excellence, as fighter against the insidious efforts of the Communists, and as tireless chairman at the co-operative congresses.

As chairman he was superbly urbane, invariably good humoured, flexible or adamant as the situation demanded, fair, witty, and expert in parliamentary procedure. The didactic air he sometimes exhibited in conversation was never in evidence in his capacity as chairman.

His study of Labour unions, of political parties and of religions, had given him a wide understanding not only of them but of the participators in them, and this enabled him to meet them on their own ground and gain their respect. He was a person about whom one could not be lukewarm. Himself a person of very positive views, he aroused equally positive attitudes in others.

Reaction from his studies of, and participation in the Socialist Party, left him with a profound mistrust of stateism and of the tendency of government to spread. I found this a considerable handicap to me at first, in getting to know him, because (as a Federal employee) I was in his eyes tainted with bureaucracy. After he became convinced that the Federal Government, through me, had no ulterior motive, was merely interested in gaining information about co-operatives, and had no intention of "taking over," no one could have been more kindly and charming.

He even accepted an appointment to the Consumers' Advisory Board in the National Recovery Administration in 1932-33. As he said, he recognised the necessity of having a government for holding an incompetent society

together, but to the end of his days he passionately believed that only through self-help as exemplified by co-operatives not through a benevolent State-lies the way to ultimate economic and social salvation.

Zest for Life

His sturdy Danish ancestry and his own continuous outdoor activity kept him physically fit. He was especially fond of skiing. At his "retiring" party in New York City in 1941, when he was nearly 75 years old, he delightedly received from his assembled admirers a pair of Swedish-made ski poles that he used for years thereafter. In September, 1952 I spent three weeks at Glandheim his beautiful estate on Penzance Point in Woods Hole, Mass., doing research in his library. Although he was then 86, his mornings were spent in working about the grounds, in open-necked shirt and shorts. Then came a dip in the chilly waters of Nantucket Sound, lunch, and a short nap. In the afternoon he dictated letters or worked on his current book. Then another swim and dinner.

He speaks several times in his autobiography of what a good time he had in whatever he was doing. This zest for life was unending, and I am sure he enjoyed every minute of his 90 years of it. Therefore, though we shall miss him and his wise co-operative counsel, we co-operators cannot mourn him. For he left his ineradicable mark on both the medical profession and the co-operative movement. And he is enthroned in the hearts of American co-operators as the Pioneers are enthroned in those of Britons. No one could have had a fuller or more fruitful life. What more could any one ask?

CO-OPERATIVE CONFERENCES AND MEETINGS

A Summary Record of Discussions by the Union Minister for Co operation with Madras Government and Co-operators held on 18th June 1957.

PRESENT :—

1. Dr. P. S. Deshmukh, Minister for Co-operation, Government of India.
2. Shri M. Bhaktavatsalam, Minister for Food and Agriculture, Government of Madras.
3. Shri R. Venkatraman, Minister incharge of Co-operation, Government of Madras.
4. Shri M.P. Bhargava, Co-operation Adviser, Government of India.
5. Shri P. P. I. Vaidyanathan, Secretary, Dept. of Food and Agriculture, Government of Madras.
6. Shri R. V. Raman, Secretary, Dept. of Industries, Labour and Co-operation, Government of Madras.
7. Shri A. Palaniappa Mudaliar, Registrar of Co-operative Societies, Madras.
8. Shri T. K. Palaniappan, Director of Industries and commerce, Madras.
9. Shri E. K. Damodaram, Director of Agriculture, Madras.
10. Shri S. Chidambaram, Deputy Secretary, Industries, Labour and Co-operation, Government of Madras.
11. Shri N. Murugesu Mudaliar, Deputy Secretary, Food and Agriculture, Government of Madras.
12. Shri A. Hirudayaswamy, Joint Registrar of Co-operative Societies, Madras.
13. Shri V.K. Appandarajan, Joint Registrar of Co-operative Societies, Madras.
14. Shri T.R. Krishnaswami, Joint Director of Industries, Madras.
15. Shri K. C. Cheriyan, Assistant Chief Officer, Reserve Bank of India.
16. Shri P. S. Rajagopal Naidu, M. P., Vellore.
17. Shri Medai Dalavoi Kumaraswami Mudaliar, President Madras State Co-operative Bank, Madras.
18. Shri R. Kanakasabai, State Co-operative Bank, Madras.
19. Shri C.R.K. Chetty, Secretary, State Co-operative Bank, Madras.
20. Shri C.M. Janarthanam, Associate Editor, Madras Journal of Co-operation.
21. Shri P. Natesan, General Secretary, Madras State Co-operative Union.

Distribution of Fertilisers.

