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HONY. EDITOR :
P. NATESAN, M.B., B.S.

ASSOCIATE EDITOR :
VISWANATHAN TEKUMALLA,
M. A., B.Ed., F.R. ECON. S. (LONDON)

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THE

Madras Journal of Co-operation

EACH FOR ALL AND ALL FOR EACH

Journal of the Madras Provincial Co-operative Union, Esplanade, Madras

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An Unfair Deal to Co-operation:

The Rural Banking Enquiry Committee set up under a Government of India Resolution in November 1949 have submitted their Report to Government. According to the terms of reference the inquiry was chiefly concerned with the consideration of immediate measures for extending banking facilities to rural areas, the existing arrangements for cash work at Government treasuries and sub-treasuries and the future arrangement for such work in all the Provinces or States.

The Committee have felt that the differing financial requirements of the country cannot all be provided by one set of institutions and have therefore suggested coordination in the activities of the existing banking institutions. But in dealing with the machinery for rural credit and extension of banking facilities for the rural areas the Committee have shown a bias towards the Imperial Bank and the Commercial Banks. The Committee have felt that the Imperial Bank should continue its commercial activities and that nothing should be done which will weaken or impair its organisation and financial strength. As regards the commercial banks they suggested that the institutions should be encouraged to open offices as near the rural areas as possible. The Committee have also recommended the development of post-office savings banks "which are the most widespread Governmental agency and enjoy the confidence of the people and if developed can collect the savings of the rural people to an increasing extent." We feel that the Report indicates a bias towards the State institutions and the commercial banks.

The position assigned to the Co-operative financing institutions in the Report is a poor appreciation of the work done by them for several decades. Not that the Report is all silent about the role of the Co-operative banks in rural banking: The Committee have obviously ignored the work and status of the Co-operative institutions as democratic organisations working for the benefit of the rural classes. Regarding the role of the Co-operatives the Committee say that there is also need for developing Co-operative societies, as the largest part of the structure providing banking facilities to rural areas consist of such societies. Regarding the provision of long term credit however the Committee hold that land mortgage banks are the most appropriate agencies for the purpose.

Thus while the Committee are aware of the close and intimate contact of the Co-operative institutions with rural credit, they have not properly appreciated the possibilities of the Co-operative Movement in rural economy. None the less the Co-operative Banks are definitely growing in popularity as against the other types of financing institutions. We learn from the statistical tables relating to the banks of India for 1948 released by the Reserve Bank of India that the total deposits of Joint Stock Banks in the Indian Union declined from Rs. 1,051.77 crores in 1947 to Rs. 1,009.97 crores in 1948 and that those of the Co-operative Banks increased from Rs. 65.51 crores in 1947 to Rs. 70.92 crores in 1948. We also learn that about 53 per cent of the offices of the scheduled banks are in larger towns and cities and 67 per cent of the non-scheduled banks in smaller towns. Co-operative Banks on the other hand have about 63 per cent of their offices in smaller towns and villages. The spread of the co-operative movement in the countryside during recent years is remarkable: Rural Madras, for instance, is dotted with thousands of rural credit societies which are also small banks in the sense that they give loans to or take deposits from villagers. The following figures relate to their transactions during recent years:

Year.	No. of Rural Societies.	Loans issued. Rs.	Deposits taken. Rs.
1946-47	11,375	3,47,15,846	48,88,467
1947-48	12,056	4,40,00,620	53,16,281
1948-49	13,740	4,96,10,290	72,66,228

It is therefore clear that the Co-operative banks are not only attracting more and more deposits but are also getting closer and closer to the rural areas unlike other agencies. Till now it is only the co-operative agency that is popular among rural borrowers and investors. It may even be said that co-operatives have established a sort of monopoly in the countryside by virtue of their useful service. It is a pity that the Committee did not adequately appreciate this growing status of the Co-operative Banks.

