THE

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EACH FOR ALL AND ALL FOR EACH

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THOUGHT FOR THE MONTH

Co-operators know that it is the want of intelligence that kept up ugliness in life. Beauty in art, order in cities, grace of action, good manners, all pay; only few persons know them as things of value. One reason is that the majority of persons never have the means of buying perfect things. They are obliged to do without them, and naturally do not regard them as otherwise they would......... Scientific knowledge and literary knowledge is now provided more or less. But education in probity, in self possession, in courtesy, in public spirit, in public duty, in citizenship, where are they taught? Co-operators can only acquire such knowledge by keeping libraries, newsrooms, lecture halls, at their own command and for their own use.

George Jacob Holyoake.

IN THIS ISSUE

Editorial Notes

THE PROSPECTS OF THE HANDLOOM INDUSTRY

The celebrations of the Fifth All-India Handloom Week througout the country brought into the limelight the progress made by the handloom industry since the creation of the Cess Fund and its present problems. The industry as a whole has made considerable progress and to-day its productive capacity stands at 1650 million yards. It has yet to achieve the target of 2,200 million yards per year by the end of the Second Plan period. The industry has been considerably strengthened by the several development schemes sponsored by the All-India Handloom Board and liberal financial assistance provided through the Cess Fund. Nearly 11 lakhs of looms had been brought into the co-operative fold, and a total expenditure of Rs. 17·40 crores had been incurred from September 1953 to 30–9–1957. On a study of all the related data, one feels that the handloom industry has turned the corner and is marching forward to fulfil its allotted role in the integrated textile economy of India.

Progress of the Handloom Industry in Madras

In Madras State, the handloom industry has recorded appreciable progress and it is happy to note that significant and ordered progress has been achieved through the medium of weavers co-operative societies. Sri A. Palaniappa Mudaliar, Registrar of Co-operative Societies, Madras in an article "The Industry Marches Forward" has admirably reviewed the progress of the handloom industry in this State for the past four years. The schemes for the development of the handloom industry fall into five broad categories: (1) schemes relating to the organisation of weavers into co-operative societies (2) those relating to the provision of working capital to weavers co-operative societies to ensure continuous employment; (3) those designed to improve the quality and quantity of production, (4) those designed to promote the sale of handloom cloth; (5) and those relating to the provision of social amenities to the weavers. To achieve the above objects, the Government of India have sanctioned upto 30th September 1957 a sum of Rs. 557.67 lakhs. A sum of Rs. 19·21 lakhs have been issued as interest-free advances to members of weavers co-operative societies to enable them to pay their share capital to join these societies. A sum of Rs. 161·48 lakhs have been disbursed to the Madras State Co-operative Bank towards working capital to weavers co-operative societies and this has enabled them to provide increased employment to weavers and pay higher wages. The number of weavers in co-operative societies has steadily increased from about 98,000 to about 1·9 lakhs and the number of weavers co-operative societies has increased from about 560 to about 950. Nearly 40 per cent of the weavers in our State have now been brought into the co-operative fold and this is an achievement of which we can all be proud of. The production and sales in weavers co-operative societies have also registered a three-fold increase during the last four years and they stand at about Rs. 70 lakhs per month. As regards marketing, financial assistance to the extent of about Rs. 75 lakhs has been given to the Apex society to enable it to procure handloom cloth from the primaries and market it through its 300 and odd sales units. More than that, Government have also sanctioned more than Rs. 196 lakhs for the grant of subsidies to recoup rebate on the retail and wholesale sales of handloom cloth effected by

co-operatives. As a measure improving the social conditions of weavers, Government have sanctioned so far nine housing colonies for the construction 978 houses at a total cost of Rs. 42.30 lakhs. Four industrial societies for handloom weavers have been started at Karur, Aruppukkottai, Madurai and Manavasi. Nine silk weavers' co-operative societies have been started and they produced goods worth Rs. 11.31 lakhs. Art silk weavers are also helped by the formation of societies. Under the Second Five Year Plan for the State, a sum of Rs. 728 lakhs has been allotted for the development of the handloom industry.

As a result of all these schemes, the lot of the weavers have been bettered; their standards of living have risen: the societies have earned good savings and the prospects of the industry have been brightened. Intensive publicity and sales promotion have brought immense popularity for handloom fabrics even in fashionable circles. The demand for handloom fabrics has increased in U. S. A., West Germany and other foreign countries.

Mill Vs Handloom

Despite all these efforts, the industry has not yet solved all its problems and got over all the bottlenecks.

Sri R. Venkataraman, Minister for Industries, Labour and Co-operation drew pointed attention to the fact that, "in the nature of things, handloom cloth could not compete with mill cloth on an equal footing. This was a basic fact, which had to be accepted by all". In a nutshell, the essential nature of handweaving is that its competitive strength can at no time be equal to that of mill production. The recognition of this basic fact is important; secondly hand weaving is a decentralised industry, providing employment to nearly a crore of people and as such its role in the economy of the country is a vital one.

The Present Slump

Now, we learn that the handloom industry is once again facing a slump in the market. In the month of December 1957, nearly Rs. 85 lakhs worth of goods were lying accumulated in the godowns of the societies. The slump may be a passing phase: but still, this is a disturbing situation and calls for immediate attention. One of the reasons for the slump is the recent reduction in the consumer rebate from 9 nP. to 6 nP; the amalgamation of the sales tax in the central excise has furthe aggravated the problem. The medium count cloth of the mill industry has gained competitive strength over the handloom cloth in the process. The competitive potential of the mill sector has been increasing due to the execessive production of the mil goods; for instance, the mil industry has far exceeded, th target of 5,000 million yards set t it by 400 million yards even i 1957. The excess mill productio encroaches into the field of handloom sector and competes with i coupled with that, the reductio in mill cloth prices, especially th medium-count cloth adds to th severity of the mill cloth competition. The handloom sector unable to meet the competitio of the mill sector; if at th juncture, the rate of rebate reduced, the demand for mill clot declines and slump in handloo market becomes a disturbi trend.

Yarn to Handloom Sector

There is another factor, whic while enhancing the competiti strength of the mill industry proportionately decreases that of the handloom industry and that is the price of the yarn available to the hadloom industry. It is common knowledge that handlooms get yarn at a cost, which is definitely 10 per cent higher than that of the mill sector. This tilts the situation definitely against the handloom sector even at the point of yarn puchase. The Government of India should institute a thorough enquiry into this aspect and make necessary arrangements to make yarn available to thehandloom sector at least at the same rate at which the mill sector obtains yarn. That is the only way to remove the initial imbalance.

Solution

Now an urgent interim solution should be found for the imminent problem of the accumulation of handloom cloth. One of the surest methods is to restore the old rate of rebate of 9 nP. Whatever might be the situation in other States, the position in Madras calls for the early enhancemnt of the rebate from 6 nP. to 9 nP. Further, whenever such slumps occur or on ceremonial occasions like the Deepavali or Pongal, the rate of rebate may be enhanced to 12 nP as was done during the fifth All-India Handloom Week. We are sure that Government of Madras would do everything in their power to help the handloom industy.

Better Business Through Organisation

Sri M. P. Nachimuthu, President of the Madras State Handloom Weavers Co-operative Society in an article discusses the need for centralisation in the matter of yarn procurement and marketing. He pertinantly points out the immense advantages of bulk purchase of yarn by the apex society. According to his estimate, if the entire requirements of yarn are purchased by the primaries from the apex society, every month 7,500 bales of yarn would be required. The working capital required for the purchase of yarn would be about Rs. 100 lakhs. At present, the allotment for yarn business is only Rs. 20 lakhs. So there is an urgent need for increasing the working capital and primaries should co-operate with the apex society in this noble endeavour. Scattered and individual yarn purchases by the societies in a free market is not an healthy practice. On the other hand, if they mobilise their resources and help the apex society, they will be in an uneviable position of being the strongest single bulk purchaser of yarn in this State and gain all the advantages of scale and federal organisation. The glorious record of the yarn control period and the great services rendered by the apex society during that period should not be forgotten. Similarly, with respect to market- ing, primary societies, at present, make their wholesale sales direct, but they also utilise the services of the State Society in the matter of introducing the products in the far-flung markets and in retail sales. The President of the State Society argues that the societies should also utilise the marketing services of the apex society even in wholesale sales, as that would ensure a more profitable method of marketing. These two suggestions are born out of experience and we appeal to the members of weavers co-operative societies to give their earnest consideration to them and thus improve the inherent strength and vitality of the weavers' co-operative institutions in this State,

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Rural Co-operative Societies in Japan

BY

P. P. I. VAIDYANATHAN, I.C.S.,

Secretary to Government, Food and Agriculture Department, Madras.

A great deal of interest has been aroused in this country on the working of co-operative societies in Japan especially after the Report of the Indian Delegation on Co-operatives was published last year.

"More than 95 per cent of the total farm households are members of co-operatives which supply 39 per cent of the total agricultural finance and hold 65 per cent of the total savings of farm households. 96 per cent of the surplus rice and 85 per cent of the surplus wheat and barely are marketed through co-operatives."

(Extract from the Report of the Delegation.)

2. I happened to be in Japan for a few days in December 1957 and made use of the opportunity to study the working of a few of these Rural Co-operative Societies. These Societies are multipurpose societies in the best sense of the term and a study of their organisation and function might be of considerable interest to co-operators in this State. I am, therefore, giving below a fairly detailed account of the functioning of one typical society.

3. The Hiratsuka Kaneda Agricultural Co-operative Association is a multipurpose co-operative society meeting all the needs of the farmers of one village. This village is situated about 60 miles from Tokyo and although the economy is rural, it has developed taking full advantage of the market provided by the large city. The total number of regular members is 209 and all of them are farmers belonging to one village. In addition to these members, there are 65 associate members, who are not farmers, but reside in the village. The total capital owned by the society is 3,000,000 yen (Rs. 40,000) and the total deposits made by the regular members of the society is 55,000,000 yen (Rs. 72,000). The gross profit made last year were 5,500,000 yen (Rs. 73,333) but after deducting expenses, payments to reserve fund etc., the net profit left was 120,000 yen (Rs. 16,000).

4. The functions of the co-operative were described by the society as the following in the order of importance: (1) Marketing; (2) Credit; (3) Supply of Agriculturists requirements; (4) Processing of agricultural products and (5) Technical guidance to members.

5. This area produces rice, wheat, barely and fruits and there is a surplus of all these which is sold outside the village. The villager is at liberty to sell to private merchants, but usually sells through the co-operative, as he gets a substantial rebate. The total value of agricultural produce sold by the society last year was 29,000,000 yen (Rs. 3,86,666).

6. The society advances short-term credit only and the whole of the loan has to be repaid within a period of one year. Usually, the farmer sells his produce through the society and the loan is adjusted against the price. The total amount advanced to the members last year was 4,500,000 yen (Rs. 60,000). The average loan advanced to a member was 68.000 yen (Rs. 907). Under the by-laws

of the society, the maximum loan which can be advanced to a member is 1,00,000 yen (Rs. 1,333). The loans are advanced on the strength of the security of the borrower and one collateral security is always insisted upon. I was told that there are no bad debts and the number of cases in which the collateral security had to be proceeded against was very small, though in a few cases the borrower was given a short extension of time for repayment.

7. The Co-operative Society supplies the principal requirements of the farmers and the following was the value of the things supplied last year.

Fertilisers	...	5,500,000 Yen
Feeds	...	6,700.000 ,,
Agricultural equipment and implements	...	3,98,000 ,,
Agricultural chemicals, i.e. insecticides and pesticides	...	2,80,000 ,,
Consumer goods	...	1,000,000 ,,
Total	...	13,878,000 ,, or Rs. 1,85,040.

8. The following further details may give a better picture of the work done. The society supplies 98 per cent of the fertiliser requirements of the village even though some private dealers also operate in the area. About half the fertiliser supplied is Ammonium Sulphate and the remaining half is made up of mixtures supplied by the mixture manufacturers, who supply the co-operative society. The feeds are mainly bran for feeding the poultry and pigs which are kept in considerable numbers. The agricultural equipment supplied consist mainly of ploughs, sickles and threshing machines. The consumer goods supplied by the society were mainly cloth and grocery.

9. The society owns and runs a rice-huller and a flour mill. Hulling of rice and the grinding of corn are done for the members and a charge is levied. The rate for hulling rice was 60 yen (About 12 annas) for a bag of 60 Kilograms (132 lbs.) and the rate for grinding wheat was 190 yen (About Rs. 1/8) for a similar bag. The total quantity of grain handled in the mill in a year was 30,000 bags. The total foodgrain surplus of the village is handled by the society. The society handles all the milk produced in this area. The milk is brought by the farmer to the society, where it is weighed and pooled for collection and delivery to the town merchant, who takes delivery from the society.

10. The guidance, the society gives to its members consists in technical advice on solving the ordinary problems like minor pests and use of fertilisers. For this purpose, the society maintains an agricultural graduate on its staff and this officer acts as a liaison between the farmers of the village and the Extension staff of the Agricultural Department. He solves most of the problems himself and where necessary, he consults the extension officers. This is particularly useful as the agricultural extension officer has a jurisdiction covering about 2,000 farmers families and may not be able to reach them all.

11. The society performs some other welfare activities. It maintains a radio set and a telivision set for the use of the members. It runs a barber's shop for the members, who get their heir cut at concessional rates. The society buys small pigs and leaves them in charge of some of the members for rearing and fattening. The pigling is really given on credit and when it is sold by the farmer, the society deducts the cost and interest. The selling of these pigs is done through the society. There is also a system of insurance of the pigs financed jointly by the farmer and the society and in case the animal dies, the society is not put to any loss. The farmer is also allowed feed on credit on the security of the growing pig.

12. The Co-operative Society gets its finance, supplies and other assistance from the Provincial Central Union of Agricultural Corporation, which corresponds to our District level society. These societies join up together and form a national society. I was told that this society I visited was one of the smallest in this district, which has 25 societies of this type with a much larger membership. The population of the district was 3,00,000.

Co-operative Farming*

By

Sri A. PALANIAPPA MUDALIAR, M.A., I.A.S.,

Registrar of Co-operative Societies, Madras.

I am sure many of you have been hearing particularly in recent times, of 'Co-operative Farming'. What does this term signify? It is differently understood by different people. We should, therefore, know precisely, what we mean by Co-operative Farming, when we talk about it.

Co-operative Farming should be distinguished from other forms of farmers' co-operatives. A service co-operative represents an association of farmers organised on a co-operative basis for the purpose of dispensing cultivation credit, supplying agricultural requisites, and generally to assist its members to carry on farming. A co-operative better farming society is designed to introduce improved methods of farming. A Co-operative Tenant Farming society is one, in which lands obtained either on freehold or on leasehold is divided into small holdings, each of which is leased to an individual cultivator, who is a member of the society. Co-operative Farming is the final stage of agricultural co-operation and it implies the organisation of a co-operative society, in which lands will be held, if not owned, in common, labour and other resources will be pooled, cultivation operations carried on in common and the net income shared between the members on the basis of the land contributed by them and/or on the basis of the labour contributed by each.

When owners pool their lands and other resources and organise themselves into a co-operative farming society, it is known as 'Co-operative Joint Farming Society'. When non-owners organise themselves into a co-operative farming society and take lands on lease or otherwise for common cultivation, it is known as 'Collective Farming Society'. In both kinds of farming societies, however, the pattern of cultivation is the same (i.e.) common cultivation and sharing of the net produce, the only difference is, that in the one, the ownership of the land is with the members and in the other, it is not with them. The Joint farming society recognise individual ownership and pays ownership dividend to the members. This question does not arise in a collective farming society, as ownership does not vest with the members. The net produce is shared between them on the basis of the labour contributed by each (i.e.) to say, on the basis of the wages earned by each.

2. Now, why is it that the formation of co-operative joint farming societies and collective farming societies is advocated? Many advantages are claimed for this pattern of cultivation. First, such a system is considered to be an answer to the evils of our agrarian economy and the law of inheritance, which have led to sub division and fragmentation of holdings. As a large and compact block is available for cultivation, it facilitates a more rational utilisation of labour and other means of production. It generally secures the economy arising out of large scale organisation, and thus leads to greater agricultural production, greater income to the farmer, and consequently to a better standard of living for him. Those, who oppose this system base their critisism on the element of compulsion that this system might involve, the possible degrading regimentation of peasants that this might lead to the possible reduction of the status of the farmer to a mere wage earner. It is also said that the genius of our people is more suited to peasant farming, and that the incentive inherent in peasant farming will be conspicuous by its absence in the system of joint or collective farming.

The critics of Co-operative Farming probably have in mind the methods by which co-operative farming societies (known as agrarain co-operatives in China) are reported to have been brought into existence in that Country. The working of these agrarian co-operatives has come into prominence through the publication of the recent report of the Indian Delegation to China, which visited that country to study the working of these co-operatives. It is stated that when the present Government of China came to power in 1949, it confiscated the lands of the landlords, their draught animals, farm implements surplus grains, surplus houses etc., and distributed them to all the agricultural families in the villages. After such distribution, the holding of a peasant was very small and unsuitable for economic cultivation. Though disparity in land holding disappeared over night, a remedy had to be found for the inevitable evils of small scale cultivation on the tiny lands distributed to the rural families, and this remedy was found in the formation, of the agrarian co-operatives. The method by which agrarian co-operaties was brought into existence whether it was by coercion or conviction is still in the realm of controversy and it is not necessary for me to deal with this aspect; whatever it was in China, there is no doubt about the method which we in our country, should adopt to bring about co-operative farming. It is going to be purely on a voluntary basis, when the agriculturists in an area are convinced by persuasion and propaganda of the utility of large scale farming on co-operative lines. And as our Prime Minister recently observed in his message to the fifth Anniversary number of the "Kurukshetra" "Co-operative Farming wherever possible and agreed to will be good but it must be clearly understood that that can be no imposition and can be brought about only by the agreement of the parties. To begin with, there must be service co-operatives and as these succeed, the next step may well be some joint farms, where new land is brought into cultivation; it may be possible to have this joint cultivation to begin with".