The Minister for Food and Agriculture, Shri Bhaktavatsalam mentioned that during his recent visit to the districts, he received a number of complaints about the unsatisfactory manner of distribution of fertilisers by the private agencies. He said that it would be an advantage, if co-operatives which were at present dealing with 33 percent of the total quantity at retail end could take over the entire distribution. This would, however, dislocate the trade and

create lot of other complications. He was therefore in favour of co-operatives immediately handling atleast 50 per cent of the total quantity of fertilisers. In the National Extension Blocks and Community Project areas an effort should be made to channel the entire distribution through co-operative societies. In order to make available the fertilisers nearest to the farmers homes, the agency of rural banks and large sized societies might also be utilised for the purpose of distribution. (Action—Madras Government).

Manure Mixture.

2. It was brought out during the discussion that Madras State had large demand for manure mixtures. It was agreed that the possibility of a central co-operative organisation undertaking the work of preparing manure mixtures may be examined and detailed proposals for establishing manure mixing plant might be formulated. This scheme might be given effect to next year. (Action—Madras Government)

Export of Agricultural Commodities by Co-operatives.

3. After considerable discussion it was agreed that genuine co-operatives in Madras State might be encouraged to handle export of increasingly larger quantities of important agricultural produce. Special quotas which are allotted exclusively to co-operative societies for export to their counterparts in other countries should be continued and Madras Co-operatives given their due share in the business.

Apex Marketing Society

4. In order to coordinate the work of export, supply of fertilisers and other commodities, it was agreed that a State Co-operative Marketing Society might be

set up as soon as possible. The details of the scheme in this regard may be worked out and financial assistance required might be provided in the year 1958-59. (Action—Registrar of Co-operative Societies, Madras).

Establishment of State Warehousing Corporation

It was decided that a State Warehousing Corporation in Madras State might be established during the current year with a paid up capital of Rs. 20 lakhs. Half of this amount will have to be contributed by the State Government and the remaining half by the Central Warehousing Corporation. It was, however, found that there was no provision in the State Budget for allotment of Rs. 10 lakhs, which was the amount of contribution of the State Government. It was agreed that the necessary funds might be provided by making adjustments and proposals sent up to Government of India shortly. (Action—Madras Government)

6. A point was raised as to whether the State Warehousing Corporation which will operate warehouses at 10 or 12 centres would have adequate business and would be an economical unit. It was indicated that the suggestion regarding the number of centres for locating the State Warehouses was tentative and could be revised and enlarged, if necessary, after taking into account the actual requirements. The question of selecting a suitable officer for appointment as Managing Director would be considered by the State Government and a decision will be taken very shortly. (Action—Madras Government).

Processing—Sugar Factories

7. The representatives of South Arcot Co-operative Sugar Factory

mentioned that as a result of the system of deferred payment, the costs are likely to increase by about 16 per cent. It was agreed that the co-operatives should come forward to bear these costs, and a system of encouraging cultivators to save more money and contribute larger amounts either by way of deposits or share capital may be evolved. Top most priority should be given to the question of starting these factories as early as possible.

8. The Minister for Co-operation, Madras State, mentioned that a proposal to start a Spinning Mill in Ramnad was held up as according to the communication from the Commerce and Industry Ministry the necessary spindles were not available. This had put the State Government and the co-operatives in a very difficult situation. The Union Minister for Co-operation was requested to use his good offices in securing the necessary allotment of spindles from the Commerce and Industry Ministry. Minister of Co-operation (Madras) agreed to forward copies of the correspondence to the Union Minister. (Action—1. Ministry of Food & Agriculture. 2. Madras Government).

Co-operative Farming

9. State Government agreed to organise at least one Co-operative Farming Society in every National Extension Block on Community Project area. The Registrar was asked to prepare a detailed scheme. It was indicated by Union Minister of Co-operation that Government of India would share a part of the cost of managerial staff. (Action—Registrar of Co-operative Societies).

10. It was also agreed that the Co-operative Farming Society in Nagapatnam area may be registered with multiple liability. The

District Co-operative Central Bank should be persuaded to provide production finance to the cane growing members of this society provided

(i) the members agree to market their entire produce to the sugar factories, and

(ii) the Tiruvarur Sugar Factory enters into an agreement with the bank to deduct the amount advanced by the bank and to remit the same to the bank at regular intervals. (Action—Registrar of Co-operative Societies).

Godowns

11. Although only 7 godowns had been completed so far, considerable work had been done in other cases as well. Construction up to roof level was completed in three cases while in ten other cases, part of the basement was ready. The State Government had provided a whole time Assistant Engineer to the Registrar and it was expected that with his help the work could be expedited.

12. It was mentioned by one of the non-official co-operators that co-operatives were required to obtain certificate of Government Pleader regarding satisfactory title to the land. The Government Pleaders were trying to link their fees with the amount of subsidy. The Minister for Food and Agriculture (Madras State) desired to have full details of the case so that action could be initiated immediately. (Action—Registrar of Co-operative Societies).