Apart from the question of extending banking facilities to rural areas, there is the question of stimulating and mobilising rural savings. In this matter the Committee have felt that, though the costs of agriculture and living have gone up, there is a relative shift in incomes and that on the whole the rural incomes have risen and a margin has been available for saving; but these surpluses are found with the bigger landlords, money-lenders and so on. No definite suggestion regarding the ways and means of tapping rural savings has been made. It has however been suggested that attempts will have to be made to promote thrift and small savings *by means of propaganda*. Few will deny that in this respect the Co-operative institutions have ample scope to achieve considerable success. Co-operators and institutions, by dint of experience may be able to devise effective ways and means of tackling the rural investor or borrower. In this connection we may mention a proposal made by the present Registrar of Co-operative Societies, Madras, Sri K. Subrahmanyam Naidu. Speaking recently at Ambur, he advised that Land Mortgage Banks should take positive measures for stimulating saving among their borrowers. He proposed the institution of a provident fund to which the borrower should be requested to contribute annually a fixed sum in addition to his annual instalment due on the mortgage debt. The idea is that this provident fund contributed during normal years will stand the borrower in good stead when he is hard up for money during lean years. Such suggestions deserve to be examined and tried in the interests of the rural borrowers.

While the Report of the Committee is disappointing to us, Co-operators, it has taught us that in the present conditions, the Co-operative Movement will have to work up its way. It has to work much more vigorously than at present if it is to enjoy a predominant position in the future set up of rural finance.

Rural Industrialisation—A Plea For Realistic Outlook:

The Government of Mysore have adopted Sir Visweswarayya's scheme of rural industrialisation which visualises the planned development of about 150 cottage industries. Under the scheme the basic unit is the Rural Group. Each group comprises villages having a total population of 10,000. In each group a Village Group Development Committee is elected under the Village Panchayats Act. Each Committee appoints a Village Group Development Inspector. These Inspectors would receive a six-week training in basic economics and the basic principles of the possible rural industries of their districts. The scheme contemplates voluntary contributions from the villagers, the Government contributing an equal amount.

This scheme has been now implemented in the districts of Bangalore and Kolar. About Rs. 70,000 has been reported to have been collected from the Public of Bangalore district towards the starting of rural industries societies, and a training centre has been opened at Dodballapur. In Bangalore district alone one hundred circles have been created for working out the scheme.

Mysore is probably foremost in the Indian Union to take up the development of cottage industries on "planned lines." It is no wonder that it should be so, considering that Mysore is industrialising itself under the guidance of one of India's greatest industrial planners and engineers.

It is a pity that in most other Indian States, the need for early and quick action for the development of rural industrial economy has not been properly appreciated. The country is passing through the twin perils of soaring cost of living and increasing unemployment and under-employment—the Scylla and Charybdis of our ship of State. Only very recently Sir V. T. Krishnamachari, Chairman of the Fiscal Commission, told a Press Conference: "When agriculture is rationalised, on a very rough and moderate estimate, one and a half crores people will be displaced from agriculture. Added to this every year will be three to four million people representing the increase in population. You must also realise that in spite of all the industrialisation that has taken place, our industries employ less than three million people in all. This is the magnitude of the problem of providing employment and avoiding under-employment.

"We attach a great deal of importance to cottage industries, but cottage industries can afford gainful employment to a much

larger number of people than at present, only if they are rationalised if their techniques are improved, if power is given and if the State helps them in many ways."