3. Let me tell you now, of what has been done already in the direction of organising such co-operative farming societies in our State. There are now three joint farming societies one in each of the districts of Madura, Chingleput and Coimbatore. The earliest is the Valundur Joint Farming society in the Madurai district, which is barely an year old. About 200 acres of land owned by 220 small land holders of this village were pooled together and cultivation undertaken by the society as a joint endeavour. The members were paid the value of the labour contributed by them. Besides 60 per cent of the net produce obtained from the lands, was distributed to the members, with reference to the value of the land placed by each in the common pool. Government were pleased to sanction to this society, a sum of Rs. 3,200 as free grant, towards

Source: This article has been published with the kind permission of the A. I. R., Madras. The article is the text of a radio talk delivered by Sri A. Palaniappa Mudaliar, Registrar of Co-op. Societies, Madras on 16-11-1957.

share capital, and purchase of bulls, and a sum of Rs. 32,500 as interest free loan for the sinking of wells, installation of pumpsets and purchase of agricultural implements. Government have guaranteed the repayment of loan to the Central Bank upto an extent of Rs. 70,000 obtained by the society for the cultivation expenses. Government have also given the free services of the staff to run the society. The total yield of the land brought under joint farming was found to be more than the total yield prior to the introduction of the scheme by about 26 per cent. The share of each member including the value paid to him for the labour contributed by him was generally higher than what he got previously. It is expected that in the coming years the individual share of each member will be substantially higher. While it cannot be said that all the members have completely realised the advantage of joint effort, and that the individualistic outlook has totally disappeared, yet there is no reason for despair. This individualistic outlook has its roots in the generations past and in the agrarian economy of our country, which is centuries old, and cannot vanish overnight; nor can we expect this outlook to disappear completely in the agrarian sector, without a change of outlook in the other sectors as well. But patient and persistent propaganda combined with an actual demonstration of the tangible advantages of large scale farming on co-operative lines, will bring about the desired change and create the proper atmosphere for the development of this system of economy.

The second society has been formed at Sivagiri in Chingleput District. About 200 acres of land owned by about 20 agriculturists have been offered for joint cultivation and actually, joint cultivation is in progress on about 66 acres of lands this year. Government have sanctioned a sum of Rs. 10,000 for the construction of a godown for this society (half as free grant and the other half as interest free loan), and Rs. 6,000 as interest free loan towards purchase of bulls, carts and thrashing machine. Besides, Government have guaranteed the repayment of loan upto Rs. 15,000 obtained from the co-operative central bank by the society for cultivation expenses.

The third society has been formed in a village called Nadhagoundenpudur in the Coimbatore district; in this society about 105 acres of land have been pooled for joint cultivation. Government have sanctioned an interest free loan of Rs. 24,000 for the sinking of wells and installation of pump sets and have also agreed to guarantee the repayment of loan of Rs. 33,000 to be taken by the society from the Central Bank for cultivation expenses. The sinking of wells is in progress in the society.

4. You are all aware of the countrywide movement launched by Sri Vinobhaji, under whose inspiration, land owners in many villages have renounced their rights over their lands and agreed to join in a socialistic pattern of society. The atmosphere in these villages has become very favourable for the success of the ideals of Community Development through co-operative effort, particularly in the direction of co-operative farming. Many of the Gramdhan and Bhoodan villages are in theMadurai district of our State and a few in other districts. Efforts are being made to organise co-operative joint farming societies in these villages by taking advantage of the favourable phychological climate created by the Vinobhaji Movement. In the Coimbatore district, a society

has been already formed in a Bhoodan village by name Thaneerpandalpudur, where about 300 acres of land have been donated to the landless poor by the land owning classes. A part of the donated lands will be cultivated by the society in common and the remaining lands individually by the donees, who are the members of the society.

There is scope also for forming co-operative farming societies in compact block of lands owned by temples and other religious institutions. Four societies have been formed in Tanjore district in respect of such temple lands. At the out-set, the method of cultivation in these societies will be of the individual pattern, joint farming being introduced in due course, with a gradual change in the attitude of the tenants, who cultivate the lands. Given the proper conditions, there can be no two opinions about the superiority of joint farming to individual farming. Writing over a decade and a half-back, Gandhij had observed "I believe that we shall not derive the full benefits of agriculture until we take to co-operative farming." Does it not stand to reason that it is far better for a hundred families in a village to cultivate their lands collectively and divide the income therefrom than to divide the land any how into a hundred small portions? In the context of our growing populations and the need for creating self sufficiency in food for the successful implementation of the Second Five Year Plan in the various sectors, one can hardly overstress the importance of stepping up our agricultural production. Farming on a co-operative basis, is one of the best means of acheiving an appreciable increase in agricultural production by mobilising the resources required for the purpose and at the same time by doing it in such a manner as to promote the objective of the establishment of the socialist Co-operative Commonwealth. In recognition of the effective part which co-operatives can play in this respect the Sixth Development Commissioners' Conference held at Mussoorie in April 1957 recommended that atleast one co-operative farming society should be established in each Development Block. The Inter State Regional Seminar of the Collectors and Heads of Department held at Kodaikanal in April 1957 also stressed the need for encouraging co-operative farming particularly in the villages coming under the Bhoodan movement. At the conference of the Heads of Departments and other officials held at Ooty in May 1957 to consider ways and means of stepping up agricultural production in the Development Blocks, it was resolved that atleast one joint farming society should be established in each block area on a purely voluntary basis. In pursuance of these recommendations, steps are being taken for the establishment of co-operative farming societies in Community Development and National Extension Service blocks and also in the Gramdham villages. With the co-operation and understanding of the agriculturists, who volunteer to organise themselves into co-operative farming societies, and with the sympathetic and generous help of the Government, I have no doubt that co-operative farming societies can be formed in appreciable numbers, which I hope will bring about a large scale change in the pattern of agricultural economy in our State, and usher in an era of prosperity to the farmers. Let us, therefore, march forward in the attainment of this goal of co-operative farming, which we had set for our rural economy.

Prospect and Retrospect

By

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

President, Madras State Handloom Weavers' Co-op. Society.

The Madras State Handloom Weavers' Co-operative Society, Ltd., was registered in the year 1935, when 45 Weavers' Co-operative Societies were functioning in the State, with the main object of purchasing yarn for supply to the Weavers' Societies and for marketing their products. The initial share capital was found by the benevolence of the individuals, Mills, Central Banks and other Co-operative Institutions joining the society as sympathisers to help the cause of weavers in the co-operative set up. Since then, the activities developed and the society reached the zenith of its working on the eve of the partition of the Madras State in 1953 when it had 1195 Primary Weavers' Co-operative Societies with 2.17 lakhs looms.

2. Though the partition weakened the society by taking away 45 per cent of the Assets and Liabilities to the share of the Andhra Society, the Cess Fund Schemes helped to develop its activities and increased both the Share Capital and the Working Capital. But with the Re-organisation of States, as a consequence of which some districts joined the Kerala and Mysore States, the resources dwindled further by 3.66 per cent. With the State Government subscribing in the shares of the society, the Share Capital position improved and consequently the Working Capital too. To-day it has 959 societies with 1.90 lakhs looms working in them and to market their productions, 287 Depots and Emporia are functioning throughout the State and outside in addition to depots in the Far East and the Middle East under the External Marketing Scheme run till recently as the agent of the All India Handloom Board.

3. Seeing the development of the several primaries which have stabilised their position and are trying to function independent of the State Society, we have to consider whether the State Society has outlived its purpose and whether its line of activities should be changed. After over two decades of strenuous efforts and privations too, the State Society has the satisfaction of seeing the primaries standardising their products, increasing their output and popularising their goods in all markets, thereby doing extensive business. These have been possible for Primary Societies, because the primaries have functioned with great responsibility as production-cum-sale societies and not as mere production units leaving the marketing to the care of the State Society. This has helped them to regulate production to the requirements of the market and to work up to the law of supply and demand. This has also fixed the responsibility on them to sell what they produce and consequently to keep up a standard guaranteeing colour fastness and correct specifications. The State Society has mainly looked to the purchase and distribution of raw materials required for the industry, now and then giving some technical assistance in the matter of production and assisting them in providing marketing intelligence and help by taking over a portion of their goods for sale in the several emporia started by the Society in important towns and cities. This mutual adjustment

with the federal out-look of primaries functioning as independent production units with the State Society at the top has helped both to share in fortunes and miseries of the industry.

In the matter of supply of raw material required for the industry, the State Society has done its job by approaching the mills directly and with the assistance of the Government for definite quotas for supply to the primaries of their requirements in the pre-control period. In the control period it has obtained the yarn required by primaries at Ex. Mill rate, a rare privilege enjoyed by the Co-operatives when the market outside has upset the entire economy of the Textile Industry. But for this, several Primary Weavers' Co-operative Societies would not have earned a fortune to build up their resources or their reputation to count themselves as an entity to-day in the co-operative set-up. The State Society itself owes its gratitude to the Government for the confidence they have reposed in it by entrusting the entire distribution of yarn to it for a while. It was then a period, when the demand exceeded supply and business morality was at the lowest ebb. Any deal would mean profit, the unscrupulous amassing at the expense of the innocent and the helpless. Societies, which have availed this opportunity prudently are better to-day and their war time savings have run to several lakhs of rupees.

On the technical side, the Primary Societies, by taking to the production of standard cloth (dhoties and sarees) gauze, bandage, plaster of paris, China sheeting, Musree, twills, Burmah lunghies and the rest both for civilian and army consumption, have developed the technique of production. On the marketing side, the State Society has opened depots in important cities and towns and arranged for sale of goods produced by the primaries procured at strict costings. The goods sold in good faith on their own label, have gained publicity to their products which has not a little helped the primaries later to find direct contacts in those places. At one time it so happened that primaries could not make even a token supply to the State Society on account of heavy demand from outside. It was no wonder as it was a time when men and women stood in queues to take their requirements, as shops greeted them with empty racks.

We have come to a stage when there is no more control in the market for yarn. Now there is also plenty of yarn available in the market more than what the industry could take, compelling authorities to relax export restrictions to keep up prices. The primaries have been tempted to take their yarn requirements from outside, even overlooking the principle that helped their consolidation in the past. The financial gain in the transactions to some of the primaries in mill purchases have encouraged others also to resort to open market purchases. Some of the Primary Societies have been tempted to take yarn for credit to get over the strain of finding money for purchase of yarn from the State Society. This difficult situation is also caused by the lack of financial resources to the State Society to purchase and keep sufficient yarn to meet the entire requirements of the primaries. In the present strength of 959 Primary Weavers, Co-operative Societies working 1.90 lakhs looms, the normal requirements are about 7,500 bales a month costing roughly Rs. 60 lakhs, requiring a working capital of nearly a crore of rupees for the State Society for doing yarn business alone. The present provision is only Rs. 20 lakhs for this business and consequently it cannot supply more than 20 per cent of the yarn requirements of the primaries. But in the interest of the movement some effort must be made to revive the arrangement obtaining during the control period, when the primaries took their entire supply only from the State Society, as under the present arrangement of the primaries making their own purchases it neither helps the Primary Society nor the State Society. Opportunity is now provided for the trade to exploit the situation. The State Society has no claim as a qulk purchaser of yarn, to impress upon the producing mills or compel them to supply at reasonable prices. The movement, therefore, is fast losing the advantage of bulk purchase of the raw material required by the industry for distribution to the primaries at competitive rates. There is no need to feel despondent over the matter as what is required is a feeling of oneness to fulfil the object of a productive organisation. The initial working capital will not be a problem, if primary societies could realise the advantage and come forward to subscribe share capital proportionate to the looms. It should be possible for the State Society then to raise further credit to handle the business with maximum assistance to the primaries fulfilling its laudable object. There may be no yarn dealer in the State to handle a volume of business equal to that of the State Society and with the above arrangement, the State Society will have a unique position and can even influence prices in the market.

In the matter of marketing, the State Society has greater responsibility to fulfil. Neither the primaries nor the State Society should feel complacent simply because the former have found an independent market for their goods and the latter has opened a large number of sales depots. No society could be sure of disposing of its productions independent of the assistance from State Society. They cannot take their goods for sale to all markets even through agents. If the goods of the primary societies should reach every market or all possible markets, it must be only through the services of the State Society. The publicity so gained through the services of the State Society will be better than publicity gained through any private agency. But presently the State Society as a marketing organisation has certain handicaps to face to-day as the products of the primary societies are sold direct to dealers under rebate, which is more advantageous to them go through the State Society. In so doing, each primary society acts with some competition with other societies, unware of the disastrous effects that follow the present method. It is this competition that has narrowed down the profit in some cases even below the rebate margin. But in the normal period, this would not be possible. There will be more of dependence on the part of the primaries on the State Society. It would then be difficult for the State Society to rise up to the occasion and revive its bulk trade. With Rs. 68 lakhs of Cess Fund Loan and Rs. 20 lakhs of Reserve Bank accommodation, the State Society could handle more than 25 per cent of the production of the primaries. It does not mean that to handle more business proportionate capital resources are necessary. Heavy working capital is locked up because only retail trade is done by the State Society, while

bulk of the wholesale business remains with the primaries. In retail business, Working Capital is locked up and the turn-over is not more than 3 times the initial outlay, whereas wholesale business can admit of a rapid turnover of 8 to 10 times the capital. It is this advantage that the State Society should avail itself of and it wlll not hesitate to shoulder the responsibility, if the confidence and trust of the primaries are forthcoming, as no doubt they will.

On the Road to Progress*

(Contributed)

Since the dawn of civilisation, India has been the home of a peerless art and craft tradition that has survived sweeping changes. This tradition has been kept alive and improved by generations of artists and craftsmen, who translated their dreams and visions into astonishing products of art.

In the manufacture of textiles, for instance, India was the pioneer and the leader. Her artisans were artists and the fabrics produced by them were products of art. An inherited skill, an acquired but expert knowledge of colour chemistry, a sensitive artist's mind that envisioned new designs--these combined to make the Indian weaver the producer of fabrics, which reflected the culture of the land and which were suited to changing seasons, changing tastes and fashions and changing phases in the life of men and women. As a result of the interaction of historical and geographical, social and religious forces and factors, each region evolved its own textile tradition and became known for the production of distinct varieties. The silk brocades of Banares, the Tie and Dye products of Orissa, the Himroos of Hyderabad, the khes of the Punjab, the prints of Farukhabad, the Pheneck and Tonger and Bottle designs of Assam and Manipur, the muslins of Chanderi, the sarees of Kanchepuram, Madurai and Venkatagiri and the lunghis of Madras—these are some of the more widely renowned varieties, the production of which got localised.

The Crisis of 1952

This textile tradition would have gone on enlarging and improving, had not the mills come on the scene to threaten the very existence of the Handloom Industry and the very life of the handloom weaver. The incursion of the mill did arrest the growth of the Handloom Industry but failed to kill it. The industry languished. But during the war years, there was a boom and the looms that were idle came to life. The boom was, however, followed by a depression which hit the handloom industry severely. This crisis threatened to kill the ancient industry, which has managed to survive many great ordeals. Since the extinction of the industry meant the unemployment of lakhs of artisans and also the extinction of a great craft tradition, the Government of India decided to provide all possible help to the industry. They levied an additional excise duty on mill cloth and with that money constituted a fund for the development of the Handloom Industry. They constituted the All India Handloom Board to advise them on the problems of the industry, examine schemes submitted by the State Governments for the development of the industry and make recommendations for financial assistance from the Cess Fund.

When the All India Handloom Board was constituted in 1952 with the Textile Commissioner to the Government of India as its Chairman, the main problem that confronted it was the organisation of weavers on proper lines and the extension of assistance in different ways for the development of the industry. The Board decided that the best way was to organise the weavers into co-operative societies and extend assistance through co-operative societies for the production and marketing of handloom cloth.

Development Schemes

The General Principles indicating broadly the directions in which the development of the industry should proceed were laid down by the Board from time to time with the concurrence of the Government of India. These also indicate the kind and extent of financial assistance, that the Government of India would provide for different schemes of development. The State Governments draw up specific schemes within the framework of the General Principles, taking into consideration the priority needs of the industry in their respective areas. The Board scrutinises these schemes and sends them up to the Government of India with its recommendations. On receipt of financial sanction from the Government of India, the schemes are implemented by the State Governments.

The schemes for the development of the Handloom Industry fall into five board categories: (1) schemes relating to the organisation of weavers into co-operative societies; (2) those relating to the provision of working capital to weavers' co-operative societies to ensure continuous employment; (3) those designed to improve the quality and quantity of production; (4) those designed to promote the sale of handloom cloth; (5) and those relating to the provision of social amenities to the weavers. A survey of the progress recorded by this industry as a result of the implementation of the development schemes is given in the following pages.

Co-operative Method

Out of an estimated number of 28,80,000 handlooms in the country, 6,82,083 looms were reported to have been in the co-operative fold in October 1953, when the All India Handloom Board started financing development schemes from the Cess Fund. The number of looms in the co-operative fold increased year by year and stood at 11,22,535 at the end of September 1957. The financial aid given to the various states to organise weavers into co-operative societies amounted to Rs. 93,09,065 upto 31-12-57.

The co-operative method has been found most suitable for organising independent weavers; But the same principle could not be extended to help weavers working in handloom factories in Malabar and other places. The conditions in many of these factories owned and run by capitalists are not very happy and the weavers working on wage basis have no guarantee of continuous employment and have even to face total unemployment. Their problem called for a different solution and Handloom Board decided that, wherever conditions were favourable, factories that had closed down should be converted into industrial co-operatives. Financial assistance towards share and working capital, purchase of looms and accessories, land and building etc. were given for converting factories into industrial co-operatives. A sum of Rs. 10,57,367 has been given in respect of ten industrial co-operatives, three of which are in Kerala, four in Madras, one in Bombay and two in Bihar.

Working Capital

After organising the weavers into co-operative societies, the question of providing the societies the wherewithal to purchase yarn required by the weaver-members and to take back the cloth produced by them becomes important. This is being solved by providing the societies working capital at the rate of Rs. 200 per loom (now increased to Rs. 300). A sum of Rs. 6,88,74,975 has been sanctioned to the various State Governments from the Cess Fund upto 31-3-1957 as loan towards working capital. Till 31-3-1957, working capital for production was being sanctioned from the Cess Fund to the States. It was considered that institutional financing would help the industry get all its loan requirements and so the Government of India decided, after consulting the State Governments, that working capital for production and marketing should be drawn from the Reserve Bank of India from 1-4-1957. A suitable scheme has been evolved for the purpose and the State Governments are taking steps to work out this scheme.

Steps have also been taken to make the raw materials required by the weavers easily available to them. The Handloom Board encouraged the formation of apex societies, which could buy yarn directly from the mills and supply it to the primary societies at a favourable price, thus eliminating the intermediary agencies, whose profits help inflate the price of yarn. The Board is also assisting in the establishment of co-operative spinning mills, which would sell their entire yarn production to weavers' co-operative societies. A sum of Rs. 33,81,106 has been sanctioned upto 31-12-1957 for four co-operative spinning mills in Andhra, Bombay, Bihar and Madras.

Improved Appliances

The earning capacity of the weaver is sought to be increased by introducing in handloom weaving several time and labour saving appliances that would help improve quality and increase the output. Improved processes of dyeing of yarn and finishing of cloth have also been introduced. Grants are being sanctioned for the supply of slays with or without cloth roller and warp beam, take-up motion attachments, dobbies, jacquards, healds, reeds, drop-boxes, roller temples, warping drums etc. Assistance is being given for conversion of throw shuttle looms into fly shuttle looms. A sum of Rs. 218 per loom is being given for the conversion of old looms into frame looms. Besides the above, a few finishing plants have also been sanctioned for dyeing and bleaching and calendering the cloth produced.