Taking over Vegetable Plants

13. Two vegetable plants were lying idle at Katpadi and Villupuram. The machinery and equipment at Villupuram was quite modern. It was however learnt that bulk of the marketable

Marketing and Producers Societies.

He said that in Ceylon, a good lot of progress had been achieved in the field of production and marketing. The Co-operative Agricultural Production and Sale Societies, though the instruments of state economic policy have been doing yeoman service both in implementing guaranteed price schemes and in financing agriculturists and thus have helped the Food Production Drive of that island to a considerable extent. Similarly, very good work have been done by coconut marketing co-operatives, fishermen co-operatives etc.

Consumer Co-operation

The most striking feature of the Ceylonese Co-operative Movement was the tremendous progress of consumer co-operation both during and after the Second World War. From a small beginning of 26 societies, the Consumer Movement has grown into a huge co-operative activity of nearly 3,000 societies, 7½ lakhs members and together they have an annual turnover of Rs. 18 crores. The Movement, far from being town-centred has extended its activities even to the remotest villages. Apart from being a safe and fair instrument for the distribution of rationed commodities, the Movement has become a live distributive mechanism. Another commendable feature of the consumer co-operation in Ceylon was the high percentage of owned funds and deposit resources of the societies which was as high as 70 per cent of the total working capital. He was hopeful that given the right type of guidance and popular support, the Movement was bound to go forward.

Co-operative Education

Dr. P. Natesan observed that in Ceylon, he noticed that co-opera-

tive educational and publicity activities were mostly done by the Department. He was glad to know that an All-Ceylon Co-operative Federation had been recently formed under the chairmanship of Sri V. Veerasingham. He was also very much impressed by the work done by the Northern Division Co-operative Federation, which was doing good work in the field of co-operative education and publicity since 1927.

Lastly, he referred to certain other interesting aspects of co-operative work like the "Link-up" schemes, the Moolai Co-operative Hospital. He concluded with the note, that in undeveloped countries like India and Ceylon, the Co-operative Movement should march forward, with the active assistance of the State and with the built in strength of its own philosophy, so that the small artisans and the ryots may grow, unhampered into a free, vital and self reliant people rejuvenated by the strength imparted by the Co-operative Movement to the economy in general and rural economy in particular.

Dr. P. Natesan's Visits to Co-operatives

Dr. P. Natesan during his stay visited the following Co-operative Institutions.

The Northern Division Agricultural Producers Co-operative Union Ltd., Jaffna.

The Jaffna Provincial Co-operative Bank Ltd., Jaffna.

The Malayalam Tobacco Production and Sales Society Ltd., Jaffna.

The Moolai Co-operative Hospital.

In Colombo, he visited the Co-operative Federal Bank of Ceylon and the Office of the Registrar of

Northern Division Co-operative Conference, Jaffna.

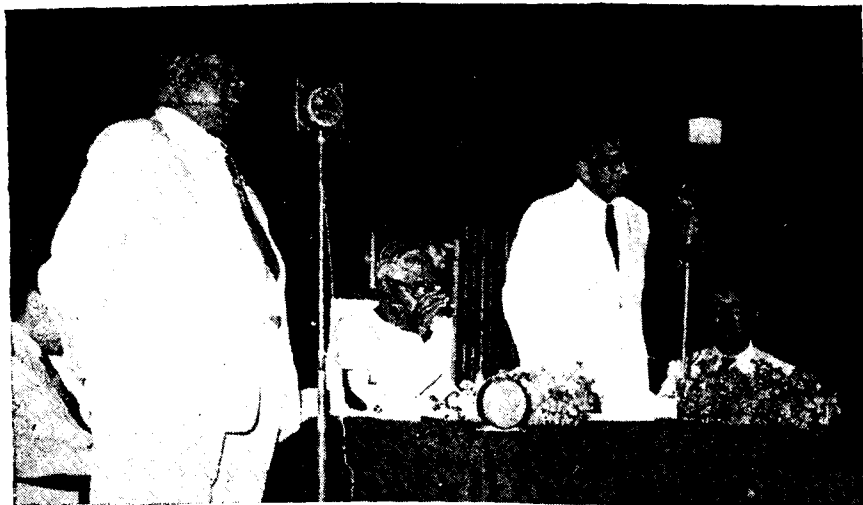


Dr. P. Natesan, General Secretary, Madras State Co-operative Union is seen delivering the Inaugural Address at the Northern Division Co-operative Conference at Jaffna on the 2nd August 1957. Messrs. Weeraman, G. De Soyza and Sri Kantha are seen in the picture.