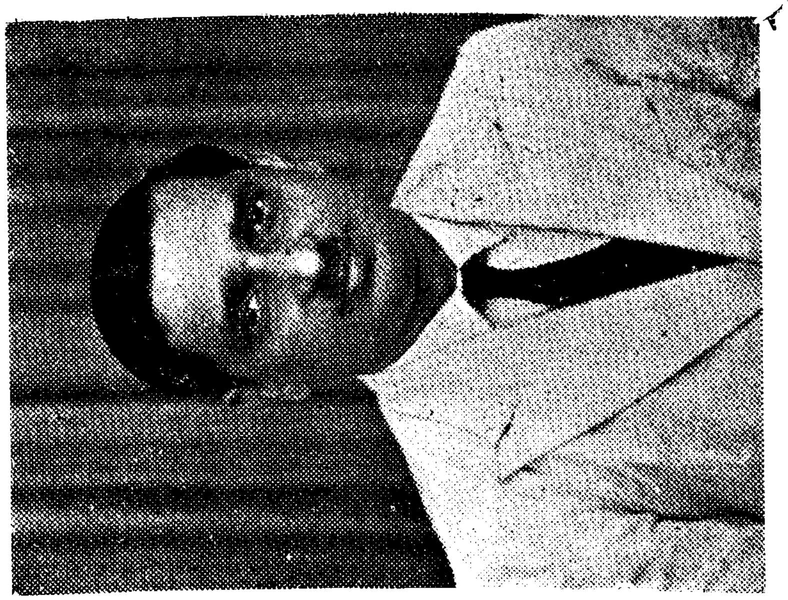
Most of the State Governments and, for the matter of that, even the Union Government have failed to realise the gravity adequately and to rise to the occasion. The efforts made and the sums of money spent by them so far have generally resulted in achieving little progress in the right direction. Of course, a Cottage Industries Board has been constituted at the centre to co-ordinate the activities of the State Governments. No co-ordination, worth the name, has, however, been in evidence, probably because few State Governments have taken definite constructive measures which will fit into an All-India Scheme of development. It is now reported that recently the Executive Committee of the Central Cottage Industries Board decided to undertake, as part of the Board's immediate programme, a "quick survey" of the existing cottage industries in the country. This decision has come none too early. A comprehensive survey of cottage industries is most essential; but a survey on a provincial basis rather than on a country-wide basis will be well-advised. Few States which have development schemes in operation have an up-to-date statistical background for their promotional work. In Madras for instance the last survey was made in 1929 and therefore the present State Programme is lacking a sound basis. On the other hand the neighbouring State of Travancore-Cochin has undertaken a survey of her cottage industries so as to make a realistic approach to its problems. Madras will do well to follow suit. To be self-complacent, hoping that the "quick survey" of the Central Government in Madras State, will help solve its own special problems is to do a dis-service to the thousands of starving artisans who look to their Government for help.

Another urgent need of the Madras State is a State Cottage Industries Board. The Constitution of this Board has too long been under contemplation. Of course some Regional Advisory Boards for lace work, leather work and so on have come into being; but it is doubtful if they can function properly in the absence of a comprehensive survey and a State Advisory Board.

One point must needs be borne in mind in an endeavour of vital importance like the promotion of cottage industries. The problem of rural industrialisation is one which requires a scientific study of the economic and human resources of the country. Mere deputing of some Officers for the work will be to no purpose. On the other hand by pressing into service persons who, by special study of rural industrial problems, are competent to undertake the work, real progress could be achieved. It is hoped that the Governments in the States and at the Centre will take a realistic view of the problems and help build up a healthy rural industrial system.

HON'BLE SRI P. S. KUMARASWAMY RAJA,
Chief Minister, Government of Madras.
(Opened the VII Tamil Nad Co-op. Conference at Rameswaram.
Also opened recently a Branch of the
South India Co-operative Insurance Society, Ltd. at Madura
and the P. T. Rajan Hall at the Hood Co-op. Institute, Tanjore.)

Sri K. Subrahmanyam Naidu, M. A.,
Temporarily apptd. Registrar of Co-op. Societies, Madras.
(Opened the Cottage Industries Exhibition at the Co-op. Conference at Rameswaram.)



Sri J. C. Ryan, M. A.,
Registrar of Co-op. Societies, Madras.
(He has gone abroad as Co-operative Consultant to Far Eastern Countries.)

Marketing Schemes to Improve Food Distribution*

BRITISH PRODUCERS SUGGEST NEW PLAN

S. Gordon Coller

The future of wool and food distribution has been brought into the limelight by the presentation to the British Parliament of two new producers' marketing schemes. One deals with wool, the other with tomatoes and cucumbers. Both are sponsored by the powerful National Farmers' Union, which fathered the many similar schemes introduced during the 1930's. And, since they raise issues of distribution, monopoly, and the cost of living, both are stones cast into a sea which—politically—is far from calm.