In order to link handloom production with changing taste and demand of the consumers, the All India Handloom Board has set up design centres in Bombay, Madras and Kancheepuram (Madras State). More than 1500 designs have been produced by the Design Centre and as many as 625 have been distributed to the various manufacturers.

The Government of India have taken over the Central Weaving Institute at Banaras, which was being run by the Government of Uttar Pradesh. It is proposed to make it a Research and Training Institute. The Government Textile Institute at Madras will be shifted to Salem (Madras State) and made another Research and Training Institute.

These measures should set the industry on the road to attain the allotted annual production target of 2200 million yards by the end of the Second Plan period. The production of handloom cloth in 1956–57 is estimated at 1600 million yards. The estimated production for the year 1957–58 is 1664 million yards. The Handloom Board is considering measures to step up production with a view to attain the Plan target.

Marketing Facilities

The steps taken to increase the quantum and improve the quality of production have been followed by measures to enlarge existing markets and explore new markets for the handloom products. These measures have been designed to improve sales in each producing State, to promote sales in other States of goods produced in one State and to expand existing foreign markets and explore new ones. Financial assistance is being given to co-operative societies to open sales depots, to run mobile sales vans and to appoint hawkers to push up the sale of handloom goods within the State. Assistance is also given to open inter-State depots to promote inter-State trade. Towards the close of December 1957, there were 1417 sales depots, 36 mobile vans, 24 inter-State depots and 31 central depots in the country. A quick clearance of stocks in these sales organisations established by the co-operative societies was being facilitated by a scheme, which allows a rebate of one anna and six pies on every rupee worth of handloom goods purchased by the consumer. The Government have, since 1-12-1957, reduced the rebate from $1\frac{1}{2}$ annas to one anna in the rupee in order to make the savings thus effected available for other handloom development schemes. Since the introduction of the Rebate Scheme in 1953, a sum of Rs. 6.09 crores has been sanctioned upto 31–12–1957 as rebate on sale of handloom cloth.

Foreign markets for handloom products fall into two categories; traditional markets comprising West Africa, Middle East countries, Ceylon, Burma, Siam and Malaya and new markets. As regards the former, the Handloom Board has been implementing a scheme through the agency of the Madras State Handloom Weavers' Co-operative Society. Under this scheme, sales emporia are being run at Aden, Colombo, Singapore, Kulalumpur and Bangkok. The sales effected in these emporia during the period 1954-'57 (upto June) amounted to nearly Rs. 38,00,000. Government have since transferred the agency to the All India Handloom Fabrics Marketing Co-operative Society, which has taken over the foreign depots from 1-1-1958.

Interest in U.S.A.

As regards new markets, the United States of America has lately been evincing great interest in Indian handloom products. A team of American experts was invited to tour handloom production centres in India and to suggest ways and means of building up an export trade in handloom textiles that would suit the tastes of American people. The team which toured the country towards the close of 1956 has submitted its report and it is under the consideration of the Government of India. Besides U.S.A., West Germany also offers prospects for a good sale of handloom fabrics. A delegation which included two members from the handloom industry recently visited West Germany to explore the possibility of a market there. It has been felt that, with a view to consolidate existing markets and secure new markets, the handloom goods should be of assured quality. The Handloom Board has finalised a scheme for the inspection and quality stamping of Madras Handkerchiefs exported to West Africa. The scheme will be extended to all handloom fabrics meant for export.

The All India Handloom Fabrics Marketing Co-operative Society was ushered into being with a view to promoting export trade and inter-State trade of handloom cloth. The Society has opened two emporia, one in Bombay and another in Madras. Proposals are under way to open two others in Calcutta and Delhi. The Society has been asked to take over the External Marketing Scheme from the Madras State Handloom Weavers' Society and for this purpose, the Government of India have sanctioned a loan of Rs. 10 lakhs and a grant of Rs. 4.54 lakhs covering 50 per cent of the establishment expenses including internal and external marketing of the Society for one year beginning from 1-10-57.

Publicity Programme

A scientifically planned campaign of publicity is being carried out with a view to popularise the creations of the Indian handloom weaver and to create a climate for the sale of handloom fabrics. This is being done both by the Handloom Board and by the State Governments. A sum of Rs. 10,91,315 has been given to the States for this purpose up to December 1957. Press advertising, neon signs, cinema slides, kiosks in railway stations and air-ports, publication of Handloom Journal, distribution of illustrated folders, posters, blotters and calendars, running of sample show rooms and participation in exhibitions are some of the items in the programme of publicity undertaken by the All India Handloom Board. A sum of Rs. 28.44 lakhs has been spent from 1935 to September 1957 on the various items of publicity handled by the Handloom Board.

The Celebration of the Handloom Week every year and participation in exhibitions, fairs fashion shows etc. in the country and abroad are the two major items that focus public attention on the Indian Handloom Industry and the range of alluring fabrics it produces. The All India Handloom Week is being observed during the last four years and the total sales effected during the Week in 1955 '56 and '57 amounted to Rs. 3.51 crores. As regards exhibitions, the Board has participated in all the important exhibitions in India. Also it has participated in exhibitions and fairs held in New York, Damascus, Leipzig, Marseilles, Stockholm, Venice, Prague, Zagreb, Frankfurt, Nairobi, Bangkok, Teheran, Peking etc. The handloom fabrics exhibited in these places had elicited the admiration of textile designers, fashion experts and the press.

Better Deal to Weaver

The measures devised to produce handloom goods in greater quantity and better quality are all measures designed to help the handloom weaver earn more and live a better and happier life. Without stopping at providing him just the facilities that would ensure continuous employment, the Handloom Board has devised schemes to give the weaver a good house, clean surroundings, and common facility services like dye houses, finishing plants, printing factories etc. Housings colonies for weavers with drainage, water supply, roads, schools and similar amenities are being established with financial assistance from the Government. The Government of India have so far sanctioned a sum of Rs. 18,97,513 for the housing programme. This scheme facilities the establishment of housing colonies in ten centres in Madras and two each in Andhra, Orissa, Bombay and Mysore.

Handlooms Worst Hit by Textile Slumps

By

M. SOMAPPA,

Member, All India Handloom Board.

The decline of the Handloom Industry started with the advent of the mills in the 19th Century. The mills received a great fillip during World War I and later the Government came to their rescue by levying a heavy import duty which was as high as 25 per cent on yarn imported for handlooms.

Again, preferential treatment was given by Government to textile mills during World War II resulting in the reduction of supply of yarn by 33⅓ per cent. A ban on export of cloth followed during the later part of 1947, which had the effect of loosing the export markets, which handloom cloth built up over long periods. Indiscriminate export of yarn during 1950-51 which drained the country of yarn and the handloom weaver got just ⅓rd his normal requirements and this forced the production down to 600 million yards. Controlled distribution of mill cloth reached the remotest corners of villages, which till then were the exclusive domains of handloom cloth. As a result, the villagers, who all along were using handloom cloth got accustomed to mill cloth. The Korean War and stockpiling caused a short supply of yarn and brought in a serious crisis in the handloom industry in the year 1952 and thereafter.

So grave was the crisis that even deaths due to starvation were reported and State Governments declared famine in weaving centres and opened gruel centres. It was at this time that Sri C. Rajagopalachari took up the cause of handloom weavers and strongly recommended the complete reservation of production of coloured sarees and bordered dhoties for the handlooms. This unfortunately was not implemented. Government, however, were pleased to permit partial reservation of dhoties, which was not found helpful to the industry. The Government, thereafter, constituted a Textile Enquiry Committee to examine the three sectors of the textile industry—mills, handlooms and powerlooms—and to recommend measures keeping in view the utilisation of resources, both men and material, in the direction that is socially most desirable.

Government Assistance

The year 1953 is significant in the history of the handloom industry, for it was in this year that the Government created a fund known as the 'Cess Fund' by levying cess on mill cloth to be utilised for rehabilitating the handloom industry. Handloom weavers all over the country are grateful to the Government of India for this step. Earlier in December, 1952, the All-India Handloom Board was constituted, with the Textile Commissioner as the Chairman. This Board accepted the report of the Textile Enquiry Committee excepting the portion relating to the introduction of powerlooms. Very many useful schemes have been provided for, for the development of handloom industry, the Cess Fund being the principal among them. (a) Bringing weavers within the co-operative fold, (b) provision of share capital and working capital loans to weavers' co-operative societies, (c) supply of improved looms and appliances, (d) marketing of handloom cloth both within the country and abroad including grant of rebate on sale of handloom cloth as an incentive to the buyer (e) sanctioning of model dyehouses; design centres, housing colonies for weavers, etc., and (f) propaganda and publicity are the other schemes.

The schemes are in the process of implementation. Working capital loan was raised progressively from Rs. 80 per loom to Rs. 200 per loom and on to Rs. 300 per loom with the gaining of experience as the earlier amounts proved inadequate. Societies have, since April, 1957, been asked to approach the Reserve Bank of India for working capital loan, under a new scheme, which unfortunately has not gone through owing to the rigid terms and conditions imposed. The most direct and effective measure in assisting the handloom industry was the grant of rebate on sales at 0-1-6 per rupee. This was introduced to remove the disparity in the price of yarn that would be available to the handloom weaver vis-a-vis the composite mills. This has gone a long way in promoting marketing of handloom cloth. There is need for the continuance of rebate at the above rate until such time that the disparity in yarn prices is removed.

Propaganda forms perhaps the most significant part of the ameliorative schemes, and we have been celebrating every year, the All-India Handloom Week.

Slump And Distress

The revised textile policy which was the outcome of the clamour by mills to produce more and enhance loomage fixed a production target of 5,000 million yards for the mill sector to be reached by the 2nd Five Year Plan period. The mill sector during the first year itself not only reached its target fixed for it, but far exceeded its limits by producing 5.306 million yards in 1956 and 5,400 million yards in 1957, while the handloom sector from 1,540 million yards in 1956, reached 1,650 million yards in 1957 as against its production target of 2,200 million yards to be attained by 1961. It is thus that the mill sector precipitated in the main the present slump in the textile industry. Other contributing factors, which accentuated the distress are, the lean crop for the year 1956–57; soaring prices of essential commodities leaving very little for the purchase of cloth to the bulk of the lower middle class and the prevalence of famine conditions due to drought in certain areas and excessive rains in certain others. Besides, the ultimate effect of abolition of sales tax on mill cloth in States and reduction of excise duty on medium cloth gave a fillip to the consumption of mill cloth with adverse effect on handloom cloth. On the top of this, the reduction in the rate of rebate on sale of handloom cloth from 0-1-6 to 0-1-0 per rupee made matters worse.

All these days, the emphasis was laid on production. It should now briskly shift to consumption, so far as the textile industry is concerned, since production in textiles has outstripped consumption. There is no lag in production. The need of the hour is marketing and the devising of measures to promote sales within the country and abroad.

Worst Hit

In this general slump in textiles, it is the handloom industry that is the worst hit, since it has no resources, nor is any financial aid forthcoming from banks or other

sources. The prices have slumped below economic levels and the condition of handloom weavers as a result is deteriorating day by day. One shudders to visualise the dark period ahead. It is now upto the Planning Commission and the Government of India to devise measures for correlating production in textiles with consumption before the situation goes out of control without ignoring the vast employment potential of the handloom industry.

The handloom industry is the crest jewel of the cottage industries in India. It is the largest cottage industry, next only to agriculture, deeply entrenched in the villages. It is providing direct employment to 75 lakhs spread over the entire length and breadth of the country on which 15 millions are dependent for their livelihood. It is contributing to one of the most essential consumer needs of the country, viz, clothing, and playing a very vital role in the economy of our country. It is noteworthy that the entire bulk of labour employed by mechanised industries stands at the meagre figure of 27 lakhs out of which the mill industry claims 8.6 lakhs. Out of the 8.6 lakhs employed in the cotton spinning and weaving industry hardly 2 lakhs are engaged in the weaving industry, the rest being accounted for by the spinning industry. Contrast this meagre figure of 2 lakhs supported by the mill industry, with 150 lakhs people for whom the hereditary cottage industry of handlooms is providing livelihood on its 25 lakhs looms. It is, evident, therefore, that steps must be taken immediately to avert conditions of crisis in the handloom industry and avoid unemployment and distress among these vest numbers dependent on this industry.

Handloom Industry—Its Problems and Prospects

(Contributed)

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

The industry has demonstrated a remarkable capacity for survival against heavy odds. In spite of the transformation, which our economy has undergone during the last 150 years under the impact of the industrial revolution in the West, the handloom industry continue to occupy a vital place in our national economy being second in importance only to agriculture. As against 5,000 million yards of cloth produced by the large scale mill industry, the handlooms produce a little over 1,500 million yards or nearly one-fourth of the total requirements of the nation.

The crisis, which the handloom industry had to face in 1952 was primarily one of lack of substantial demand for handloom cloth. This situation led the Government to formulate measures designed to stimulate the consumption of handloom cloth. Along with the long-term plans for the improvement of the industry, certain essentially short-term measures were also taken up to mitigate the severity of competition between mill and handloom cloth. In order to create a sheltered market for the products of the handloom industry, they also restricted the monthly production of dhoties by the mill industry to 60 per cent of the average monthly packings of this variety of cloth during the 12 months ended March 1952, and also prohibited the piece dyeing of sarees by the mill industry. Certain varieties of cloth such as bedsheets, bed-spreads, lungies, as bandage and gauze cloth, etc., were reserved for production exclusively in the handloom sector.

To abridge the gap between the prices of mill cloth and handloom cloth, an excise duty was imposed on mill cloth. Sales of handloom cloth were exempted from taxation. Along with these measures, the cess fund was constituted with a levy of an additional excise duty on mill cloth produced in the country.

The creation of the cess fund was a landmark in the history of the handloom industry. Since then the industry has recorded continuous and sustained progress without any serious setbacks.

Government have been anxious that the financial assistance provided by them should reach the weaver direct without being absorbed by intermediaries, and have decided to canalise all the assistance through the medium of co-operatives. As not all the weavers could find the necessary resources for participating in co-operative organisations, interest-free share capital loans were advanced to them to enable them to become members in weavers' co-operative societies. A sum of Rs. 20 lakhs has been sanctioned so far for this purpose.

Under the stimulus of this assistance, the number of looms in the co-operative fold increased

from 98,000 on Dec. 31, 1953, to about 1.90 lakhs on date. The number of looms in the co-operative fold now represents nearly 40 per cent of the looms in the entire State. The number of societies also increased from 566 on Dec. 31, 1953, to about 980 on date.

The admission of weavers in co-operative societies is only a means to an end. The objective is to give full and continuous employment to the weavers. To enable these societies in their turn to provide full employment to their members, working capital has been provided at the rate of Rs. 200 per loom through the co-operative financing agencies. On date about Rs. 162 lakhs has been advanced as working capital loans to weavers' co-operative societies and this has enabled them to provide increased employment to the weavers and pay higher wages than would otherwise have been possible. Thanks to the measure of assistance rendered to the weavers in the co-operative sector, the production and sales in weavers' co-operative societies registered a three fold increase.

Subsidies

Government have not been slow to recognise that marketing is the crux of the problem of handloom industry and have taken several steps to stimulate sales of handloom cloth. To step up the sales of handloom cloth, a scheme for the sanction of subsidy to weavers' co-operative societies to recoup a rebate allowed by them on their sales at 6 naye paise per rupee has been formulated. This rebate is now allowed by weavers co-operative societies on sales to consumers as well as wholesalers; besides consumers, co-operative societies have also been encouraged to deal in handloom cloth by being allowed subsidies to recoup the rebate allowed by them on the sales of handloom cloth. On special occasion such as the Handloom Week, an enhanced rebate of 12 naye paise per rupee has also been permitted on sales of handloom cloth.

The subsidies disbursed by the State on this account have increasad progressively and till now a sum of about Rs. 200 lakhs has been disbursed to recoup the rebate paid.

In order to enable the Madras State Handloom Weavers' Co-operative Society, the Apex organisation of weavers' societies in the State, to extend its marketing activities, interest-free loans to the extent of Rs. 75 lakhs have been disbursed to enable it to procure handloom cloth from the primaries and market it through its sales units. The number of co-operative sales units in the last four years has increased from about 50 to over 300 now. These units have enabled to handloom cloth to be popularised among larger sections of our population.

Government have also recognised that permanent improvement in the condition of the handloom industry can be had only if its technique is modernised, and the quality of goods maintained at a high level. They, have, therefore been providing financial assistance to enable the weavers to adopt improved appliances such as steel reeds, varnished healds, dobbies, take up motion attachments, etc. The free supply of these improved appliances has enabled the weavers to effect significant improvements in the quality of the handloom cloth.

In order to enable the handloom weaver to live in healthy surroundings, Government have drawn up schemes for the setting up of housing colonies for the weavers. Nine schemes for the construction of 978 houses at an estimated cost of Rs. 43 lakhs are under execution at Ammapet, Aruppukottai, Coimbatore, Kallidaikurchi, Dharmapuri, Srivilliputhur, Tiruchengode, Thingallur and Saidapet.

There is one class of weavers, viz., those without looms of their own, who cannot derive much benefit from the normal pattern, of schemes implemented through weavers' co-operatives. It has been realised that this class of weavers could be helped only through a factory run on co-opetive lines. Government have therefore sanctioned schemes for the setting up of four industrial co-operatives for handloom weavers at Karur, Madurai, Aruppukkottai and Manavasi. These societies give employment to about 300 weavers and other auxiliary workers. They produce fine varieties of shirtings, etc.

Assistance from the cess fund has also been extended to the silk handloom industry. Nine silk handloom weavers' co-operative societies have been started with assistance from cess fund. They had 1,100 members on the rolls with a paid-up share capital of Rs. 1,00,050. A general scheme for the enlistment of 500 silk weavers with the assistance from cess fund has also been sanctioned and steps have been taken to enlist 500 silk handloom weavers in new weavers' co-operative societies. Two art silk weavers' co-operative societies each at Chinnalapatti and Komarapalayam were assisted with the aid from cess fund for enrolling about 200 members. Under a general scheme for admission of 1,000 art silk handlooms with the co-operative fold sanctioned by Government, 600 art silk handlooms have been admitted into the co-operative fold.

During the Second Five-Year Plan, Rs. 728 lakhs have been earmarked for the development of the handloom industry. The schemes which have been programmed for implementation during Plan period relate to the enlistment of at least 50 per cent of the handloom weavers within the co-operative fold, the construction of 16 colonies of 1,600 houses at a cost of Rs. 74.29 lakhs for the benefit of weavers' co-operative societies, opening of 100 sales depots by the State society, issue of grants to co-operative to the extent of about Rs. 73 lakhs to recoup the rebate allowed on sales of handloom cloth, setting up of six industrial co-operative societies for handloom weavers, supply of improved appliances to tone up the quality of production of handloom cloth at an estimated cost of Rs. 10.85 lakhs and training of 1,600 weavers involving new designs and adopting improved methods of production, etc.