Sri Weeraman, Ag. Commissioner and Registrar of Co-operative Societies, Ceylon is seen addressing the Conference. Dr. P. Natesan and Sri V. Veerasingam are seen in the picture.

Northern Division Co-operative Conference, Jaffna.



Sri G. De Soyza, is seen addressing the Jaffna Co-operative Conference. Sri V. Weeraman and Sri M. Sri Kantha are seen seated in the picture.

Inauguration of Anakkavur Agricultural Bank.



Sri K. Kamaraj, Chief Minister, Madras, inaugurated the Agricultural Bank at Anakkavur, North Arcot Dt. on 19-8-57. Messrs. M. A. Manickavelu, B. Bakthavatsulu Naidu, P. S. Rajagopal Naidu and A. Hirudayaswamy and others are seen in the picture.

DR. NATESAN'S ADDRESS TO THE NORTHERN DIVN. CO-OP. CONFERENCE 93

Co-operative Societies, Ceylon. During his stay in Ceylon, Dr. P. Natesan met Sri V. Veerasingham, President of the Northern Division Co-operative Federation, Sri A. Arulambalam, its Secretary, Sri P. E. Weeraman, Acting Commissioner of Co-operative Development and Registrar of Co-operative Societies, Ceylon, Sri G. De Soyza, Permanent Secretary to the Ministry of Defence and External Affairs,

Ceylon, Sri K. Alva Pillai, Permanent Secretary to the Ministry of Co-operation and Agriculture, Sri S.C. Fernando, Permanent Secretary to the Ministry of Finance, Sri Amarasinghe, Director of Cottage Industries and other important officials and non-officials and discussed with them the several aspects of Co-operative Movement.

He returned to Madras on the 3rd August 1957 by Air-Ceylon.

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President,

mortgage banks in their jurisdiction to take steps to amend by-law 29 (d) by inserting the word "Board" in the place of "him" at the next general body meeting of the banks.

2. As a result of the amendment suggested in the previous paragraph, a consequential amendment to by-law 29. A of the model by-laws of land mortgage banks will arise. In consultation with the Deputy Registrars, land mortgage banks and the Central Land Mortgage Bank, the Registrar suggests that the existing by-law 29. A should be recast as follows :

Recast by-law 29. A as follows :

"Subject to the approval of the Board, any of the Office-bearer of

the bank may delegate all or any of his powers to any other director of the Board, who is not an office-bearer of the bank either during his absence from town or on account of other personal inconvenience, provided the period of such delegation does not exceed two months in a year and provided further he brings it to the notice of the Board previously in writing each time he delegates his powers to another. He may however resume charge before the expiry of the term of delegation".

The Deputy Registrars, land mortgage banks are requested to see that the land mortgage banks in their charge adopt the above amendment at their next general meetings.

A. PALANIAPPAN,
Registrar.

WEAVERS CO-OPS.—PAYMENT OF BONUS—ENHANCED TO 33½ PER CENT

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

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

Rc. No. 39099/57 K, 2.

Dated 5-8-57.

SUB : Weavers co-operative societies—payment of bonus out of the net profits—Enhancement of the limit—Relaxation of the rules—Instructions issued.

REF : G. O. Rt. No. 905, Industries, Labour and Co-operation, dated 23-7-57.

Several representations from the Weavers co-operative societies on the need for enhancement of the bonus to more than 25 per cent of the net profit admissible under Rule XII C of the Rules framed under the Madras Co-operative Societies Act have been received. The business conference of the representatives of the Weavers co-operative societies in this State which met on 2-7-1956 resolved to request the Registrar to permit

the primary Weavers co-operative societies to amend their by-laws under division of profits enhancing the payment of bonus to 40 per cent. The request was again reiterated at the conference of representatives of Weavers co-operative societies held on 27-6-57. The Board of Directors of Madras State Hadloom Weavers Co-operative Society Limited, Madras also endorsed the above resolution.

2. These representations have been examined and it has been considered that there is need for enhancement of bonus paid by Weavers co-operative societies to their members out of net profits. Weavers Co-operative Societies are earning considerable profit. It is, therefore, but fair that the members who have contributed to the increased business should be allowed to have a decent share of the profits in proportion to the contribution made by them for the successful working of the Weavers co-operative societies. At the same time, care has to be taken that the excessive distribution of the profits among the members should not undermine the financial position of weavers co-operative societies in the long run and prevent newly formed societies from strengthening their financial position. It has therefore been considered that the bonus to be paid to members may be enhanced to 33½ per cent of the net profits of Weavers co-operative societies provided its Reserve Fund is not less than

paid up share capital. On the recommendation of the Registrar, Government have accepted the proposal. A copy of the Government Order Rt. No. 905, Industries, Labour and Co-operation, dated 23-7-57 is communicated.