The aim of the wool scheme, says the Union, is to encourage sheep farmers to improve the efficiency of production, shearing, storage and general preparation and handling—it will enhance the unrivalled reputation of Britain's wool clip still further. In the atmosphere of security introduced into agriculture by the guaranteed markets and prices of the 1947 Agriculture Act, wool has been a notable exception.

The British Government, however, adds the Union, has given an assurance that, given a satisfactory marketing scheme, wool prices will also be guaranteed in future and producers would be allowed to share any surplus from sales above these prices. At present high world prices, a surplus of about £2,000,000 (Rs.2.66 crores) would be anticipated for the 1950 clip, and this would form a valuable reserve fund to cushion any future decline in prices.

Import Competition

Co-operative packing station, standard grading and packing of tomatoes and cucumbers are features of the marketing scheme proposed for these two foods, which are also excepted from the price guarantees covering some three-quarters of Britain's agricultural produce. Both crops are notoriously under severe pressure from import competition, particularly during the late summer, and valuable amounts have been allowed to rot in past years at this season because they were not worth the harvesting. The producers' organisation would be authorised, therefore, under the Union scheme

* By courtesy of British Information Services, Madras.

to produce soup, juice, puree, cocktails, ketchup, chutney, sauce and pickles as an outlet for surplus production.

In both fields, the producers would elect the majority of representatives on the respective Marketing Boards, not fewer than two nor more than one-fifth of whose members must, however, be appointed by the Minister of Agriculture under the Agricultural Marketing Act of last year. Under this Act, the Minister also has power to issue directions to a Marketing Board if its actions, or lack of action, appear against the public interest, such directions being subject to approval by a Committee of Investigation if requested by the Board.

These powers, and the Minister's representatives on the Board, form the consumers' guarantees of consideration under the present system, which is widely admitted to be provisional. The more sweeping recommendations of the Lucas Committee, which investigated the whole field of farm produce distribution after the end of World War II and reported in December 1947, are still under consideration by the Government.

Milk Marketing Board

The Lucas Committee was instructed to survey the working of the Agricultural Marketing Acts of 1931 and 1933, under which Marketing Boards were first introduced into the United Kingdom pattern of distribution. Those Acts were the result of the world lump, which had brought the index for cereal and farm crop prices 1927/29=100) down to 73.5 in 1930, and for livestock and its products to 75 in 1932. As part of the abandonment of a free trade policy to which the world crisis led, producers' boards to regulate the marketing of home-produced hops were established in 1932, pigs, bacon and milk in 1933, and potatoes in 1934. Of these boards, the Milk Marketing Board was an outstandingly successful example.

A long battle for recognition of the food value of milk had begun after World War I with the Astor Report of 1919 and the Linlithgow Report of 1921, and was continued by the Grigg "Reorganisation Commission for Milk" in 1933, which proposed a Joint Milk Council consisting principally of producers and distributors. This proposal failed, and was replaced by a scheme with producer control sponsored by the National Farmers' Union. The new Board formed regional pools throughout Britain to equalise milk prices in each area, purchasing and re-selling the milk and using the margin to cover losses, administration, reserves and publicity.

In 1938, for example, a profit of 3.8 pence per gallon (4.5 litres) of liquid milk covered a loss of 2.77 pence per gallon of milk sold for manufacturing at peak production times, the balance of .18 of a penny per gallon being all that was required for the other purposes, including a nation-wide advertising campaign which raised consumption 27.4 per cent in four years and brought in 20,000 new producers. During World War II, the functions of the milk and other marketing boards were largely superseded by the direct powers of the Ministry of Agriculture (production) and the Food Ministry (distribution), and almost all the Boards' subsidies were merged into the Government's general food subsidies to stabilise the cost of living.

Corporations Recommended

Since the war, the situation in which the Marketing Boards were created has been reversed, in so far as demand has exceeded supply—although it is notable that, at least in the case of the tomato and cucumber scheme now proposed by the National Farmers' Union, an exception to this general rule is concerned. It was for this reason that the Lucas Committee two-and-a-half years ago thought a virtual monopoly by producers improper, and recommended that the marketing of Britain's farm produce should be put in the hands of Corporations representing not one sectional interest, but the community in general.