The Planning Commission has also set for the handloom industry a target of an additional production of 700 million yards of handloom cloth to be produced from mill yarn. Of this, the handlooms in this State alone have been required to produce additionally about 162 million yards. The successful fulfilment of this programme of additional production will enable us to provide increased employment to the weavers and enable the industry to take its rightful place in the national economy.

To celebrate the importance of and to take stock, as it were, of the position of the industry, the Government of India and the State Government have arranged for the conduct of handloom

weeks every year and this year the fifth handloom week had been celebrated. Every section of the industry—the yarn producer, the handloom weaver, the merchant, the weavers' co-operative societies and the consumer—has some role or other to play in the programmes connected with the Week, such as processions and public meetings, purchase and sale of cloth, exhibitions etc. The assessment of the results of the conduct of the Week held during the previous years has revealed that the industry has taken firm root, that the public have become more and more handloom-minded and that the handloom weavers are steadily realising their responsibilities to the industry and to the public.

Housing Colony for Weavers

Bx

T. R. K. SUNDARAM,

Housing Officer, All India Handloom Board, Madras.

The problem of housing weavers has all along been as acute as that of any other class of society. Housing for weavers was started in a very small way some six to seven years back.

Housing colonies sponsored by co-operative societies and aided by State grants, were started at Ondiputhur in Coimbatore district, Tiruchengode in Salem district, and Yemmiganur in Andhra State. Such of those houses as were constructed after the introduction of the Cess Fund were later on subsidised under the rules by the Central Government under the provisions of the Cess Fund. Sri J. C. Ryan, the then Registrar of Co-operative Societies of Madras State, was instrumental in starting the colony that was put up at Yemmiganur. During one of his inspections, he found the weavers of the society living in such unhygienic surroundings that it immediately struck him to start a housing colony. The construction of this housing colony was done in such an efficient way that results exceeded expectations. Many of the inspecting officers, who happened to visit the colony were much impressed. The then Minister for Commerce and Industries, Sri T. T. Krishnamachari, who visited it was so taken up with the idea of this housing colony for the weavers that he issued instructions that the aid to rehabilitate weavers should also include aid for building housing colonies for them by way of grants and loans.

The mode of providing this amenity was discussed and a set of rules to provide financial assistance for building housing colonies to weavers of Co-operative Societies on the following basis have since been enunciated:

(a) A sum of Rs. 3,600 including the cost of land or the actual cost of construction whichever is less for each house will be the standard for grant of loans:

(b) the Government of India will give a grant of $33\frac{1}{3}$ per cent of the above cost;

(c) an interest bearing loan of the balance, i.e., $66\frac{2}{3}$ of the above cost will be given on a 25-yea interest paid loan basis;

(d) financial assistance on dye houses etc. will also be given; and

(e) full loan for amenities like water supply, lighting, parks, etc. on the same repayment basis as the loan of the house will be given.

In Urban Areas

All available sites are examined in detail and the best one is selected. In urban areas, due to want of space, sites for housing colonies are limited in area, whereas this problem is not met with in rural areas. The concentration of houses on the site works out roughly to about 15 houses per acre, whereas in urban areas, this is stretched to 20 and sometimes more. The lay out follows set designs suited mostly to local conditions. In the South, which is an area where high humidity prevails, houses are all oriented to north and south to catch as much of the southern breeze as possible. This means that the roads run mostly towards east and west. To minimise the cost of common amenities on individual houses, it is best to have a colony of 200 houses. This is in many

cases not possible and hence colonies of hundred houses are the general rule. Some of these colonies even consist of sixty houses as in the case of Saidapet at Madras and at Coimbatore. This is so because of the urban nature of the area and the difficulty to get sufficient space for putting in more houses.

Roads and Parks

The roads are designed to carry light traffic, barring the main road which forms, more or less, the lead in road from the nearby highway. This main road caters for heavy traffic. Normally warping margins are provided on both sides of the road. In some housing colonies, where the practice is a common warping ground, a separate area is set apart for warping ground. Avenue trees are planted on both sides of the road at the rate of one tree to each house. The avenue plants are so chosen that every alternate one is of the flowering kind. As many trees as possible are planted and the varieties are so chosen as to beautify the parks and playgrounds. In most of the colonies water is drawn from wells. In a few, where the Corporotion mains are nereby, water is drawn from them. Provision of pumping arrangements is made to lift the water to overhead reservoirs and the supply to the houses is through street taps. Roughly one tap is provided for every six to eight houses. Surface drains and sullage water drains are provided and in some cases, the sullage water drains are taken as far away from the colony as is practicable. Provision is made in the site to set apart areas for dye houses, schools, medical buildings, shops, etc. Provision of electric street lights, wherever possible is made.

A ceiling cost on individual house has been fixed by the Government of India at Rs. 3,600. A set of specification has also been drawn up by the Housing Adviser to the Government of India for adoption in the construction of these buildings. Limiting the ceiling cost has driven us to find out ways of effecting economy in the building process. Some degree of economy can be effected by expert architectural planning and structural designing, as also by adopting utility scales of accommodation. Several types of residential accommodation suitable to the paying capacity of the weaver occupants are evolved. The plinth area for the various rooms bearing the workroom is more or less uniform in all the colonies. The only variation is with regard to the workroom where the looms are put in. This varies from society to society on the number of looms as well as the type that is prevalent in the individual society. The constructional specifications which also have a large bearing on building cost, is more or less, uniform, excepting for the variations necessary to utilise the easily obtainable materials in the locality. A high degree of importance is attached to durability, low maintenance and convenience as against the first cost of the building. The following factors have been taken into account in the evolution of the designs: (i) Planning, (ii) Materials, (iii) Standard of Accommodation, (iv) Architectural designs, and (v) Structural design.

It has been realised that to obtain a high degree of efficiency, planning in detail is necessary before we start any work. The time taken of a project from conception to completion is considerable and is sometimes spread over two or more years. Further in execution, unless sufficient time is given, haste will mean a tendency for the rates to go higher.

The cost of buildings should be kept down by using materials purchased locally such as bricks, sand, stones, chips, lime, etc. and those produced by organised industries within the State. This will cut down transport costs. The use of imported materials is kept to the minimum.

Normally, an area of 4 to 5 cents is allowed for each house and the twin block is built in ten cents. Schemes so far sanctioned amount roughly to Rs. 31 lakhs for eight colonies of 761 houses in all.

Towards New Life

Provision of facilities for building new houses opens out possibilities of a new and better life for weavers and that amidst better surroundings. But housing colonies cannot be built quickly and in all places where there is a concentration of weavers. There are quite a large number of weavers, who own houses which are either too small or in such utter disrepair that they are unfit for the weaver family to live in them and carry on their avocation. Attention was first focussed on this question, when Shri T. T. Krishnamachari visited Melapalayam, a weaver village in Tirunelveli district some time last year. Under his direction, the question of providing aid to weavers, who own houses but who could not maintain it properly or improve it, so that it could be of greater use to them, was examined and decision was taken to provide financial aid to weavers to renovate or remodel their houses. A limit of Rs. 1,000 is given on the same basis of $\frac{1}{3}$ grant and $\frac{2}{3}$ interest bearing loan repayable in 25 years. The basic idea behind this aid is to enable the weaver to live more comfortably and produce more goods.

The weaver-members might put up cheap buildings of their own, while the overall regulation of the structure might be done by the Society under a set of framed rules to see that indiscriminate buildings do not spring up.

The problem of housing the weavers is sure to be merged, as far as the finance goes with the housing problem of the rest of the houseless people in the country as a whole. Cheaper and better designs, which may be adopted in other constructions would have to be copied as time goes on in the design of weavers' houses. The basic factor will however, remain that a weaver's house is not only his living place, but is also his work-place and to this extent, will definitely mean a higher cost than that of a normal house constructed for members of any other class of society.

The Industry Marches Forward*

By

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

The Handloom Industry occupies a vital position in our national economy being second in importance only to Agricuture. A few facts and figures will suffice to show the overwhelming contribution made by this industry to our national wealth. As against 5,000 million yards of cloth produced by the mill industry, the handloom industry produces a little over 1,500 million yards or nearly one-fourth of the total requirements of cloth of the nation. There are not less than two million commercial handlooms in the country of which Madras alone has nearly five lakhs of looms. Together with the ancillary workers engaged in preparatory and finishing processes, the five lakhs of handlooms in our State provide employment to neary 20 lakhs of people.

Since Independence, Governments at the Centre and in the States have taken an active interest in the regeneration of village industries as the surest means of increasing the opportunities of gainful employment in rural areas. The crises in the fortunes of the Handloom Industry in 1951-52 led to the formulation by the Government of a bold programme for the development of the industry. Along with the long-term plans for the improvement of the industry certain essentially short-term measures were also taken to mitigate the severity of competition between mill and handloom cloth. A ceiling was imposed on the production of cloth by the mills. Certain varieties of cloth such as bed-sheets, bed-spreads, lungies, etc., were reserved exclusively for production in the handloom sector. An excise duty was also imposed on mill cloth with a view to abridge the gap between the prices of mill cloth and handloom cloth. Sales of handloom cloth were exempted from taxation. Along with these measures, a cess fund was constituted with the levy of an additional excise duty on mill cloth produced in the country.

The creation of the cess fund proved to be a turning point in the history of the Handloom Industry. Since the constitution of this fund, financial assistance has been provided on a large scale for the implementation of the vorious schemes for the improvement of the condition of the industry and the economic condition of the handloom weavers. Government have at the same time been anxious that the financial assistance provided by them should reach the weavers direct without any portion of it being absorbed by intermediaries. They have decided that this object could be achieved only by canalizing all their assistance through producers' co-operative composed of weavers. As not all the weavers could find the necessary resources for participating in coopertive organizations, interest-free share capital loans are advanced to the weavers to enable them to become members in weavers' co-operative societies. To enable these societies in their turn to provide full employment to their members, working capital is provided at the rate of Rs. 200 per loom through the co-operative

Source: '*Madras Information*', February, 1958 issue.

financing agencies. With the assistance from the cess fund, the Madras State Handloom Weavers' Co-operative Society is enabled to open hundreds of selling units within and outside the State so that an effective market could be found for the increased production in weavers' co-operative societies. The Government have also recognized that any permanent improvement in the condition of the Handloom Industry can be effected only if its technique is modernized.) They have, therefore, been providing financial assistance to the weavers to use improved appliances such as steel reeds, varnished healds, dobbies, take-up-motion attachments, etc. The free supply of these improved appliances has enabled the weavers to effect significant improvement in the quality of production of the handloom cloth. The Government have also recognized the need to improve the living conditions of the handloom weavers. The Handloom Industry is a cottage industry and as such the weaver's house is also his workshop. The Government have therefore formulated schemes for improving the housing conditions of the weavers. The development of the silk and art silk industry has also been taken up in hand-side by side with the improvement of the cotton handloom industry.

To achieve the objective in view, the Government of India have sanctioned up to 30th September 1957, Rs. 557.67 lakhs. 493.70 lakhs of rupees have been sanctioned by the Registrar for execution of the various development schemes. Rs. 19.21 lakhs have been issued as interest-free advances to members of weavers' co-operative societies to enable them to pay their share capital to join these societies. Rs. 161.48 lakhs have been disbursed to the Madras State Co-operative Bank towards working capital to weavers' co-operative societies and this has enabled them to provide increased employment to weavers and pay higher wages than would otherwise have been possible. The number of weavers in co-operative societies has steadily increased from about 98,000 to about 1.9 lakhs and the number of weavers' co-operative societies from about 560 to more than 950. Nearly 40 per cent of the weavers in our State have now been brought into the co-operative fold and this is an achievement, of which we can all be proud. The production and sales in weavers' co-operative societies have also registered a three-fold increase during the last four years and they stand at about Rs. 70 lakhs per month. The higher wages given in weavers' co-operative societies have had a healthy influence on the level of wages in the private sector also. As regards marketing, financial assistance to the extent of over Rs. 74.65 lakhs has been given to the Apex Society to enable it to procure handloom cloth from the primaries and market it through its sales units. The number of co-operative sales units and emporia has increased in the last four years from about 50 to 300 units now. These units have enabled the handloom cloth to be popularized among large sections of our population. (The Government have also sanctioned more than Rs. 196 lakhs for the grant of subsidies to recoup rebate on the retail and wholesales sales of handloom cloth effected by co-operatives. Government have sanctioned so far nine weavers' housing colonies for the construction of 978 houses at a total cost of Rs. 42.30 lakhs in Ammapet, Aruppukottai, Coimbatore, Kallidaikuruchi, Dharmapuri, Srivilliputhur, Tiruchengode, Thingalur and Saidapet. The

schemes are under various stages of execution. Four industrial societies for handloom weavers been started at Karur, Madurai, Aruppukkottai and Manavasi. These societies are giving employment to about 300 weavers and other auxiliary workers. They produce fine varieties of shirtings, etc.

Nine silk handloom weavers' co-operative societies have been started with assistance from cess fund. They had 1,100 members on the rolls with a paid-up share capital of Rs. 1,00,050. They produced goods worth Rs. 11.31 lakhs and sold goods worth Rs. 9.98 lakhs. A general scheme for the enlistment of 500 silk weavers with the assistance from cess fund has also been sanctioned and steps have been taken to enlist 500 silk handloom weavers in new weavers' co-operative societies or in existing weavers,' co-operative societies. Two art silk weavers' co-operative societies at Chinnalapatti and Komarapalayam were assisted with the aid from the cess fund for enrolling about 200 members. Under a general scheme for admission of 1,000 art silk handlooms within the co-operative fold sanctioned by Government, 600 art silk looms have already been admitted into the co-operative fold.)

For the Second Five-Year Plan Rs. 413.70 lakhs have been earmarked for the development of the Handloom Industry. Recently the Planning Commission increased the allotment to a little over to Rs. 728 lakhs. The schemes, which have been programmed for implementation during the Second Five Year Plan relate to the enlistment of at least 50 per cent of the handloom weavers within the co-operative fold, the construction of 16 colonies of 1,600 houses at a cost of Rs. 74.29 lakhs for the benefit of weavers' co-operative societies, opening of 100 sales depots by the State Society, issue of grants to co-operatives to the extent of about Rs. 73 lakhs to recoup the rebate allowed on sales of handloom cloth, setting up of 6 industrial co-operative societies for handloom weavers, supply of improved appliances to tone up the quality of production of handloom cloth at an estimated cost of Rs. 10.85 lakhs and training of 1,600 weavers in pattern-making factories of the State Society in evolving new designs and adopting improved methods of production etc. Considerable progress has been achieved in implementing the schemes since the commencement of the Second Five-Year Plan. About 35,000 weavers have already been admitted into the co-operative fold. About 90 lakhs of rupees have been given to weavers' societies and the Madras State Handloom Weavers Co-operative Society for production and marketing finance. 3.25 lakhs of rupees have been spent under technique and research and 97.73 lakhs of rupees under marketing, including the sanction of rebate. It is hoped that all the schemes provided for in the Second Five-Year Plan period would be implemented well ahead of schedule.

(The weavers organised under the co-operative fold were greatly benefited by the execution of the several handloom development schemes financed from the cess fund. Their standards of living have generally risen and their economic condition improved. Handloom fabrics have become popular in new areas and among higher income groups also. To celebrate the importance of and to take stock, as it were, of the position of the industry, the Government of India and the State Government have arranged for the conduct of handloom weeks every year and this year the fifth handloom week was celebrated from 8th to 15th Feb. 1958. Every section of the industry—the yarn producer, the handloom weaver, the merchant, the weavers' co-operative societies and the consumer—has some role or other to play in the programmes connected with the "week" such as processions and public meetings, purchase and sale of cloth, exhibitions, etc. The assessment of the results of the conduct of the week held during the previous year has revealed that the industry has taken firm root that the public have become more and more handloom minded and that the handloom weavers are steadily realizing their responsibilities to the industry and to the public. It is hoped that the week this year will be celebrated with the usual enthusiasm and that it will result in further improvement of the socio-economic condition of the handloom weavers.

Future of Handloom Industry*

BY

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Business Manager,
The Madras State Handloom Weavers' Co-operative Society Ltd., Madras.

In the present set-up of the Handloom Industry, Co-operatives play an important role by admitting poor independent weavers and providing them with necessary funds for initial share capital, wherever they lack resources to find immediately Rs. 25 to join a Co-operative Society. New societies are organised and working capital provided for them through the Central Co-operative Banks at reduced rate of interest. to enable them to switch on to the production of handloom cloth at as cheap a rate as possible. Assistance is also given to weavers to effect improvements in their looms or to replace them by improved type of looms to increase production, thereof making cloth cheaper for the societies to sell with advantage to consumers in competition with other cloth. Several sales emporia have been opened within the State and outside and expenses thereof met from the Cess Fund Scheme in certain proportion, to enable these emporia to stabilise themselves and arrange for sale in all possible markets. Propaganda Vans have been assigned for carrying goods into the interior villages to serve both sale and propaganda in the interest of the development of the industry, so that 10 million people who are depending upon it can survive against competition. To lessen the competition still further, an incentive in the form of rebate to consumers on the sales of handloom cloth through Co-operative Societies is provided. On special occasions, this rebate is sought to be increased to provide greater attraction to them. Wherever co-operatives have established themselves, with a view to develop a community of interest among them, co-operative housing colonies have been formed to better their living conditions. All these are provided under Cess Fund.

2. A question is often posed what the future of the Handloom Industry would be as the Cess Fund is with-drawn. The author of the question should have either a genuine interest to know its predicament or is out to heckle the idea of sustaining the industry by a levy of cess on mill cloth. None would say that the Handloom Industry in any set-up can compete with the Mill Industry and survive the competition. The Cess Fund Schemes are meant to enable the co-operatives to stabilise themselves, so that at the end of the Plan Period they would have sufficient resources to fall back. The earnings of societies under the schemes are not allowed to be frittered away in the form of enhanced bonus or increased wages, but retained by compulsory contribution of 40 per cent of the profit to the Reserve Fund and a portion of the rebate to Special Reserve Fund. These would ensure normally savings upto Rs. 50,000 for any society which makes a humble beginning with 100 looms and increases them to 500 at the end of the plan period. This, by no means, is a small saving for normal functioning in the post plan period.

3. The assistance now given to improve the technique of production would go a long way to standardise the product so neces-

Source: Radio Talk by SriW. Gnanasambandam, B.A., C.A. I.I.B.. Business Manager, Madras State Handloom Weavers' Co-operative Society Ltd., Madras on 15-2-1958. Reproduced with the kind permission of A.I.R. Madras.

sary for an established market. While improved technique increases production, quality control stabilises the demand for the product in the market. Co-operatives are the best media to ensure a standard for Cottage Industry products and the efforts for over 2 decades by the weavers co-operatives have not a little helped the discriminating consumer to choose the right product and be assured of the quality for the price paid. So at the end of the plan period, fifty per cent of the total looms harnessed through co-operatives should by then revive the taste for the traditional dress habits lost in the interim period by forces of competition from the mill Sector.