3 In order to make provision in the by-laws for payment of the enhanced bonus permitted by the Government, the following transitory by-law may be added under the by-law 50 (7) of the model by-laws of Weavers co-operative societies. ["Notwithstanding anything contained in the above clause, a bonus not exceeding 33½ per cent of the net profit as may be decided by the general body may be divided among the members according to the wages earned by them from the society provided the Reserve Fund of the society is not less than the paid up share capital."]

4. The Deputy Registrars are requested to bring these instructions to the notice of all Weavers Co-operative societies.

G. RAMACHANDRAN,
For Registrar.

Copy of G. O. Rt. No. 905, dated 23rd July 1957, Department of Industries, Labour and Co-operation.

ABSTRACT

Acts and Rules—The Madras Co-operative Societies Act, 1932
Rules—Rule XII. C—Weavers' Co-operative Societies in the State of Madras—Exemption—Granted.

Read the following :

From the Registrar of Co-operative Societies, letter No. Rc. 39099/57. K 2. dated 20th June 1957.

ORDER:

In exercise of the powers under the said Act to the extent conferred by section 60 of the Madras Co-operative Societies Act, 1932 (Madras Act VI of 1932) the Governor of Madras hereby exempts all the weavers Co-operative Societies in the State of Madras from the provisions of Rule XII (C) of the Rules framed

(True Copy)

STATE AND CENTRAL CO-OPERATIVE BANKS—MAXIMUM CREDIT LIMITS—FIXATION OF

Copy of G. O. Ms. No. 2642, Department of Industries, Labour and Co-operation dated 9-8-1957.

Co-operative Societies—The Madras State Co-operative Bank and District Central Banks—Maximum Credit Limits—Orders passed.

Read again: G. O. Ms. 1381, Development dated 22-9-1926.

Read also: From the Registrar of Co-operative Societies, Rc. 135047/56-A1. Dated 11-5-1957.

ORDER :

In 1926, the Government ordered that the liabilities of the Madras States Co-operative Bank and Central Banks should not exceed 12 and 10 times their owned capital respectively. They have, however, permitted the relaxation of the maximum limits wherever necessary in order to enable the Central Financing agencies to raise adequate funds to finance new schemes undertaken by the Co-operative Societies such as procurement operations, rehabilitation of handloom weavers, distribution of food grains, chemical fertilisers, iron and steel for agricultural purposes etc. The Registrar has now examined the question of revising the maximum credit limits of the Madras State Co-operative Bank and the District Central Banks with reference to the recommen-

dations made by the Narayana-swami Pillai Committee on Co-operation, the resolution passed at the conference of Central Banks in July 1956 and the views offered by the Reserve Bank of India on the subject and has recommended that the maximum credit limit of the Madras State Co-operative Bank may be fixed at 15 times its owned capital (i. e. share capital plus reserve fund) and that of the Central Banks may remain at 10 times the paid up share capital plus reserve fund. The Government accept the Registrar's proposal and direct that in the case of the Madras State Co-operative Bank and Central Banks, the liabilities should not exceed 15 and ten times their owned capital (share capital plus reserve fund) respectively.

(True Copy)

Office of the Registrar of
Co-operative Societies, Madras,
Date, 22-8-1957.

Copy of G. O. Ms. No. 2642, Department of Industries, Labour and Co-operation dated 9-8-1957 communicated to the Madras State Co-operative Bank Ltd., Madras and all the Co-operative Central Banks.

A. HIRUDAYASWAMY,
For Registrar.

SALES TAX AND MILK CO-OPERATIVES

Copy of Memorandum No. 105543-N/56-9 dated 10-7-1957 from the Deputy Secretary to Government, Revenue Department.

SUB: Tax-Madras General Sales Tax Act, 1939—Sales Tax on milk-exemption from sales tax—Rejected.

REF: G. O. No. 2790 Rev. dated 24-4-1953.

G. O. Ms. No. 1991 Rev. dated 25-6-1955.

From the Registrar of Co-operative Societies Madras Rc. No. 115251/55-T, dated 4-11-1956.

From the Board of Revenue L. Dis. D. 8858/56 dated 28-3-1956.

From the Registrar of Co-operative Societies, Madras No. 115251/55-T, dated 22-3-1957.