National taxation now forms the basic security for the guaranteed prices granted to farmers under the Agriculture Act of 1947, and the Lucas Committee proposed that—at the point where these prices operated—new independent bodies, financed from public funds, should take control of the produce until it is finally sold.

Since these revolutionary suggestions were put forward, the U. K. Government has announced on serveral occasions that it is investigating the whole field of food distribution with a view to securing greater efficiency and lower prices to the public, and it is against this background for a possible nation-wide reorganisation that farmers have put forward for debate two new producers' schemes on the old model brought up-to-date. The course of this debate will be watched with interest, not only by farmers and consumers, but in all those countries where the stability of agriculture or exports to Britain are of vital importance.

The Role of Co-operative Societies in Adult Education*

SRI C. MADHAVA NAIDU,

Superintendent Hood Co-op. Training Institute, Tanjore

Illiteracy and ignorance are the two great evils that prevent men from coming up in life. They are also the evils that keep a nation depressed, preventing every good cause from succeeding quickly. These evils could not be remedied as long as our country was ruled by foreigners.

We have today a democratic Constitution made by our representatives. According to the Constitution, every person—man or woman above 18 years of age—has the right to vote and determine the policy and adminisration of the country. The first General Election under this Constitution is likely to be held next year, surely before the end of the year 1952. The question arises whether out people will understand the issues aright and vote properly. Politicians can educate the people by lectures only to a limited extent and that too rather now and then. If voters are however made quickly literate, they can be educated steadily all round, through the means of the Press and the Library. This, in short, is the best reason for the urgency of adult education in our country at the present time,

Adult education, always desirable, is now specially urgent and it has to be of three kinds.

1. Education for literacy, through adult education classes.
2. Education for culture through the library movement.
3. Education for efficiency and national safety through visual aids such as cinemas and lanterns. All these three kinds of education have to be done among our adults between ages 21 to 40. Men above that age, though not ruled out may prove relatively difficult to tackle.

It is gratifying to note that the sponsors of adult education assembled here, have realised the importance and urgency of all these three forms of adult education. I now propose to interest you as to how for co-operative societies can help in promoting adult education, so that the enthusiasts of adult education will begin to take lively interest in the working of the co-operative societies

*Paper read at the 7th Provincial Adult Education Conference held recently at Tanjore.

in their area; for only good working co-operative societies can help to promote adult education.

A co-operative society is essentially an association of adults. Men and women over 18 only are admitted as members. The Members of the society are actuated by a common purpose namely to improve their economic condition. Therefore the general body of the co-operative society naturally provides a suitable platform for all schemes for promoting agriculture and village craft. But villagers are men of common sense and it is necessary that the schemes should be practical enough to interest them. Secondly a society serves as a school of education for citizenship. It brings home daily to members the utility of the motto that each should be for all and not entirely for himself which is the case with the majority of us now. Thirdly the procedure adopted by societies in general meetings and meetings of directors help to teach members, methods of proper discussion and proper management of material affairs. These, in themselves, are valuable contributions to adult education.