4. The rebate has helped to drag the hitherto reluctant consumer of handlooms with more unfounded prejudice for quality and price than the stuff offered could actually warrant by the incentive of the financial gain and introduced him to the amazing varieties at handsome prices. He is first satisfied with the price and by actual use convinced of the quality and the real economics that accrue to the consumer in the long run. Rebate, no doubt, helps to keep down prices and has helped considerably to market the goods produced in rapidity by the co-operatives. It has not only helped the consumer but the trader too. It has attracted a large section of small producers cum dealers to concentrate on the marketing of the goods produced by the co-operatives with advantage, thereof restricting their own production activities, if not altogether abandoning them. In fine, it has helped to make a large section of people handloom-minded, not in this State alone but throughout India. This influence is even extended beyond the shores in some new countries, where Indian Handloom cloth dominate the fashion trends. If rebate could thus work its way indroducing the cloth to the more fashionable circles, it will become a fashion to wear handloom. Its withdrawal in the long run cannot take away the incentive for the fabric.

5. India is proud of her tradition. As one recollects the history of her ancient civilisation, one is proud of her past to hear the part the Dacca Muslin played in Egypt and Rome and the ban it suffered in the spanish court. That cloth was handspun and hand-woven. But we are in the age of machine with Sputniks and ideas of space traval. Could we now go into the International Market with handlooms to compete with the products of other countries? It is high time that the Established Textile Industry provides the missing link. Several decades of protection have helped the industry to produce quantity. Now it should combine quality and quantity with price to fight the International market, instead of looking with any suspicion on the sister industry under rejuvenation. It has to play a greater part in the industrialisation of the country to earn foreign exchange, equal to its magnitude. The weover of the Dacca Muslin was endewed with both the head and the hand to produce the delicate fabric of universal applause. Is the Textile Industry now bereft of such capacity? If it should work to secure the International market and allow the handloom to look to internal supplies, all the competition now talked of between the two sectors can be set at rest, and the Indian as a true son of the soil will don himself again in the traditional dress which the Handloom Industry could richly provide.

CASE STUDY

A Short History of the Madras State Handloom Weavers' Co-operative Society, Ltd.

Handloom Co-ops. in Madras State as on 30-6-57.

The Handloom Industry is next to Agriculture in Madras State having nearly 25 per cent of the looms in India with two million people depending upon it. This industry is purely a sectarian one. Born in community of weavers, their problems of livelihood are acute ever since, the beginning of the Industrial age. As early as 1905 Co-operative Societies have been started in the State to ameliorate their conditions by providing them with necessary capital and other resources and since 1935 steps have been taken for formation of production cum sales societies with an Apex Society to coordinate their working-

In a sosialistic pattern of society, co-operation is the only means to help a weaver, who values independence in his profession. He can enrol himself as a member in Co-operative Society by paying a share money of Rs. 25 and where his means do not permit this, he pays Rs. 3–2–0 and avails himself of the loan facilities for the balance from the Government under Cess Fund free of interest.

He is provided with yarn and other raw materials required for his work and is paid wages. He gets improved appliances such as reeds, healds, dobbies etc. free of cost to improve his technique. A weaver may equip his looms with devices to increase production and to ensure uniform texture. He has facilities for compulsory savings to fall back on lean days. He claims his share in the profits of the Society proportionate to the work done by him. He gets his dwelling in a industrial colony, set up for his community. His children get educational benefit and his family medical relief.

A society organised for Handloom Weavers gets a loan for Working Capital upto Rs. 300 per loom at a reasonable rate of interest. It gets technical advice and assistance free of all charges. The marketing of cloth is made a bit easy by allowing rebate on sales reimbursed by the Government.

A Co-operative Sales Depot is a fair price shop with no profiteering motive. The price is fixed and the consumer is guided by the tag. The fabrics sold are as reliable as they are good looking and are available at all co-operative concerns all over the State and outside. This is supplemented by the Mobile Vans and Push Carts, which carry the goods to the very door of the consumer.

SHORT HISTORY OF THE MADRAS STATE HANDLOOM WEAVERS' CO-OPERATIVE SOCIETY, LTD., MADRAS.

Formation:

The initial attempt made in Madras State in 1905 to organise weavers on co-operative lines did not meet with any success as many of the societies that were then started had to be liquidated mainly due to the disloyalty of the members themselves, who deserted the society when trade was brisk and looked to it during times of stress. The efforts to organise societies, however, continued and with the establishment of the Madras State Handloom Weavers' Co-operative Society Limited, in 1935 to co-ordinate and regulate the work of the Primary Weavers' Societies, there was a steady expansion in the activities of the Primary Societies. The number of primary societies increased gradually with the result that on 14th September 1953 the number of primary Weavers' Co-operative Societies which were affiliated to the State Society increased to 1195 with a loomage of about 2.17 lakhs. The Madras State Handloom Weavers' Co-operative Society Limited, was reconstituted on 14th September 1953 with the formation of a separate Apex Society for Primary Weavers' Co-operative Societies in the Andhra State. In the Division of Assets and Liabilities of the Composite Society, the reconstituted society was apportioned assets and liabilities worth Rs. 96,22,021 and 63,08,325 respectively, while the Andhra Society was allotted Assets and Liabilities amounting Rs. 67,65,851 and 44,98.518 respectively.

Functions.

The main functions of the Madras State Handloom Weavers' Co-operative Society Limited among other things are (1) to arrange for the purchase of raw materials and appliances necessary for the affiliated societies and their sale at reasonable prices; (2) to arrange for the supervision of production of the primaries to ensure the manufacture of quality goods according to specifications and (3) to arrange for sale of stocks of the affiliated societies for having a ready demand and generally to direct and co-ordinate the activities of the Primary Societies. It arranges to purchase in bulk and distribute to the Primary Weavers' Co-operative Societies in the State their requirements of yarn. The yarn is purchased direct by the State Society from the Mills and diverted to its yarn units in the State and there were 13 such units on 30-6-1957. These units distribute yarn to the primaries in accordance with the yarn indents filed by the primaries. A small margin is added for handling charges including interest on capital by the State Society with a provision that in the event of the prices being higher than the market price the primaries would be allowed rebate to that extent.

The chief function is to help in the disposal of goods produced by the primaries. It maintains a net work of emporia and depots in the State, where the goods are sold to the consumers at reasonable prices. Depots have been opened outside the State also to tap the Inter State Markets. Depots are also opened in other countries like Colombo, Singapore, Kualalumpur, Aden and Bangkok and the goods are sold through agents in Rangoon.

Management :

The management of the Society vests in a Board of Directors consisting of 21 members of whom 3 are the nominees of Govenment. The Primary Weavers' Co-operative Societies are represented in the Board by 12 Directors at the rate of one for each District where there are Weavers' Co-operative Societies. The management is responsible for the proper administration of the Society and for carrying out the objects referred to above. They are assisted in their work by an Executive Committee consisting of members elected form among the Board or Directors. The day-to-day affairs of the society are being attended to by the Business Managar. The Society raises the finances required by way of Share Capital from members, loans from State Co-operative and Reserve Banks on the security of the assets of the society and subsidies and loans obtained from the Government.

Working Centres:

1 Dye Factories:

There are 5 Dye Factories for supply of coloured yarn to the

Primary Societies. It is mainly for the excellence of the coloured fabrics, the Handloom Industry has survived so far the competition. The Dye Houses have established a reputation for dyeing fast shades and standard varieties. In addition, there are about 133 approved dyers, who undertake dyeing at scheduled rates for the primaries according to combinations approved by the State Society and at the rates fixed. Besides the above, there are proposals to mechanize a part of the processing at the centres.

2. Weaving Factories:

The State Society is running two Weaving Factories, where Frame and improved types of looms are installed for the production of standard varieties. The object of these factories is mainly to make new and elegant designs which can be easily marketed. These serve as models for the primaries to follow. Training is also given for weavers, who evince interest in the production of new varieties in the factories. Besides, there are within the State 3 pattern Weaving Factories run out of Cess Fund producing samples of new fabrics to suit the changing tastes of the consumers.

3. Collective Weaving Centres:

Collective Weaving Centres were originally started by the State Textile Commissioner during 1942-43 to give employment for weavers and to relieve their distress during slump periods. These centres have been transferred to the State Society in '45. The State Society is running five centres at Salem, Tirunageswaram, Sankarankoil, Mandavalli and Washermanpet, the latter two being recently started to standardize exportable varieties.

4. Yarn and Cloth Processing Centre, Erode:

The equipment of the Factory consists of a bleaching unit, a 5 bowl finishing calender and one felt calender. The capacity is about 10,000 yards per day per shift of 8 hours. Besides processing the goods produced by the production units of the State Society and the Primary Weavers' Co-operative Societies, productions of Weavers outside the co-operative fold are also being processed.

5. Spinning Mills:

To ensure proper supply of yarn at cheaper rates, the society has sponsored a Spinning Mill in South India with 16,000 spindles with an authorised capital of Rs. 45 lakhs. The State Society paid Rs. 15 lakhs and the primaries Rs. 17.57 lakhs towards the share capital of the Mills. Arrangements for the Mill going into production are in progress at Tinnevelly. Another Mill is being sponsored at Srivilliputhur with 12,000 spindles.

Marketing:

Internal:

The Society has appointed 4 Deputy Registrars and 2 Officers of the State Society as Marketing officers to arrange for the marketing of handloom cloth produced by the primary societies and to supervise the working of the emporia and depots of the State Society. There are 286 selling units within and outside the State in charge of these Officers.

*Emporia	...	47.
Retail Depots	...	215
Inter State Units	...	23
Total	...	285

External :

With a view to explore the markets for Indian handloom goods in foreign countries, the Ministry of Commerce and Industry, New Delhi has sponsored a scheme — External Martketing Scheme — and appointed the Madras State Handloom Weavers' Co-operative Society Limited, as the agent for implementing the scheme. Accordingly, the State Society opened depots at Aden, Colombo, Singapore, Kualalumpur and Bangkok and appointed Messrs. Varsity Co-operative Stores Limited, as agents for Rangoon. One Marketing Officer is stationed at Singapore.

Working Capital :

The Working Capital of State Society was Rs. 118.82 lakhs comprising of the following items as on 30-6-1957.

		Rs.	
Share Capital	...	9.16	lakhs
Cess Fund Loans	...	70.55	,,
Overdrafts	...	16.70	,,
Reserves: General	...	5.15	,,
Specific	...	17.26	,,
Total	...	118.82	,,

NOTE: The State Society originally admitted individuals as members including other Co-operative Institutions and Spinning Mills, besides Primary Weavers' Co operative Societies. The present authorised Share Capital of the Society is Rs. 20 lakhs made of 40 000 shares of Rs. 50 each. Weavers employed by the Society at Production Centres are admitted as 'B' Class Members on payment of Membership fee of Rs. 5. As on 30-6-1957 there were 995 Members with a Share Capital of Rs. 9.16 lakhs. The State Government has taken shares in the society to the value of Rs. 3 lakhs.

Karegaon Bhag Sahakari Sakhar Karkhana Ltd.

INAUGURAL ADDRESS

BY

SHRI P. C. BHATTACHARYYA,

Chairman, State Bank of India.

Ladies and Gentlemen,

At the outset I must offer my sincere thanks to the Chairman and members of the Karegaon Bhag Sahakari Sakhar Karkhana Ltd. for the honour they have done to me in asking me to inaugurate the operation of this Co-operative Sugar Factory. As I was listening to the Speech of Dr. Kakade, I was considerably impressed by the fact that the factory which starts its production (officially) to-day is established by about 300 farmer-members representing the pesantry of this place. I am exceedingly happy to be amidst you on this auspicious day and congratulate the members, the Board of Directors and all those, who have worked to establish this society.

Co-operation, as you all aware, is an economic movement employing educational action and is a potent system for securing "the greatest good of the greatest number" in a democratic way. Co-operative ideology emphasizes human values and enables us to steer clear of extreme forms of unrestricted individualism leading to capitalism and economic regimentation leading to a totalitarian form of Government. The basic advantages of co-operation—economic, social, political, educational and moral—as well as the suitability of this form of organisation in the context of economic planning in this conntry are too well-known to need any elaboration by me here. It is on these grounds that the Planning Commission has recommended and the Government have decided that the building up of a large and growing co-operative sector as an integral part of the scheme of planned development is one of the central aims of our national policy. Co-operatives constitute the most appropriate agency especially for agricultural and rural development. It is obvious that the different sections of the co-operative movement (credit, marketing, processing and warehousing etc.) should be properly integrated and the various institutions interested in the progress of the movement (the apex, central and primary societies as well as the Co-operative Departments, the Reserve Bank and the State Bank etc.) should function in a co-ordinated and complementary manner, so as to secure a balanced and uninterrupted growth for all of them.

3. Apart from the general advantages of co-operation, the object underlying the development of marketing is to secure to the grower the largest share in the price paid by the consumer for his produce. The marketing and processing of agricultural produce by an organization of the growers themselves helps in cutting down the long chain of middlemen and their margins of profits and thus strengthens the process of decentralization of power and economy in the country. It is gratifying

Note.—Sri B. C. Bhattacharya, Chairman, State Bank of India addressed the Society on 14-1-1958.

indeed that you have decided to give a concrete shape to this progressive policy on co-operation, that the country has decided on, by starting this day the Karegaon Sugar Factory in the Bombay State.

4. It is a matter for legitimate pride for the co-operators in the Bombay State, where co-operation has progressed so well, both in respect of the variety of societies, as well as the size of their development. At the end of June 1957, the State had more than 30,000 co-operative societies of different types with a total working capital of about Rs.185 crores,out of which aboutRs.49 crores constituted their owned funds. They had about 47 lakhs of members, which on the basis of one member representing a family of 5 persons, works out at about 49 per cent of the total population of the State. Similarly out of the total working capital of all co-operative societies in the country during 1955-56 amounting to about Rs. 469 crores, Bombay State accounted for about Rs. 140 crores which formed about 30 per cent of the total. The State has planned to cover by 1960-61 all the villages in the State and about 75 per cent of the total population. The Bombay State Co-operative Bank, with its 63 offices (end of June 1956), a paid-up capital of Rs. 61 lakhs, a working capital of Rs. 14.62 crores and loans advanced of Rs, 14.71 crores is an institution of which anybody can be rightly proud of.

5. In respect of co-operative sugar factories, Bombay State has the honour of being a pioneer and it is very gratifying to find that much of this honour goes to the Ahmednagar District—where the first co-operative sugar factory, viz. the Pravara Sahakari Sakhar Karkhana was organised in the year 1948. The successful operation of this factory under the aegis of the Bombay State Co-operative Bank and the able guidance of the then Finance Minister Shri V. L. Mehta and eminent co-operators, like Prof. Gadgil, Shri R.G.Saraiya, Shri V. P. Varde and others whose names I need not mention here, has opened up a vast field for sugar co-operatives and has already led to the organization of 18 such factories in the State, out of a target of 35 for the country.

6. Your factory here seems to be fortunately placed in respect of almost all the factors of production, such as raw materials, labour supply, markets, organization and Government policy. Perhaps the most difficult task you have to face is to secure the necessary capital—both in terms of money as well as capital goods. It is unfortunate that this Karkhana and other Karkhanas had to face initially various difficulties, including the consequences of the Suez Canal crisis and the shortage of foreign exchange, as a result of which the actual working could be started only after about a year later than the scheduled time. The requisite block capital, which was estimated, to start with, at about Rs. 75 lakhs per factory has now gone up to Rs. 96 lakhs. It is very creditable, indeed, for the Bombay Government to have stepped in to help the Karkhana by agreeing to offer its guarantee for the additional amount required.

7. The working capital required by a fatory for purchasing the sugar cane, meeting the manufacturing expenses and holding stocks may be estimated at about Rs. 60 lakhs and this amount may be obtained from the State Apex/District Central Co-operative Bank or the Reserve Bank. The Bombay Government and the Bombay State Co-operative Bank have already come to grips with the

problem of finance and have approched the State Bank of India for assistance. As far as the State Bank is concerned, I may tell you that the Bank has adopted the policy to be responsive to the needs of co-operative institutions, especially marketing and processing societies and I can assure you of its continued helpfulness. The Bank has been extending special facilities to co-operative institutions in the matter of advances against Government securities, advances against repledge of goods, remittance facilities and purchase and collection of cheques and bills. The Bank also extends its assistance for the provision of long-term finance by subscribing to, lending against and encouraging the marketability of the debentures of co-operative land mortgage banks. On September 30, 1957 the total limits sanctioned by the State Bank to co-operative banks against Government securities amounted to Rs. 8.5 crores and those against the debenture of land mortgage banks to Rs. 19 lakhs. Administrative co-ordination with co-operatives is also encouraged by permitting an Agent of the Bank to be an ex-officio director of the apex or district co-operative bank concerned.

8. As regard financing sugar co-operatives, the State Bank has agreed to grant to the Bombay State Co-operative Bank a cash credit limit of Rs. 2 crores (at the State Bank of India Advance rate, with a minimum of 4½ per cent.) so as to enable the latter to finance sugar factories, pending the receipt of funds from the Industrial Finance Corporation. The State Bank is also agreeable to assist the Bombay State Co-operative Bank for the provision of certain categories of working funds. Co-operative sugar factories can also get from the State Bank pledge and hyphotecation advances and also clean credit in some cases. Let me hasten to add that in providing our finance to Co-operative marketing and processing societies, we do not propose to compete with co-operative central financing agencics. Ordinarily, we shall not undertake direct financing of marketing or processing co-operatives, except in areas where co-operative central financing agencies are not developed and even in these areas the magnitude and the mode of financing will be decided in consultation with the Reserve Bank and the Registrar of Co-operative Societies of the State concerned. In financing marketing societies, the Bank will take care, as far as it can to see that the working of the "integrated system of rural credit" is not adversely affected. The State Bank is an important instrument of national policy and so is the co-operative agency. We must both work in a spirit not of competition but of co-operation and collaboration—a spirit of "self helf and mutual help". There is no question of anyone of us trading on the other's toes.