The Government have carefully examined the proposal of the Registrar of Co-operative Societies, Madras in his letter cited that the sales of milk and milk products by co-operative milk supply societies and unions be altogether exempted from sales tax. They have also consulted the Board of Revenue in the matter. The sale of milk by co-operative milk supply societies and unions is liable to sales tax only at one stage, that is at the stage of sale to the consumers. As milk is sold at a price ranging from Re. 1. to Rs. 1.25 nP. per Madras Measure, the incidence of tax is less than 2 nP. per measure. The fact that individual milkmen whose turnover does not exceed

Rs. 10,000 do not pay the tax is no ground for bigger turnovers to be exempted from tax. On the other hand, co-operative societies which handle large quantities should be able to sell milk much cheaper than the individual milkmen. In the circumstances, there is no reason to suppose that the small tax on milk is a serious handicap in pushing up the consumption of milk. For the reasons stated above and in view of the loss of revenue of nearly Rupees three lakhs involved, if the exemption is granted, the Government do not see their way to reconsider their orders in G. O. Ms. No. 2790, Revenue, dated 24-9-1953 and G.O. Ms. No. 1991 Revenue, dated 25-6-1955.

Copy of G. O. Ms. 3097, dated 29-7-1957, Revenue Department.

ABSTRACT.

Tax—Madras General Sales Tax Act, 1939—Milk—Reduction of rate of tax to one per cent—Ordered.

READ:—

G.O. Press No. 2790, Revenue Dated 24-9-1953.

G.O. Ms. No. 1991, Revenue, dated 25-6-1955.

Government Memorandum No. 105543-N/56-9, Revenue, dated 10-7-1957.

ORDER:

In G. O. Press, No. 2790, Rev. dated 24-9-1953 the Government exempted Co-operative Milk Supply Societies and Unions from payment of sales tax in respect of all sales of milk by them except the sale to the actual consumer. The Government have now decided to reduce the rate of sales tax in respect of the sales of milk by co-operative milk supply societies and unions to the consumers, and in respect of sales of milk by others at all stages to one per cent with effect from 1-8-1957.

2. The notification annexed to this order will be published in the Fort St. George Gazette.

3. The Controller of Stationery and Printing is requested to pub-

lish the notification in the Fort St. George Gazette of 31-7-1957 without fail.

(True Copy.)

NOTIFICATION.

In exercise of the powers conferred by section 6(1) of the Madras General Sales Tax Act 1939 (Madras Act IX of 1939), the Governor of Madras hereby reduces with effect from the First day of August 1957, the rate of tax leviable under Section 3(1) of the said Act in respect of the sales of milk by co-operative milk supply societies and unions to the actual consumers and in respect of sales of milk by others at all stages to one per cent of the turnover.

(True Copy)

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

Dated, 21-8-57.

Endt. Rc. 115251/55-T.

Copy communicated to all Deputy Registrars on general duty to bring the above G.O. to the notice of the Milk Supply Societies and unions working in their jurisdiction.

MD. ABDUL HAFEEZ,
For Registrar.

CO-OPERATIVE NEWS & NOTES

News and Notes

Regional Conference of Junior Officer Training held at Bangalore.

The Regional Conference of Junior Officer Training convened by the Central Committee for Co-operative Training was held at the Central Co-operative Land Mortgage Bank premises, Bangalore on the 12th, 13th and 14th August, 1957. The representatives of Bombay, Mysore, Madras, Andhra and Kerala attended the Conference. There were 19 institutes in the Southern Zone. The Registrars of five States, the representatives of Central and Apex Banks, the Principals and Presidents of the Institutes and representatives of the State Co-operative Unions attended the Conference. Prof. D. G. Karve, Sri J. C. Ryan, Sri M. S. Menon and other officials of the Reserve Bank of India attended the Conference.

Welcoming the Chief Minister of Mysore, Sri Nijalingappa, Prof. Karve said that Mysore was a co-operatively advanced State and said that he was happy that the Conference was convened at Bangalore. He stressed the value of co-operation in a planned economy and said that the training imparted to the Junior Officers should be purposive. He pointed out that Junior Officer Training was "Staff Training" and, therefore, the methods and techniques of training should be such as to ensure that not only the trainee gets a thorough background of the philosophy of co-operation and but also an intensive practical orientation. He stressed that training should be imparted through the mother-tongue, as far as possible. The training programme should be flexible, and adapted to the local conditions.

Sri S. Nijalingappa, Chief Minister of Mysore, who inaugurated the Conference said that he was happy to welcome the delegates. As the Minister in charge of Co-operation, he was anxious to know their advice on this important matter of co-operative training. He said that the All-India Rural Credit Survey Report was a very good report and it laid, as it were, a new emphasis on the importance of co-operatives, as agencies for rural reconstruction. "We cannot succeed in our attempts, unless we train the field official properly". Co-operative Training, therefore, was very important, not only to the Junior Officers but even to the Senior Officers as well. We should also see that the Junior Officers, who are entrusted with very important duties are remunerated properly. Above all, he felt that apart from business training, the moral aspect of co-operation should also be sufficiently stressed in the training courses.

Sri J. C. Ryan, Member-Secretary, Central Committee for Co-operative Training and Chief Officer, Agricultural Credit Department, Reserve Bank of India proposed a vote of thanks.