Good co-operative societies with decent business and earning some profit can easily go beyond that and actually promote adult education. It will be in the interest of the societies to do so. Promotion of education will directly promote the earning and well-being of members and there by the business of the society. The object of bylaw No. 2 of every rural credit society now provides for promoting education, culture and recreation of members. Rules under bylaw 65 provide the machinery for collecting subscriptions and donations, and conducting the work. The fact that this is provided as an integral activity of the society subject to state audit is sufficient guarantee that it will be properly done. Every good society will have an office premises and so it will be able to provide space for adult school, in villages where there are no public elementary schools. It can also lend the use of its desk and a few mats. In many places, adult schools suffer without proper light. The Co-operative society can help to overcome the dfficulty by giving the class the petromax light used by it for holding general body meetings. In that case, only oil charges will have to be borne by the school. The bylaws of Co-perative societies provide for expending 7½ per cent of net profit each year, on objects of common good such as education and sanitation. Out of this sum, many good societies are already maintaining reading rooms for the use of the public. A few even maintain libraries. If these are linked with adults schools it will greatly help to maintain library among those who have passed out of the elementary schools and adult literary schools and to improve the culture and economic knowledge of the people. It will be good, if the central banks of each district take steps to collect at least 50 per cent of the common good fund of affiliated societies and pool it with their common good fund and utilise it in helping such societies as are not able to build up a common good fund for the purpose of running an adult education centre in their areas. Co-operative societies convene general body meetings at least three times in a year, Bylaws require societies to conduct such meetings frequently. The adult education centre and the society directors can together help to make these meetings frequent, popular and effective. For this purpose they can arrange to hire and exhibit educational films periodically. Education through games is a modern idea. Games among adults is non-existent in rural parts. The society and the adult education centre can jointly devise the way to make games popular. They can organise sports club and arrange for tournaments. Tournament meetings can be easily made attractive and educative as adults refresher course centres.

Co-operative training institutes are already emphasising the value of literacy among adults for the development of co-operation in villages. With a little modification of the syllabus, training in adult education, both theoretical and practical can be imparted to the students, so as to equip them with necessary knowledge for organising and running adult education centres, in villages during their visit as supervisors.

These are some of the ways in which co-operative societies can help the enthusiasts of adult education. It is up to those assembled here to make use of the co-operative societies in their areas in the manner they think best. But many might ask naturally: will the societies help us? The Co-operative Department may do a little by writing to societies to help adult education. So my suggestion to lovers of adult education is that, they should forthwith join co-operative societies as members and serve them well and improve them. Then in turn societies will naturally come forward to help them to promote adult education. "Self help through mutual help" is the motto of co-operation as much as "each for all and all for each."

Co-operative Progress and Possibilities in Madras*

The Hon'ble Sri P. S. Kumaraswamy Raja,

Chief Minister, Govt. of Madras

I am deeply grateful to the Tamilnadu Co-operative Federation for having invited me to open the Seventh Tamil Nad Co-operative Conference. Having been actively connected with the Co-operative movement in the Tamilnadu for well nigh three decades, and having had the privilege of presiding over the previous conferences held at Madhurai and Tiruchirapalli it gives me immense pleasure to participate in this Conference and to address you to-day. And I thank the organisers of the Conference for the opportunity they have given me to renew my association with my co-workers in Co-operation.

As you may be aware, I have always believed in the vast potentialities of the co-operative movement as a great lover of economic uplift of the masses. Co-operative institutions are the people's organisations, run by the people for the benefit of the people. To an enlightened body of co-operators like yourselves, I need hardly dilate on the value or importance of the co-operative principle and the co-operative form of organisation in the economic and social life of our country. The principle of co-operation is not one which is now in Tamil Nad. It is as old as the ancient Tamil civilisation itself. Our ancient rural economy was based on this principle and a spirit of helpful fellowship and mutual aid ruled the social and economic life of our villages in the olden days. The ancient Tamils believed in a Co-operative order of society. The great Tamil poet, Thiruvalluvar, said in his immortal "Thirukkural".

தள்ளா விளையுளும், தக்காரும், தாழ்வு இலாச்
செல்வரும் சேர்வது நாடு.

According to him, the ideal country is one in which the different sections of the community, *viz.*, the agriculturists, the intelligentsia and the traders associate together and lead their life in a co-operative way. To-day, however, we are living in a world torn between conflicting economic ideologies, and the idea of Co-operative Commonwealth has gained ground. Co-operation has a philosophy of life and a mission of its own. It is the golden mean between Capitalism and Communism. It retains the individual freedom of the former and encourages the joint action of the latter. It aims at the well-being of the community as also that of the individuals constituting the community. The very word "Co-operation" implies unity of interest, pooling of resources and talents, and doing work for the good

*Opening Address at the VII Tamil Nad Co-operative Conference held at Rameswaram on 28-7-50.