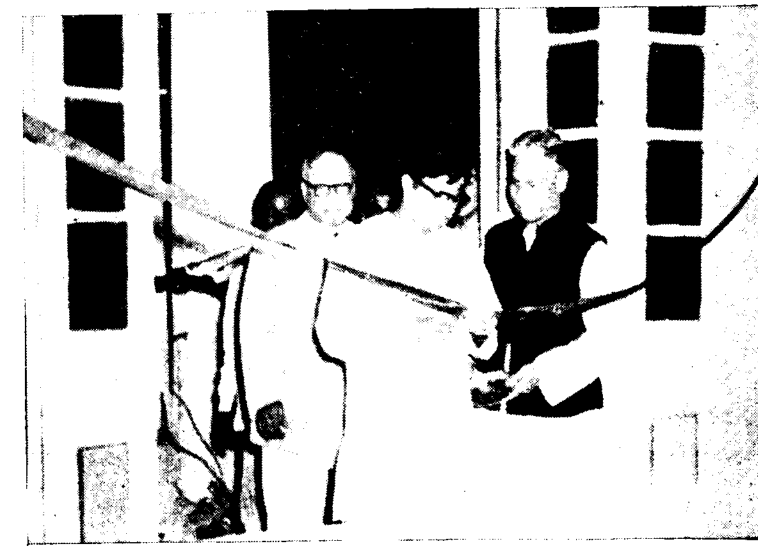
9. Co-operation is a democratic organization of a large number of members, who enjoy voting rights. It is necessary, therefore, that unless every member is conscious not only of his rights but also of his responsibilities and that unless honesty, industry and team spirit (All for each and each for all) are translated into the day-to-day working of the society, efforts will not bear fruit. Personally, I feel that co-operation must succed; for if co-operation fails, there will fail the best hope of rural India.

10. I must also remind you that while the various government and other institutions as also public-spirited individuals are all taking a very keen interest in and

ively assisting the progress of ı co operative movement, pross can really come out of your ıhe members!—enterprise and ›rts. I do hope, you will regard the above mentioned agencies physicians treating you for the ıe being and all of their assisıce as the medicines, injections and tonics. It is obvious that you should soon build up your health in such a way as to enable you to meet these institutions not as a patient in need of treatment but as a friend who seeks occasional consultation, help and guidence.

11. Once again, I congratulate on behalf of the State Bank of India as well as on my own behalf, all the members of the Karegaon Sahakari Sakhar Karkhana on launching this co-operative enterprise and wish you all prosperity and success. I have now great pleasure in inaugurating the operation of the Karegaon Bhag Sahakari Sakhar Karkhana.

Madras Dock Workers Co-op. Stores, Ltd.



Sri C. Subramaniam, Minister for Finance, inaugurated the Madras Dock Workers Co-op. Stores, Ltd., Dr. P. Natesan and A. S. K. Iyengar are seen in the picture.

A merry picture of Kuravan-Kurathi Group in the children's Fancy Dress Tableaux.

Central Committee for Co-operative Training

Photo taken on the occasion of the handing over ceremony of the audio-visual equipment to the Central Committee for Co-operative Training by Sri T. F. Harris Trade Commissioner for Canada on 21-1-58. Sri V. L. Mehta, Chairman, Professor D. G. Karve, Sri H. V. R. Iyengar, M. A. Chidambaram and others are seen in the picture.

A Report of the Ceremony of the presentation of Audio-Visual Equipment by the Govt. of Canada to the Central Committee for Co-operative Training on 21-1-1958.

Canada gives technical equipment to Co-op. Training Institutions

Audio-Visual Equipment consisting of 13 sets of film projectors and the necessary accessories and spare parts valued about $14,000 was presented to-day at a formal ceremony at the Reserve Bank of India, Bombay by Mr. T.F. Harris the Canadian Government Trade Commissioner to Shri V.L. Mehta, Chairman of the Central Committee for Co-operative Training, constituted jointly by the Government of India and the Reserve Bank. This gift was made by the Government of Canada under the Colombo Plan as the first instalment of the technical equipment intended for the use of the Co-operative Training Centres organised by the Central Committee for Co-operative Training for training the staff of Government Departments and Co-operative Institutions in India.

The Co-operative Mission, which visited Canada in the last quarter of 1953, under the leadership of Shri M. R. Bhide, I.C.S., the Joint Secretary to the Ministry of Food and Agriculture, had recommended that the services of an expert on Extension Methods should be obtained from St. Francics Xavier University of Antigonish, Nova Scotia, Canada for assisting in extension work in the co-operative field in India. Accordingly, the services of Prof. A. F. Laidlaw, Associate Director of the Extension Department of the St. Francis Xavier's University were obtained by Government of India in October 1956 under the Colombo Plan. Prof. Laidlaw has been in India for a period of two years, working in close collaboration with the Central Committee for Co-operative Training, which is conducting thirteen Co-operative Training Centres in different parts of the country and supervising 45 more such centres run by the State Governments.

The subject of Co-operative Extension is now being introduced in these centres as an integral part of co-operative training, and it is in pursuance of this that, thanks largely to the efforts of Prof. Laidlaw and the good offices of the Canadian High Commission in India, thirteen audio-visual education aid sets have been secured from Canada for the use of the Co-operative Training Centres. In addition, a jeep and a generator for each of the 13 Co-operative Training Centres are expected shortly. This equipment will be of use not merely for giving instructions to the trainees of the 13 higher training centres and 45 junior training schools, but will also be a powerful aid for spreading the co-operative idea among the masses.

For acquainting the staff of the training institutions with the use of the projectors etc., the Central Committee is organising a course of about a week at Kotah in Rajasthan for the Lecturers in the 13 Higher Co-operative Training Centres. This will be followed by a 3 weeks' intensive course in Extension Methods for the Lecturers of the 45 Junior Officers' Co-operative Training Schools. Prof. Laidlaw, who is due to leave India shortly to take up the position of

National Secretary of The Co-operative Union of Canada, will give the finishing touches to his work here by initiating the staff of the training centres in the use of the audio-visual equipment and the adoption of Co-operative Extension Methods. The class at Kotah will also be addressed by other experts in different fields connected with co-operation and rural development. The Gift from the Canadian Government will thus be a prelude to the application of the new technique of Extension in the field of co-operation.

Speech by Mr. T. F. Harris, Canadian Government Trade Commissioner, Bombay, on the occasion of the presentation of the Audio-Visual Equipment to Shri V. L. Mehta, Chairman, Central Cemmittee for Co-operative Training on 21-1-58.

Shri Mehta, Ladies and Gentlemen,

The equipment, which we see here this afternoon comprises part of the equipment and material being supplied by the Government of Canada to India under what is officially known in Ottawa as Colombo Plan Project No. 70. This first shipment consists of thirteen 16 mm. sound film projectors, thirteen 35 mm. film strip projectors both complete with the necessary accessories and spare parts. Some $ 25,000 worth of films, pamphlets and books are expected to arrive in a few months time.

As we know, an important place has been assigned to the development of the co-operative societies of all kinds under India's Second Five Year Plan. In particular, it is hoped to develop marketing co-operatives and to expand the facilities for credit to farmers in order to increase food production.

As part of this development of the co-operative movement, an extensive plan of personnel training has been started under which it is hoped to train some 20,000 people for the management and promotion of co-operatives in India within the five year period.

This programme of personnel training has, I believe, now been in operation for about two years. Various types of training centres have been set up throughout the country, under the Central Committee for Co-operative Training. There are 13 major training centres and about 45 subordinate schools now operating under the plan. This Audio-Visual Equipment as well as the films, pamphlets and books will be assigned to the 13 major training centres. That the equipment will prove invaluable both to the teachers and to the trainees in these centres. I have no doubt. Considering the purpose for which it is intended and anticipating the results, I am equally sure that this gift, although comparatively of minor importance in dollar value, will prove as beneficial to India as any yet made by Canada under the Colombo Plan.

I must say how sorry I am that Prof. A. F. Laidlaw is not here on this occasion, since he was largely responsible for planning these requirements. Before coming to India, Prof. Laidlaw was Associate Director of the Extension Department of St. Francis Xavier University of Antigonish, a lovely little town in Nova Scotia on Canada's east coast. St. Francis Xavier University has been a leading force in the co-operative movement since 1930 and is well known in many parts of the world for its work in developing better communities through adult education and co-operative societies.

Prof. Laidlaw was granted leave of absence by the University in October 1956 and was sent out to India as a Colombo Plan Consultant by the Technical Co-operation Service of the Colombo Plan Administration in Canada. During his time in India, he has served in an advisory capacity with the Ministry of Agriculture and the Central Committee for Co-operative Training with his office in the Agricultural Credit Department of the Reserve Bank of India. He has visited most of the states, and has spent time at most, if not all of the training centres throughout the country and has met and discussed problems with a considerable number of officials and others connected with co-operative societies. His observations on Co-operative Education and Training and the advice and guidance contained in his reports will, I am sure, prove of great value to the Central Committee.

Prof. Laidlaw is presently attending F. A. O. Co-operative Training Course at Sydney, Australia. He will return to India at the end of this month for weeks to attend a special training course at Kotah to initiate a number of people in the best use of this visual education equipment. I think the great job he has done in India is a credit to Canada and to his University and I wish him well in his new position of National Secretary of the Co-operative Union of Canada, which he will take up on his return to Canada at the end of February.

Considering the enormous expansion now taking place in the Co-operative Movement in India, I can appreciate the importance of your training progrmme and I must congratulate you, Sir, and the members of your Committee on the breadth of vision, which conceived your plans for co-operative training and on all that you have accomplished since the Committee began its work in '53.

It gives me great pleasure, therefore, on behalf of the Government of Canada to present this equipment to you, Sir, and may it fulfil all your expectations.

Address by Shri V. L. Mehta, Chairman, Central Committee for Co-operative Training on the occasion of presenting Audio—Visual equipment by Shri T. F. Harris, Canadian Government Trade Commissioner at Bombay on 21st January, 1958.

I consider it a privilege and a pleasure to be associated with a function, which marks a step forward in the development of the relations of the Indian co-operative movement with co-operation abroad. I cannot be too grateful to the authorities of the Reserve Bank of India and to the Union Ministry of Food and Agriculture for calling upon me to be the recipient of a gift from the Government of Canada.

It is only since the attainment of Independence that India has been able to establish direct contacts with foreign countries, even those within the Commonwealth. It is only since then, practically, that in the field of co-operation we have begun to send missions abroad and occasionally have had delegates visiting our country.

It is to two such delegations, one from Canada to India and the other from India to Canada that we may trace the genesis of the gift of equipment for audio—visual instruction, that takes place today. These delegations drew attention to the paramount importance of spreading the message of co-operation throughout India in a manner which could attract and interest even those large numbers, who are unable to read and write. For us co-operators, it is gratifying that those responsible for the execution of the Colombo Plan should have induced themselves to extend the benefit of that programme of mutual assistance to a sphere of our economic life which, in ordinary course, may not have claimed attention.

As an outcome of the exchange of visits of the two delegations we have enjoyed during the last two years or so, the benifit of the services of Prof. A. F. Laidlaw of the St. Francis Xavier University, who has become associated with the educational work of the Agricultural Credit Department of the Reserve Bank of India. We miss Mr. Laidlaw's presence here but I would like the authorities of the Agricultural Credit Departmet to convey to him the warmest thanks of all those assembled here today for the part that he has played in securing the valuable gift for the Indian Co-operative movement. That is only a part of the service he has been rendering in developing our system of Co-operative training and education in our country.

It is but wholly appropriate that the Government of Canada should have chosen this somewhat neglected field, for aid under the Colombo Plan. Among the problems confronting the nation, the most outstanding to my mind is the strengthening of our agricultural economy with the twin object of securing greater production and thereby raising the living standards of those, who constitute the large bulk of our population. That, as we have been reminded recently, is the foundation of our plans of economic development. The history of progress in predominantly agricultural countries conveys the lesson that for the achievement of lasting and substantial results and for the reduction of economic inequalities the most suitable line of action is to organise the agricultural population co-operatively. It is only on the basis of organized self-help backed by mutual aid that the farmer can be led on to better methods of production and be taught business habits.

But as experience in India, but in other countries as well, teaches us it is easy to enunciate such a proposition and even to induce agriculturists to join co-operative societies. It is tremendously more difficult to keep alive their interest and enlist their participation in what is a common enterprise. To succeed in such a task calls for intensive educational effort. Co-operation is education applied to business, and hence every means has to be devised and sought to make the humblest of the members of our co-operative societies understand what co-operation signifies and how his co-operative society should function with his active participation.

Among the methods now coming more and more in vogue in extending the benefit of attempts at popular education the most prominent is that of audio-visual instruction. I confess that I have no personal experience of the efficacy of this method. The use of equipment such as, in generous measure, we have received from the Government of Canada today, will certainly enable co-operative educational agencies to attract the rural population in large numbers. It may help in awakening their interest. What we shall need, however, is to carry

conviction and, therefore, to secure active participation in day to day affairs. From my study of the working of Co-operative institutions in some other parts of the world such as in the United Kingdom, I find that it is even there, with a highly literate population, the measure of success achieved in making the growing number of members active participants is not considerable.

It may be that in a predominantly consumers' movement, the scope for such participation-except by way of loyalty as customers-is not considerable. With us in India where the task is that of reordering our agricultural economy by intensive effort at increased production, the need is more insistent. Even if the use of the educational equipment may not directly help us in securing that object, I am sure it will indicate the ways in which we may arouse the consciousness of the agriculturist for the effort that is needed.

In conclusion, as one connected with the central organisation set up jointly by the Union Government and the Reserve Bank of India for the development and extension of co-operative training and education, I should like, again, to convey through Mr. Harris our warmest thanks to the Government of Canada for the handsome aid they have extended to the Co-operative movement. With this I would couple the assurance that we, on our part, shall put the aid to the best possible use and to bring home to the most disadvantaged sections of the community, the social benefits that the co-operative movement confers.

GANDHIJI ON 'HAND-WEAVING'

Hand-weaving is a long process requiring sustained labour and in itself demanding several processes at which more than one person is required to work at one and the same time. This is not possible in a peasant's cottage. Hence from times immemorial hand-weaving has been a separate occupation and an independent and sole means of livelihood.

GANDHIJI IN YOUNG INDIA.

Proceedings of the Second Conference of Rural Banks held at Nangavaram

Mr. R. Venkataraman, State Minister for Co-operation, announced in Nangavaram village (near Trichy) yesterday, that Madras would float a short-term seven years debenture loan to open 600 rural agricultural banks during the Second Plan period.

The Minister, who was inaugurating the Second State Rural Banks Conference, there, said that Madras had planned to open as many rat-proof warehousing godowns as possible and proposed to raise a big loan from the Life Insurance Corporation for the purpose.

Mr. K. Kamaraj, Chief Minister, in a message to the Conference said that rural indebtedness was one of the formidable problems, which had to be solved before foundations of economic prosperity could be securily laid. Rural Banks were an encouraging sign of co-operative effort and organised rural banking was sure to bring relief to poor ryots.

Mr. Venkataraman pleaded for starting board-based co-operative credit societies, so that they could achieve better progress, and appealed to co-operators all over the State to enrol in larger numbers and increase deposits in co-operate banks, so as to expand their activities. Reviewing the progress of co-operative rural banks, whose main object was to provide medium-term credit facilities to needy villagers, the Minister stated that at present 23 rural banks were functioning in the several districts of the State with 23,970 members and paid-up capital amounting to Rs. 10,90,000 till January 31 this year.

Marketing Facilities.

The Minister, then, explained the measures taken for improving marketing facilities to enable the ryot to get the best price for his produce by advancing loans and storing his produce in co-operative godowns, and stated that 50 rat-proof godowns, sanctioned for the current year, would be completed before the end of the year. He then touched on the stores' movement to help distribution and the functioning of Land Mortgage Banks extending longterm credits and pointed out how the recent floating of debentures had been such a great success that Government intended to issue seven-year debentures.

Referring to rural banks *vis-a vis* agricultural banks, the Minister pointed out the main difference between the two in that in one kind of institution, loans could not be advanced on personal surities. But he felt that there was no conflict of interests between the two and people could be served through all kinds of co-operative institutions. In Madras State, 300 agricultural banks were sanctioned under the Second Five-Year Plan. Sixty were started in the first year of the Plan itself and another 150 in the second year. At this rate of progress, he was confident that they could reach their target long before the end of the Second Five-Year Plan.

Mr. Venkataraman said that he was not satisfied with the celebration of the Co-operators' Week

annually. In the Scandinavian and other European countries like Denmark, which he visited, he found that every citizen was a member of some co-operative organisation or other, while many were members in more than one society. Similarly co-operators in India should enroll more members and expand the movement.

Mr. T. S. Muthukumaraswami Pillai, President, Tiruchi District Co-operative Central Bank, unfurled the Co-operative Flag. Mr. N. N. Ramanatha Aiyar, Chairman of the Reception Committee, welcomed the gathering. Mr. N.R. Sundararaja Aiyar read and presented an address to the Minister on behalf of the Nangavaram Panchayat Board. All the delegates from the rural banks were introduced to the Minister. An address on behalf of the village Congress Committee was also read and presented to the Minister,

Loan for Agriculturists

Mr. V. C. Subbiah Gounder (Coimbatore district), in his presidential address, said that unless the poor agriculturist was helped with timely loan facilities and with facilities to get the best price for his produce, they could not progress in agriculture and increase production. The co-operative movement had been striving hard to extend such facilities to the ryots. Though the agriculturist could get loan facilities to some extent yet he had not got enough marketing facilities. After all a small percentage of the population in rural parts had stood to gain, out of the co-operative movement, through it had been functioning for over fifty years. He then referred to the starting of rural banks and the subsequent agricultural banks and pointed out how they could distribute manures, agricultural implements, pesticides, etc., to ryots and bring them all under the co-operative movement. Speaking of the functioning of rural banks, the President stated that they confined to advancing medium-term loans on the security of properties, so that landless cultivators could not get any benefit out of them. Those persons, too, should be brought under the co-operative fold and some help rendered to them. He also recommended the enhancement of the maximum loan per individual in rural banks to Rs. 5,000 and advancement of medium-term loan facilities for prior-mortgages too. He suggested that the period for clearing the medium and long-term loans be spread over a period ranging from three to ten years.

Mr. A. Palaniappa Mudaliar, Registrar of Co-operative Secieties, referred to the problem of rural banks *vis-a vis* agricultural banks. The consensus of opinion was that both kinds of institutions should function. He emphasised the need for taking concerted efforts to increase deposits in co-operative banks, since only Rs. 7 crores had been allotted for the year for advancing loans in the entire State, while agricultural indebtedness was very much more. He opposed raising the maximum for each loanee, since they could advance money to larger number of villagers needing small loans, if the loans advanced were small. The object of rural banks was to help the needy and poor agriculturists. He suggested that rural banks could plan their lean-advances and prepare budgets for the next year, when they could assess how much they could increase their collection of deposits and how much loan they would be needing from the State Co-operative Bank.