Prop. A. F. Laidlaw, Colombo-Plan Consultant then addressed the Conference. He said that there should be integration of the official and non-official wings of the Co-operative Movement. He felt that too many agencies were in charge of training programmes at various levels. He emphasised that Junior Officer Training was in the nature of In-service Training and, therefore, less emphasis should be laid on lectures and examination, and

more attention should be bestowed on techniques like group-discussion, tutorial work, activity programmes and the like.

The Conference then split itself into working groups and submitted a report for the general conference. The report, among other things, reviewed the progress made in the arrangements for Junior Officer Training and came to many useful conclusions regarding building and hostel accommodation, suitability of training, practical training syllabi, assessment of trainees work, etc.

The delegates to the Conference were entertained to tea by the Mysore Co-operative Institute and the Chief Minister of Mysore. On the 14th night, the apex institutions of Mysore entertained the delegates to a dinner. The delegates also visited the Basavangudi Co-operative Stores, Ltd.

Prof. A.F. Laidlaw's visit to Co-operative Educational Institutions in the City.

Prof. A. F. Laidlaw, Colombo-Plan Consultant during his stay at Madras on 17th, 18th and 19th August 1957 visited the Regional Co-operative Training Centre, the Central Co-operative Training Institute and the Madras State Co-operative Union. At the Regional Training Centre and the Central Co-operative Training Institute, he gave lectures on the techniques of "Group-discussion" employed by Canadian Co-operatives. He was accompanied by Sri M.S. Menon and Dr. S.B. Mahabal of the Reserve Bank of India.

On 19th August 1957, Prof. Laidlaw visited the Madras State Co-operative Union. He had an hour long discussion with Sri C.M. Janarthanam, Manager and Associate Editor of the Union.

Independence Day Celebrations at Pattiveeranpatti Co-operative Coffee Curing Industrial Society, Pattiveeranpatti.

Independence day was celebrated in the Pattiveeranpatti Co-operative Coffee Curing Industrial Society, Ltd., on 15-8-1957 at 8 a.m. Members, non-members, employees of the society and school children participated in the celebration. After the hoisting of the national flag, national songs were sung. The function came to a close after distribution of sundal and pansupari.

Inauguration of Vaduvloor Co-operative Agricultural Bank
The Vaduvloor Co-operative Agricultural Bank Limited in Mannargudy Taluk, Tanjore District was inaugurated on 12-8-'57 by the Honourable Minister Sri P. Kakkan. The inaugural meeting was presided over by Sri M. D. Thyagaraja Pillai, President, District Congress Committee, Tanjore. The function was largely attended by the members and non-members of the place. Sri C. Raghavan Nair, Special Deputy Registrar for Credit and Marketing, Tanjore, the Deputy Registrar of Co-operative Societies, Tanjore, the Assistant Secretary and the Executive Officer of the Tanjore Co-operative Central Bank and Sri P. Subbiah Mudaliar, Secretary of the Mannargudy Supervising Union were also present on the occasion.

The Vaduvloor Co-operative Agricultural Bank Limited was formed under the scheme of Integrated Credit and Marketing by converting the existing Vaduvloor Co-operative Multipurpose Society with unlimited liability into one of limited liability. The enclo amendments were registered on 10-8-1957. There were 182

members on its rolls with a paid up share capital of Rs. 3,150 when the society thought of converting itself into an Agricultural Bank, within a short period of one month the society admitted over 250 fresh members and collected share capital to the tune of Rs. 12,800; with this the paid up share capital has gone up over Rs. 15,000. In this connection, it is worth mentioning the work done by its President Sri N. Krishnawamy Kandiyar in the matter of collection of share capital. He co-operated with the officials to the fullest extent possible in the matter of collection of share capital to the tune of Rs. 12,800.

The inaugural function commenced with prayer. An address of welcome was presented to the Honourable Minister Sri P. Kakkan. The Chairman spoke on the role of the Agricultural Bank in the Second Five Year Plan. The Honourable Minister Sri P. Kakkan while declaring open the Bank spoke about the various advantages of the Agricultural Bank and how it will be beneficial to the toiling agriculturists in getting money for cultivation purposes with reasonable rate of interest and how it will pave the way for further progress. He also advised the people to utilize the Bank to the best of their advantage and also utilize the money borrowed from the Bank for productive purposes instead of spending it on unremunerative items of expenditure. He wished well of the Bank and once again advised the people to make profitable use of the Bank to their best advantage. The Honourable Minister thereafter was introduced to the non-officials and officials present.

Silk Weavers Co-operative inaugurated by Chief Minister.