The Conference requested the State Government to permit funds of Devasthanams and Panchayat Boards to invest in rural banks. It recommended that the maximum borrowing power of a member should be raised from Rs. 2,000 to Rs. 3,000 in rural banks and that loans might be advanced for clearing off prior-mortgage debts too. It pleaded, among other things, for raising produce loan to Rs. 5,000 for extending the free services of senior inspectors as secretaries to rural banks for five years and for continuing the nomination of existing directors of rural banks for another period of three years. Waiving of audit fes for the first five years, permission to rural banks to act as agents for collection of insurance premia and tobacco and excise duties, distribution of iron, steel and cement to ryots through rural banks, and exemption from fire insurance of loans extending to Rs. 1,000 on produce-yield were also demanded in other resolutions.

Mr. R. Nagaraja Rao. Secretary, read messages received on the occasion.

Mr. M. S. Palaniappa Mudaliar, Secretary, Tamil Nad Co-operative Federation, proposed a vote of thanks. Mr. P. M. Manickam Chettiar, of Nerinjipettai (Salem district), invited the next annual convention of rural banks to Idappadi and the conference accepted the same.

A Report of the Fifth All India Handloom Week Celebrations

[The Fifth All-India Handloom Week was Celebrated throughout the State with great eclat from the 8th February 1957 to 15th February 1957. In the City, the week was celebrated under the aegis of the Madras State Handloom Weavers Co-operattve Society Limited, Egmore. In the vast and spacious grounds behind the Balasundaram Buildings, a very interesting Exhibition was arranged. Nearly 130 stalls were put up and more than a hundred weavers Co-operative Societies participated in the Exhibition. The Co-operative handloom fabrics were a cynosure of all eyes and tens and thousands of men and women purchased nearly Rs. 3 lakh worth of goods, availing of the special enhanced rebate of 12 np. This year, Dress Parade for women and fancy dress tableaux for Children were the special programmes, which were highly attractive and popular Every day, famous artistes entertained the audience with Music, Dramas and Dances. In fact, Pantheon Road, became the centre of the City's entertainment for the entire week. We also get similar encouraging reports from the Muffasal Centres.—*Edr.*]

8th February 1958

Organised Sale Urged

The need for an organised attempt at developing a market for handloom goods both in India and abroad was stressed by Dr. C. P. Ramaswami Aiyar, when he declared open the exhibition held in connection with the Fifth All-India Handloom Week celebrated under the auspices of the Madras State Handloom Weavers' Co-operative Society in Pantheon Road, Egmore.

Mr. Justice P. Rajagopalan Officiating Chief Justice, inaugurated the Week.

Mr. M. P. Nachimuthu Mudaliar, President of the Madras State Handloom Weavers' Co-operative Society, who welcomed the gathering, outlined the efforts of the Government to populairse handloom cloth. There were 130 stalls in the exhibition run by various interests, including the 16-spindle units. The production of the affiliated societies was valued at Rs. 8 crores a year, and the entire production was sold out, except during a slump as in recent months, During the Handloom Week, the All-India Handloom Board had announced an additional rebate of 6 naye paise in the rupee. Thus every purchaser of hadloom cloth would get a rebate of 12 nP. in the rupee.

After declaring the exhibition open, Dr. Ramaswami Aiyar said that next to agriculture, the handloom industry was the biggest in India and it was needless to point out that 20 per cent of the looms in India were situated in Madras State, and that nearly two million people were engaged directly or indirectly in this occupation. The most important and fundamental problem was that of unemployment, of self-respect and of supplementation of agricultural earnings, which could never be adequately dealt with unless the handloom industry was put on a firm footing, both in the economic and social spheres.

Referring to the great position the Indian handloom industry had held in the past, Dr. Ramaswami Aiyar said that Indian silks, muslins, chints and brocades were famous all over the world. Even at the present day when machinery had displaced handicrafts, handspun and handwoven cloth was recommended, wherever, the quest was for the beautiful, the artistic and the durable.

Stressing the need for developing an organised market for Indian handloom textiles in foreign countries, the speaker pleaded for standardisation of the cloth in the matter of style, quality and price and a study of the market. The instinctive artisic capacity of the weaver was such that, left to himself, he whould evolve beautiful patterns, utilising colour and design in the traditional manner. What was needed was a business-like organisation to keep both the internal and external markets.

Mr. Justice P. Rajagopalan said that the handloom industry, particularly in relation to woven cloths of beautiful patterns, had a glorious past as far as India was concerned. He said he would like to stress not merely on the economic aspect, but on the human element involved in keeping up the handloom industry and in keeping up the tradition of the industry. Fortunately, the handloom industry and its problems had not become a plaything of politics. It was necessary not only to organise at the stage of production, but also at the stage of marketing. In conclusion, he appealed to the people to support handloom products to the maximum extent possible.

Srimathi R. Kanthimathi, Head mistress, Presidency Girls' High School, Egmore, said that American women liked Indian sarees and wanted the cloth to be standardised.

Mr. A. J. Arunachalam, Vice-President, Madras State Handloom Weavers' Co-operative Society, proposed a vote of thanks.

Later there was a dance recital by Srimathi Kamala Lakshman.

9th February 1958
Appeal for Greater Patronage

The need to adopt all possible ways to increase the demand for handloom fabrics was stressed by Mr. Vishnuram Medhi, Governor of Madras, presiding over a public meeting in Pantheon Road in connection with the fifth All-India Handloom Week celebrations.

The Governor emphasised that consumer preferences would have to be constantly studied and watched, and the production side of the industry should be kept informed of the changes and needs, especially of the inter-State and overseas markets. He added that an effective publicity would create the climate for an ever expanding market for these goods.

After referring to the place of the handloom industry in India in general and in Madras and Assam in particular, Mr. Medhi explained the various steps taken by the Governments both at the Centre and in the State to help the industry. He pointed out that Madras had nearly five lakhs of looms providing employment for nearly 20 lakhs of people. He said that some of our weavers were producing certain specialities as distinct from utility varieties and expressed the view that these specialities would have to be kept up in order to satisfy the demand in the foreign market, at the same time leaving to others the production of utility varieties. Referring to the schemes under the Second Plan for improving the conditions of

the handloom weavers, he hoped that the completion of all these schemes would pave the way for improvement in the standard of living of the weaving population.

Mr. M. P. Nachimuthu Mudaliar President of the Madras State Handloom Weavers Co-operative Society, welcomed the Governor and the gathering earlier.

Mr. D. S. Joshi, Chairman of the All-India Handloom Board. said that the State Government was very much alive to the needs or the handloom industry and pointed out that Madras State had been responsible for an expenditure to the extent of over 30 per cent of the amount made available to the States by the Board. He stated that the Board had been responsible for formulating and implementing comprehensive schemes for helping the weavers.

Dr. M. Varadarajanar suggested that a census should be taken of the people engaged in the handloom industry and facilities available to them.

Mr. A. J. Arunachalam proposed a vote of thanks.

10th February 1958
Handloom Cloth Exports—Corporation to be Set up.

The Government were now considering the question of setting up a corporation to find foreign market for handloom goods and thus protect the handloom industry, announced Mr. Bhaktavatsalam, Home and Agriculture Minister, presiding over the third day of the All-India Handloom Week organised by the Madras State Handloom Weavers' Co-operative Society.

Finding that a lot of people were engaged in this important cottage industry, the Minister said, that the authorities were doing their best to protect and promote this industry by organising co-operative societies. But, whatever assistance the Government might do, much could not be achieved without public support. Emphasising the need for finding foreign market for handloom products, he said the people engaged in weaving should produce goods of high quality. Western countries like America were showing a keen interest in buying their handloom goods of fine variety. They should concentrate on capturing foreign market so far as the handloom clothes were concerned, since it would go a long way to place this industry on firm footing, besides improving the living conditions of the handloom weavers. It was with that end in view the Government were now considering the question of setting up a corporation. The corporation, when set up, would probably get some subsidy and its job was to create proper atmosphere in the external market and to find foreign market for handloom products.

Dr. R. P. Sethu Pillai said a study of Tamil history would show that during Sangam period Indian textiles were exported to countries like Burma. But the country lost its position under political subjection from which it had now been freed. He appealed to the Government to open stalls, displaying Indian handloom goods in the exhibitions conducted in foreign countries to popularise them and increase their sales.

Mr. M. P. Natchimuthu Mudaliar, President of the Society, welcomed the gathering earlier and Mr. A. J. Arunachalam, M.L.C. proposed a vote of thanks.

Later, there was music by Mr. M. M. Dandapani Desikar and party.

11th February 1958

The Handloom Industry—Help from Government.

The determination of the Madras Government to do all in its power for the well-being of the handloom industry was expressed by Mr. K. Kamaraj, Chief Minister, when he presided over the fourth day of the All-India Handloom Week organised by the Madras State Handloom Weavers' Cooperative Society, in Pantheon Road, Egmore.

Proceeding, the Chief Minister pointed out how small-scale industries could provide employment to greater numbers of people than the large-scale industries. The Central and State Governments were trying to resuscitate many a small-scale industry, which, had to-day fallen into neglect. Referring to the handloom industry, he said that lakhs of families depended on it for their livelihood and the Government were determined to provide it with all facilities, and enable it to flourish.

Mr. M. R. Perumal Mudaliar, Principal of the Teachers' College Saidapet, said that the handloom varieties produced to-day were of good quality and the designs were also attractive. He, however, suggested that care should be taken to select alert salesmen, who would be helpful to the customers.

At the outset, Mr. M. P. Nachimuthu, President of the Society, welcomed the Chief Minister. Mr. A. J. Arunachalam Vice-President proposed a vote of thanks.

12th February 1958

Popularisation

The beauty of handloom textiles was brought home vividly to the public at a fancy dress and tableaux competition for children held on the fifth day of the All-India Handloom Week last evening in Pantheon Road, Egmore. Mrs. Tara Cherian, Mayor, presided.

The Madras State Handloom Weavers' Co-operative Society, who have organised the Handloom Week with the co-operation of a number of prominent women in the City, who formed a Ladies' Day Celebration Committee, with the Mayor, Mrs. Tara Cherian, as the Chairman, held a dress parade at the Queen Mary's College on Tuesday. This was in three sections, one for college students, one for members of the public and one for those wearing Western costume.

Earlier, the Committee visited the homes of about a dozen ladies in a drawing room competition.

Silk sariees from Kancheepuram, Kollegal, Banares, Venkatagiri and Kashmir, were among the dresses worn by the competitors at the dress parade held on Tuesday. Some wore cotton sarees. In the drawing room competition, it was demonstrated that handlooms could supply attractive sofa and other furniture covers, curtains and other materials.

Mr. M. P. Nachimuthu, President of the Society, welcomed the gathering.

Mrs. Cherian pointed out how women could help the industry flourish by seeing to it that their men-folk and children bought more handloom varieties. She hoped that the help and co-operation of women would be secured, especially in selecting new and attractive designs.

Mrs. Rajammal Anantaraman then read the list of prize-winners in the contests.

Mrs. Soundaram Kailasm appealed to women to buy handloom products. Srimathi Raja Sulochana film star, suggested that

the Government could have a new department for handloom on the model of the Khadi Department.

The Mayor then distributed the prizes.

Prize-Winners In Competition

The following is the list of the prize-winners, in the order, in which the names occur.

Best Drawing Room; Mrs. G. Mehalffei; Mrs. Khanna, and Mrs. C. J. Kuruvilla.

Best-dressed student: Miss Yamuna Somasundaram, Miss Prema Chengappa; Miss Kuruvilla Miss Padma Lalchand.

Best-dressed member of the public; Mrs Leela Lakshman Rao; Miss Janaki Krishnan; Miss Hemavathi.

Western costume; Mrs. Edward E. Masters; Mrs. James Brophy; and Mrs. Bruce Coleman.

Best tableau: "Clever Spinner" St Joseph's High School; "Vendors"; Besant Theosophical High School; 'Paduka Pattabhishekam, Bala Bhavan, Nungambakkam.

Fancy Dress competition; "Kuruvikaran". Hindu Theological High School, 'Gypsy,' Bala Bhavan; Fisherwoman and Nurse Mylapore Club.

Mr. K. A. Kasi Viswanatha Mudaliar, proposed a vote of thanks.

13th February 1958

Plea for Protection

Sri T. M. Narayanaswami Pillai, Vice-Chancellor, Annamalai University expressed the hope that Government of Madras would take necessary steps to put the handloom industry on a sound footing, especially in view of its great employment potential. He presided over the 6th day of the Fifth All-India Handloom Week Celebrations held on the 13th February 1958 at the exhibition grounds under the auspicies of the Madras State Handloom Weavers' Co-operative Society Ltd., Egmore. He further stated that the handloom industry has achieved great progress after the implementation of the Cess Fund schemes. The quality of the fabrics has improved very much. Despite all these, the competition of the mill industry has become acute and reports about accumulation of stocks have been heard. Further, the reduction in the rate of consumer rebate from 9 nP. to 6 nP. has further aggravated the problem. He hoped that the Government of Madras would take vigorous steps to protect the interests of handloom weavers.

Sri Kunragudi Adigal then delivered a fine speech. He recalled the fine artistic abilities of our handloom weavers and said that references to the excellent fabrics of Tamil Nad being in demand in Greek and other countries were to be found in Tamil classics.

He said that Tiruvalluvar himself was a weaver and he had woven one of the finest and immortal poems of Tamil, the Tirrukkural. He said that efforts should be taken to maintain nearly 20 lakhs of weavers and to safeguard their interests, so that their high artistic talents may be pressed into the service of the nation to cloth the people. He also said that celebrations of the week would inculcate a taste and aptitude for the handloom fabrics and make the people handloom-minded.

Earlier, Sri M. P. Nachimuthu, President of the Apex Society welcomed the audience. Sri A. J. Arunachalam proposed a vote of thanks. The audience were entertained to music by Shrimathi K. B. Sundarambal.

14th February 1958

Handloom Cloth—Need to Clear Stocks

An appeal to the people to patronise handloom goods and assist the handloom industry to dispose of the large stocks, that had accumulated in recent months was made by Mr. C. Subramaniam Finance Minister, presiding over the seventh day celebrations of the. All-India Handloom Week organised by the Madras State Handloom Weavers Co-operative Society in Egmore. The seventh day was celebrated as 'Students Day'

Mr. M. P. Nachimuthu, President of the Society, welcomed the gathering. He paid tributes to Rajaji for championing the cause of handloom weavers, when he was Chief Minister. He wanted that the rebate given on handloom cloth should be restored to its previous level.

Mr. N. D. Sundaravadivelu, Director of Public Instruction distributed prizes to the winners in the oratorical contest held among the students in the City. The winners were: Mr. C. P. Pattabhiraman (Pachiappa's College) and Miss A. C. Parvati (Queen Mary's College), Messrs. A. Manivannan and A. Shanmugam (both of Chintadripet High School) and Miss A. Vasanta (Kalyanam High School, Chintadripet).

Later, there was a variety entertainment by the students from different colleges and schools in the City.

15th February 1958

Handloom Cloth Sales—Higher Rebate Suggested

Mr. R. Venkataraman, Minister for Industries, made an appeal on the last day of the fifth All-India Handloom Week, observed under the auspices of the Madras State Handloom Weavers' Co-operative Society Limited for taking a pledge to help industry to get over its present difficulties by patronising handloom products.

The Minister, who was presiding over the concluding day's function at Egmore, said that the handloom industry, which had managed to survive for so many years, should be preserved. Referring to the glut in the handloom market, he suggested the restoration of the old rebate in order to avert the crisis, that was threatening the industry. He also urged that the two-anna rebate that they allowed on fabrics purchased in the exhibition held in connection with the Handloom Week might be extended during festival like Depavali, Pongal, etc. Steps should be taken to explore to find a market in foreign countries for handloom products, he added.

Mr. M. P. Nachimuthu, Presidend of the Society, earlier, welcomed the gathering.

Mr. K. M. Balasubramaniam appealed for support to the handloom industry.

Mr. A. J. Arunachalam Vice-President, moved a resolution urging the Central Government to restore the rebate from six naye paise to nine naye paise in view of the accumulation of stocks in Madras State, which was adopted at the meeting.

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G.O.'s and Circulars

NEW RULES III-A AND XXV-B.

Copy of G.O. Ms. No. 2663, Department of Industries, Labour and Co-operation dated 9th August, 1957.

SUB: Acts and Rules—Madras Co-operative Societies Act 1932 Rules-Rules XV and XII (a) Amendments—Introduction of new Rules III-A and XXV-B—Confirmed.

READ: G. O. Ms. No. 4299 Industries, Labour and Co-operation dated 4th October, 1956.

From the Registrar of Co-operative Societies, No. R. C. 32035/56-B. dated 15th April 1957.

ORDER:

In the notification published at pages 578-579 of the Rules Supplement to part I of the Fort St. George Gazette dated 14th November, 1956, the Government of Madras published under section 65 of the Madras Co-operative Societies Act, 1932 (Madras Act VI of 1932), Draft amendments to the Rules issued under the Act. The Government have not received any objections or suggestions in respect of the draft amendments and are of the view that the amendments published should be confirmed with slight modifications. The appended notification will be published in the Fort St. George Gazette.

(True Copy)

APPENDIX.

NOTIFICATION.

In exercise of the powers conferred by Sub-section (1) and (2) of Section 65 of the Madras Co-operative Societies Act, 1932 (Madras act VI of 1932) the Governor of Madras hereby makes the following amendments to the rules published with the late Development Department notification No. 254, dated the 1st August 1933, at pages 1178-1185 of Part I of the Fort St. George Gazette dated the 1st August 1933, as subsequently amended, the same having been previously published as required by sub-section (3) of the said section.

AMENDMENTS

In the said rules:

1. After rule III, the following shall be inserted as rule III-A.

"Rule III-A Every application for membership in a registered society shall be considered by the Committee of the Society, which shall have power either to grant or refuse admission. A person who is refused admission shall have a right of appeal within two months from the date of receipt of the order of refusal by registered post to the committee of the Financing Bank, if the society is affiliated to it and to the Registrar in other cases. Where the appeal is in respect of refusal of admission to a Weavers' Co-operative society, the Committee of the Financing Bank shall consult the committee of the Madras State Handloom Weavers' Co-operative Society Limited before deciding the appeal. In the case of difference of opinion between the committees of the Financing Bank and the Madras State Handloom Weavers' Co-operative Society Limited, the matter shall be referred to the Registrar for decision. The decision of the Committee of the Financing Bank or of the Registrar, as the case may be, shall be final".