Sri K. Kamaraj, Chief Minister, Madras inaugurated a Silk Weavers Co-operative Society at Wallajahpet on 20-8-1957. Sri Konda Nagendarayya presided over the function, which commenced with prayer. Sri A. E. Chandrasekara Naicker, M. L. A. President of the society welcomed the Chief Minister and the guests. He presented an address of welcome to the Chief Minister on behalf of the society. Speaking next Sri A. Hirudayaswamy, Registrar of Co-operative Societies in charge explained the assistance given to weavers under the cess fund schemes to the extent of several crores in India and referred to the phenomenal increase in weavers co-operatives. He also pointed to the working of silk weavers co-operatives elsewhere in the State and made an earnest appeal to the members to be loyal to the society and be straight forward in their dealings.

Sri K. Kamaraj presented the Registration certificate and the registered copy of the by-laws to the President. Marking the inauguration of the society, he lighted a lamp and blessed the institution. He then distributed silk warps, reeds and healds (Supplied free by Government) to the members. In his inspiring speech, the Chief Minister dwelt on the steps taken by the Government to revive and rehabilitate the Handloom Industry. He appealed to the weavers to work hard and with sincerity and better their economic lot through the society.

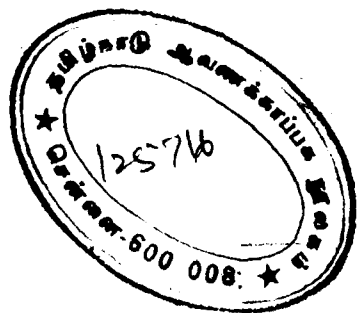
Government have sanctioned to the society an interest free loan of Rs. 8,750 towards contribution of share capital by the weavers at Rs. 87.50 per loom. The Reserve

Bank of India will provide a working capital loan of Rs. 50,000 to the society at Rs. 500 per loom. Besides free grants towards, reeds, healds and dobbies to the extent of Rs. 8,000 have been sanctioned by Government. A co-operative Sub-Registrar and two Senior Inspectors and a designer-cum-supervisor have been sanctioned to the society free of cost by Government. The society will provide full work to 100 silk weavers as present.

*Courtesy Week Celebrations of
Tiruppur Co-operative Stores*

The Tiruppur Co-operative Store celebrated the courtesy week from 6-5-57 to 12-5-57 successfully. The Head office and all branches of the stores were decorated on a grand-scale and they gave a festive appearance. The Directors of the stores invited the ladies and gentlemen of the town to pay a visit to the Stores during the week and see for themselves what the Stores had been doing to serve the public. In response to the invitation several hundreds of people visited the Stores in the course of the week. The employees of the Stores and other office bearers received the invitees,

took them round the Stores and explained its activities. As a result of this, about 300 persons newly joined the Stores as members. This number is nearly 1/5 of the total number of members in the Stores. A Committee of 3 prominent citizens of the town visited each of the branches to select the best branch with reference to decoration, courteous behaviour of staff, etc. for award of a prize, and prizes were distributed to the best branch so selected and also to the employees. Every branch was in charge of a Director during the week. On the last day of the week, the General Body meeting of the Stores was held and after the meeting a public meeting was held under the Chairmanship of Sri M.S. Palaniappa Mudaliar, Secretary, Tamil Nadu Co-operative Federation. At this meeting prizes were distributed by Sri K. N. Palanisami Gounder, M.L.A., Chairman of the Tiruppur Municipality. The best branch was awarded a rolling shield and the employees were presented with ever-silver vessels. Consolation prizes were also awarded to these branches who did not come out successful.



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President :

SRI N. S. RAMALINGAM, B.A., DIP., POL. & PUB. ADMN.

Authorised Capital	...	Rs. 30,00,000.
Paid up Capital	...	Rs. 16,84,200.
Reserves	...	Rs. 22,46,560.

The Bank is the Apex Co-operative Bank for long term agricultural credit and issues debentures for twenty years on the security of first mortgages transferred to it by Primary Land Mortgage Banks and its assets.

The Principal of and the interest on Debentures are guaranteed by the Government of Madras. They are TRUST SECURITIES and are also approved Securities under the Insurance Act, 1938. A REDEMPTION FUND (SINKING FUND) is constituted to pay off the debentures on maturity.

Summary of Balance Sheet as on 30—6—'56.

Liabilities.		Assets	
	Rs.		Rs.
Paid up-Share Capital	16,84,200	Cash on hand and	
Reserve and other		balance with Banks	1,85,142
Funds	22,46,560	Loans to Primary	
Debentures	4,69,34,700	Banks	3,70,75,704
Deposits, Loans and		Sinking Fund Invest-	
Overdrafts	35,25,606	ments	1,41,99,682
Sundry Liabilities	5,46,278	Other Investments	28,89,579
		Sundry Assets	8,18,202
Net Profit	2,30,965		
Total	5,51,68,309	Total	5,51,68,309

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

Secretary.