2. For rule XII, the following shall be substituted namely :—

"XII (a) (1): In a society with shares and unlimited liability not less than one half of the net profits and in a society with shares and limited liability not less than one quarter of the net profits shall be carried to the Reserve Fund. In a financing bank with share and limited liability, however not less than one third of the net profits shall be carried to the reserve fund until the total of the reserve fund and the other reserves of the bank equals the paid up share capital of the members held by it. and thereafter not less than one quarter of the profits shall be so carried. Every registered society which does not pay a charge for its audit to the Government according to the scale of audit fees prescribed or which does not have its accounts audited at its own expense shall next set apart 10 per cent of its net profits to an audit fund. This amount or the audit fee according to the scale prescribed, whichever is less, shall be paid to the nearest Government treasury within three months from the date on which the audit certificate for the year is issued by the Registrar under rule VII. Every agricultural credit society other than a land mortgage bank or a society the object of which is to grant long term loans exclusively on the mortgage of immovable properties and every financing bank shall set apart 10 per cent of its net profits in an year towards an Agricultural Credit Stablisation Fund to be utilised to enable borrowers to make postponement of repayment of loans on account of famine, drought or such other unforeseen causes. This fund shall not be utilised except with the previous permission of the Registrar.

The remainder of the net profits may be used in such manner and for such purposes as are prescribed by the by-laws of society; provided that

(i) The Madras State Co-operative Bank Limited, shall not pay divident to its shareholders at a rate exceeding 9 per cent per annum on the paid up value of each share;

(ii) No financing bank other than the Madras State Co-operative Bank Limited, shall pay dividend to its share holders, excluding preference shareholders at a rate exceeding 5 per cent per annum on the paid up value of each share;

(iii) No other society with shares and limited liability shall pay dividend to its shareholders at a rate exceeding $6\frac{1}{4}$ per cent per annum on the paid up value of each share.

(iv) No society with share and unlimited liability shall pay dividend to its share holders at a rate exceeding $6\frac{1}{4}$ per cent per annum on the paid up value of each share.

(v) No society shall set apart more than $7\frac{1}{2}$ per cent of its net profits for a common good fund.

Provided also that where the State Government or the Financing Bank have invested in the shares of any registered society, the dividend payable in any year

(a) to the State or the Financing Banks as the case may be, in excess of such rate as the State Government may direct and;

(b) to the other members in excess of such rate as may be specified in the by-laws of such society shall be credited to the Agricultural Credit Stabilisation Fund referred to above; and

(2) Any profits not allotted in the manner specified in the rules and by-laws shall forthwith be credited to the reserve fund.

(b) Societies with shares and unlimited liability, registered as urban societies under the Co-operative Credit Societies Act 1904 (Central Act 10 of 1904) may continue to divide their profits in accordance with their by-laws as they stand on the date of issue of these rules; but they shall not increase the proportion of net profits to be divided among the members except in accordance with the foregoing provision.

(c) A society other than a credit society (such as a co-operative stores, a weavers' society, a milk supply society, a labour contract society, a motor transport society, and a co-operative workshop) may pay, in accordance with its by-laws bonus to its members based on the extent of business done by those members with it or on the value of the services redered by such members to the society or on such other basis as may be laid down in the by-laws of the society for this purpose with the approval of the Registrar, subject to a maximum of 25 per cent of the net profits.

Provided that a co-operative Motor Transport society for ex-servicemen shall not pay as bonus to its member employees in any year an amount exceeding three months' wages or salary.

Provided further that it shall be competent to a co-operative motor transport society for ex-seavicemen to carry any balance that may remain out of the 25 per cent of net profits after having distributed bonus in a year, towards a bonus equalisation fund to be drawn upon as provided in its by-laws.

(d) should a society whether with limited or unlimited liability which is competent either under the Act or under these rules to divide a part of its net profits among its members, elect to appropriate such portion or part thereof to a "common good fund", the purpose *designated* by the expression 'common good' shall be clearly defined in the by-laws of the society and it shall not be other than a *charitable purpose* as defined in section 2 of the Charitable Endowments Act 1890.

(True Copy)

NOTE! The expression "net profits" in this rule means net profits as certified by the Registrar under rule VII.

3. For the words "Two years" occuring in the first proviso under sub-rule (1-A) of rule XV, the words "Three years" shall be substituted;

4. After Rule XXV. A, the following shall be inserted as rule XXV-B.

XXV-B. Where the State Government or a Financing Bank has taken shares in or given financial or other assistance to a registered society, the State Government, or the financing bank as the case may be, shall have power to nominate to the committee of such society such number of persons not exceeding one third of the strength of the committee of the said society, as the State Government may decide. The State Government of the financing bank may, at any time, withdraw any person or persons so nominated and fill up the vacancies by fresh nomination.

(True Copy)

GRANT OF GOVT. LOANS—RULES 8(I) AND (II) AMENDED

Copy of G. O. Ms. No. 60, I. L. and C., dated 7-1-1958.

SUB: Co-operative Secieties—Rules for the grant of Government loans—Rules 8 (i) and (ii) —Amended.

READ AGAIN:

(i) G. O. Ms. No. 512, Dev., dated 11-4-23.

(ii) G. O. Ms. No. 2835, Dept. of I. L. and C., dated 19-8-1955.

READ ALSO:

From the Registrar of Co-operative Societies Rc. No. 11626/56 Z-11 dated 14-10-1957.

ORDER:

The Government accept the proposal of the Registrar of Co-operative Societies, and direct that the following amendment be made to the rules approved in G. O. Ms. No. 512, Development dated 11-4-1923 and in G. O. Ms. No. 2835, Industries, Labour and Co-operation, 19-8-1955.

AMENDMENT

In rule 8, for sub rules (i) and (ii), the following shall be substituted:

(i) *Payment on the due date of a sum in excess of the Amount due*: Such excess payments shall at once be credited in reduction of Principal. If the amount of such excess payment is not less than the total amount of an annual instalment, refixation of the amount of subsequent instalments may be allowed at the option of the society, but no postponement of future instalments will be allowed.

(ii) *Payment before the due date:* Any sum paid before the due date shall first be credited towards the interest, which had accrued upto the date of payment, and the balance, if any, shall be credited towards principal, the society being required to pay on the due date the balance of interest due for the year and also the balance of principal, if any, due for the year. If the amount paid before the due date is in excess of the annual payment by an amount which is not less than the annual instalment, a reduction of the subsequent instalment by refixation of the Instalment will be allowed at the opinion of the society, but no postponement of such instalment will be allowed".

(True Copy)

HARIJAN SOCIETIES—REGISTRATION FEES—EXEMPTION

Copy of G. O. Ms. No. 99 dated 10th January 1958 of Industries, Labour and Co-operation Department.

ABSTRACT

Co-operative societies—Registration fees—Payment by members belonging to Harijan Communties and by Harijan Societies—Exemption—Continuance—Granted.

READ AGAIN:—

G. O. Ms. No. 1970, Industries, Labour and Co-operation, dated 1-6-55.

READ ALSO:—

(i) From the Registrar of Co-operative Societies, Rc. No. 49640/57-V dated 22-9-57

(ii) From the Inspector General of Registration, letter No. 329-General dated 21-10-57.

ORDER:—

The Government acccept the proposals of the Registrar of Co-operative Societies to continue for a further period of two years from 1-4-57.

(i) the exemption granted to Harijan Members of Co-operatfve Societies from fees payable for registering documents and obtaining encumbrance certificates; and

(ii) the exemption granted to Co-operative Societies, the majority of whose members are Harijans, from fees payable for registering documents executed by them in favour of Harijans and for obtaining encumbrance certificates.

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

NOTIFICATION I

In exercise of the powers conferred by section 30 (2) (b) of the Madras Co-operative Societies Act, 1932 (Madras Act VI of 1932) the Governor of Madras hereby makes the following amendment to the late Development Department Notification No. 638, dated 21st October 1943, published at page 924 of Part I of the Fort St. George Gazette, dated the 26th October 1943, as subsequently amended.

3. The amendment hereby made shall be deemed to have come into force on the 1st April, 1957.

AMENDMENT

In paragraph 2 of the said Notification, for the words "for a period of fourteen years" the words "for a period of sixteen years" shall be substituted.

NOTIFICATION II

In exercise of the powers conferred by section 30 (2) (b) of the Madras Co-operative Societies Act, 1932 (Madras Act VI of 1932) the Governor of Madras hereby remits in full, all fees payable under the law of registration for the time being in force for the registration of documents excuted in favour of Harijans and for obtaining encubrance certificates therefor by any Co-operative Society for the time being registered or deemed to be registered under the said Act, the majority of whose members are Harijans.

2. This notification shall be deemed to have taken effect on and from the 1st April 1957 and shall remain in force for a period of two years from that date.

(True Copy)

LAND MORTGAGE ACT—EXTENSION TO KANYAKUMARI DISTRICT

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

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

Registrar.

Rc. 170917/56-J. Dated, 31-1-1958.

SUB: Land Mortgage Bank—Extension of Madras Co-operative Land Mortgage Banks Act X of 1934 to Kanyakumari District—Regarding—

The Madras Co-operative Land Mortgage Banks Act (Madras Act X of 1934) has been extended to the newly constituted Kanyakumari district by the Act XXII of 1957—Madras (Transferred Territory) Extension of Laws as passed by the Madras Legislature and approved by the President of the Indian Republic. The attention of the Deputy Registrars for Land Mortgage Banks and the Deputy Registrars on general duty is invited to the notification published in this behalf under Part IV-B Madras Acts. Regulations, etc. of the Fort St. George Gazette dated 18-12-1957 (Agrahayana 27, 1879).

(Sd.) D. A. SWAYAMPRAKASAM,
For Registrar.

News and Notes

Inauguration of the Kanyakumari District Co-operative Supply and Marketing Society Ltd.

The Kanyakumari District Co-operave Supply and Marketing Society Ltd., was inaugurated by Shrimathi Lourdammal Simon, Minister for Local Administration, Madras at Nagercoil on 7-2-1958. Sri K. M. Bhoothalingam Pillai, President, Kanyakumari District Co-operative Central Bank Ltd., presided. He explained the recent developments in the Co-operative Movement and the need for a district marketing and supply society. Sri R. Subramania Pillai presented a welcome address to the Minister. Messrs. M. D. Anantharaman and G. Daniel addressed the meeting. Sri A Ramaswamy proposed a vote of thanks.

Laying of the Foundation Stone for the Godown of the Marketing Society at Villupuram.

Sri P. T. Rajan, M.L.C. laid the foundation stone for the godown of the Villupuram Co-operative Marketing Society, South Arcot District on 12-12-1957. Sri A. Palaniappa Mudaliar presided over the function.

Sri M. Pachaiyappan, President of the Society said that the godown was to be constructed at a cost of Rs. 36,000, of which 25 per cent would be Government subsidy and the remainder would be a Government loan repayable in 20 years. They proposed to establish a groundnut decorticator also.

Sri A. Palaniappa Mudaliar, Registrar of Co-operative Societies, Madras said that it was a happy augury that Sri P.T. Rajan was laying the foundation stone for the godown of the Society. He was one of the founders of the Co-operative Movement in Madras. He then explained the objects of constructing a net work of godowns at important trade centres and laid stress on the importance of linking credit with marketing.

Sri P. T. Rajan, then laid the foundation stone of the godown. He said that he was amazed at the rapid progress of the Co-operative Movement in Madras. He appealed to the agriculturists to take advantage of the facilities offered by the marketing society and laid stress on the prompt repayment of the loans.

Sri M. Shunmugham read the addresses of welcome presented to Sri P. T. Rajan and Sri A. Palaniappa Mudaliar.

Sri A. Subbaraman proposed a vate of thanks.

Arani Ladies Cottage Co-operative Industries Society Ltd.

The General Body Meeting of the Arani Ladies Cottage Co-operative Industries Society Ltd., was held on 9-2-1258. 50 members attended the meeting, presided over by Shrimathi Janaki Hariharan. The Generel body approved the Budget for 1957-58. Sri T. Ponnuswamy, Extension Officer for Co-operation attended the eeting. He made suggestions for the better working of the Society. Shrimathis T. P. Sundari Ammal, Janaki Hariharan, Thai Henry were elected as the President, Vice-President and Secretary respectively. Shrimathi Thai Henry proposed a vote of thanks.

Housing Colony for Harijans opened in the North Arcot District.

Sri R. Venkataraman, Minister for Co-operation declared open on 29-11-1957 a housing Colony of 20 houses built for the harijans by the Kattalaicheri Rural Co-operative Housing Society Ltd., in the North Arcot district under the centrally sponsored scheme for the scheduled castes sanctioned for 1956-57. Sri B. Bakthavathsalu Naidu, M.L.A., Deputy Speaker, Madras Legislative Assembly presided over the function. The Minister was presented with a Welcome Address by the Directors of the Society. The Minister explained to the harijans the various housing schemes sanctioned by the Government for the benefit of the harijans and exhorted them to come forward to make a willing contribution of a small part of the cost of house in the form of labour expected of them and avail themselves of the assistance provided by the Government.

Membership Week at Adur

The Membership Week was celebrated under the auspices of the Adur Co-operative Credit Society on 25-1-1958, Sri R. Ramalingam presiding. Messrs. D. Vasudevan, D. Nageswaran, D. Kesava Reddiar and D. Narayana Pillai addressed the meeting. About 100 members joined the Society at the meeting.

Membership Week at Mannaparai

"Membership Week" was celebrated by the Manaparai Co-operative Union on a grand scale for 4 days. A publicity van was pressed into service. Public meetings were held at Rachanda Thirumalai, Kavalkarapatty, Uraiyur and Viampatti. The propaganda van travelled a distance of about 300 miles during 21st to 25th January 1957 and covered 74 villages. It is expected that nearly 5000 new members would be enlisted in co-operative societies as a result of this campaign.

Design Centre for Silk Weavers at Kanchi

Sri K. Kamaraj, Chief Minister, Madras opened the Design Centre for Silk Weavers at Kancheepuram on 12th February 1958. The Centre is organised by the All-India Handloom Board. Sri S. Ellappa Mudaliar presided over the function. Sri R. Kolandaivelu, Joint Director, All-India Handloom Board read the messages. Sri D. S. Joshi, Chairman, All-India Handloom Board appealed to the weavears to take full advantage of the Design Centre. He said that Government have decided to open four Design Centres one each at Bombay, Madras, Calcutta and Banaras, with three sub-units at Surat, Chandeni and Kancheepuram. Each of these will have a weaving section and dye-house.

Sri K. Kamaraj, Chief Minister, Madras said that since Independence, Government have been implementing many scheme for the development of the handloom industry. He said that Kancheepuram Silk Sarees were famous throughout India.

He stressed the need for encouraging cottage industries.

Sri Sabanayagam, Deputy Textile Commissioner proposed a vote of thanks.

Bill on Recovery of Members' Dues from Co-operative Societies.

A Bill further to amend the Madras Co-operative Societies Act, 1932 has been published.

The statement of objects and reasons appended to the Bill which is called the Madras Co-operative Societies (Amendment) Act, 1958, says:

The employees' co-operative societies in the State are faced with certain difficulties in recovering their dues from their members. Though an agreement is obtained from the members at the time of admitting them that their dues could be recovered from their pay or wages through the heads of offices, no obligation is cast on the employers to recover the dues from the pay or wages of the employees and remit them to the society. This difficulty has been brought to the notice of Government. In order to obviate this difficulty, it is proposed to include a section in the Madras Co-operative Societies Act 1932 (Madras Act VI of 1932), requiring the pay disbursing officers to deduct the sums due to co-operative societies from the pay or wages of employees. The Bill seeks to achieve the above object.

FIFTH ALL INDIA HANDLOOM WEEK—Tirunelveli

Handloom Exhibition was conducted at Tirunelveli under the auspices of the Tirunelveli District Handloom Weavers Co-operative Federation Ltd. from 8-2-1958 to 16-2-1958 in the compound of Nellai Sangeetha Sabha. The total sales during the Exhibition amounted to Rs. 1.2 lakhs.

Sri A. M. Krishnan Nambudripad, Distrist and Sessions Judge, Tirunelveli presided over the meeting on 8-2-1958. Shrimathi A.V. Rukmabai Loganathan presided over the Women's Day on 7-2-1958. Sri E. Audikesavan, Additional District and Session Judge presided over the meeting, held on 10-2-1958. Sri K. M. Balasubramaniam stressed the need for public support to the handloom industry. Sri V. Govindan, Deputy Director, All-India Handloom Board presided over the meeting held on 11-2-1958. Sri S. Ramaswami Konar presided over the meeting held on 12-2-'58. Sri S. Muthian, Assistant Director of Industries presided over the "Savings Day" on 13-2-1958. Sri C. Arunachalam Mudaliar, Head Master, Municipal High School, Pettai presided over the "Students' Day" on 14-2-1958. There was a conference of the representatives of the Weavers Co-operative Societies on 15-2-1958; it was attended by 84 representatives. In the evening, a public of meeting was held under the Chairmanship of Sri A. P. C. Veerababu. On 16-2-1958, a public meeting was held under the Chairmanship of Sri V. S. Sankarasubramania Mudaliar. Messrs. P. Ramaswami, T. Govindan, and M. Srinivasan addressed the meeting. Sri. S. Subbiah Mudaliar proposed a vote of thanks.

Mannargudi

The Fifth All-India Handloom Week was celebrated by the Mannargudi Cotton and Silk Weavers Co-operative Production and Sale Society Ltd., on the 12th February 1958. There was a procession. Sri P. Subbiah Mudaliar presided over the public meeting. Messrs. R. Narayanaswami Iyer, K. R. G. Pal, V. Ramachandra Dikshathar, Dr. P. V. Muthukrishna Iyer, S. M. Kalyanasundaram and others addressed the meeting.

Sathyavedu

The Fifth All-India Handloom Week was celebrated at Satyavedu under the joint auspices of the weavers co-operative societies on 15-2-1958. There was a procession led by Sri K. Ramamoorthy. An exhibitiou was held in connection with the function, which was declared open by Sri E. Venugopal Reddy. Later, there was a public meeting. Sri K. Rajagopal Chetty presided. Messrs, N. V. Subramaniam, M. Sreeramulu Chetty, Vice-Principal, Sir Theagaroya College, Madras, Srimathi K. Kamalaambujaammal, M.L.A., and others spoke on the occasion. Sri S. Balakrishnan proposed a vote of thanks,

Tiruchirapalli

The Fifth All-India Handloom Week was celebrated at the premises of Woriyur Devanga Weavers Co-operative Society Ltd, Sri A. S. Lingaiaya Chettiar presiding. Sri. P. Sangilia Pillai hoisted the National Flag. Sri K. W. A, Govindarajan, Deputy Registrar, North Trichy inaugurated the week celebrations. Messrs. P. S. Balasundaram, A. M. V. Muthuswamy, K. A. Rajaram and others spoke about the importance of the All-India Handloom Week. Sri S. R. Ramanujam proposed a vote of thanks.

PRACTICAL TRAINING EXAMINATION RESULTS.

The following are the supplementary candidates who completed the whole examination by passing in **Part IV** against the month noted :

S. No.	Regd. No,	Name of the candidate.	Trained in the year.	Passed Part IV in the month of
1.	+ 7089	Dharmadurai, S.	1956—57	January '58
2.	+ 7213	Venkataswamy, T.	1956—57	January '58
3.	+ 4311	Kannan, K.	1951—52	June '52