of the many. As I said on another occasion the Co-operative society, being a democratic institution by itself, giving scope for work by "each for all and all for each" of its members, serves as a field for the evolution and cultivation of these faculties and capacity which are essential for running the greatest democratic institution, namely, the Government. A Socialist-democratic state being our nation's ideal, co operative societies, functioning as they do on principles of socialism and democracy, make no ordinary contribution to the achievement of that ideal. In the present state of our society with its many-sided growth and development requiring 'individualism' to give place to 'collectivism' as a device to ensure the well-being of all, co-operative institutions play a very useful part. One cannot think of a more wholesome philosophy for a country of self-reliant cultivators living in communities small enough for one person to know another, and willing to pool their resources and create social and economic unity and strength. The various organisations in the co-operative movement have to be conceived and created in this combined spirit of advantage to one's self and benefit to others.

We are meeting for the first time after our country assumed the status of a Sovereign Democratic Republic. The achievement of political freedom has opened up opportunities for the economic advancement of the people and experience has shown both in this and other countries that the basic instrument for rural regeneration and general economic advancement of the people is Co-operation. It forms part of the plans drawn up by the Economic Planning Committee of the All India Congress Committee. Among the programmes which the Congress is pledged to carry out are the establishment of a network of co-operative societies in rural areas and towns, organisation of village industries on co-operative basis and the encouragement of co-operative farming. And it is in the fitness of things that the Madras Government have been alive to the importance of the Co-operative movement for working schemes of national improvement and have shaped their policies and programmes in such a way as to foster the growth of the movement in various directions inspite of opposition from vested interests. As a result, co-operation has extended its sphere of activities in various directions to serve the cause of the common man.

Tamil Nad has a record of progress in co-operative activities which is not only impressive but campares favourably with that attained in any part of the State, nay in the whole of India. As in most other progressive movements, it is in the vanguard of the Co-operative Movement as well. It is a matter for pride that co-operators have shown a remarkable tendency to adapt themselves to new conditions and changing environments, and have embarked on new lines of business and undertaken fresh responsibilities entrusted to them by the State. Co-operative organisations have been harnessed with success to the solution of various problems in

the sphere of food procurement and distribution, yarn supply to weavers, relieving housing shortage, rehabilitation of ex-servicemen, resettlement of ex-toddy tappers etc. Commendable progress has been made in sphere of agricultural credit as well. The 13 Central Banks in Tamil Nad have issued loans to the agriculturists to the tune of Rs. 235.07 lakhs during 1948-49. The rural credit societies cover 62.84 per cent of the villages and 15.42 per cent of the population. They have a total membership of 5.36 lakhs with a paid up share capital of Rs. 66.48 lakhs and undertook multipurpose activities to the tune of Rs. 102.19 lakhs benefiting 2.8 lakhs of members. 62 Land Mortgage Banks have issued loans to the extent of Rs. 43.54 lakhs during 48-49. In the field of consumers' co-operation, the first co-operative wholesale stores in the Madras State was started in Madhurai-Ramnad. District Central Stores and primary stores have distinguished themselves in schemes of food procurement and distribution. They have procured food grains to the extent of Rs. 1600.57 lakhs and distributed foodgrains and other goods to the value of Rs. 1585.75 lakhs during the year 48-49. Co-operatives have come to the aid of the weavers and 0.61 lakhs of looms have been brought into weavers' co-operative societies, which produced Rs. 2.63 crores worth of cloth. The activities of house building societies have vastly increased and Government loans to the extent of Rs. 60.71 lakhs were issued to house building societies of various types during the financial year 1949-50. Ex-servicemen societies are working with great success. Co-operatives have also played a notable part in the rehabilitation of ex-tappers who have been provided with employment through co-operative societies chiefly for jaggery manufacture. There are now 1230 palm jaggery societies and these have produced Rs. 65.41 lakhs worth of jaggery during the year. A scheme is in force for the development of palm gur industry through the co-operatives and training in improved production is given through the societies. Co-operatives in Tamil Nad may well be proud of these achievements, which are by no means small, and our thanks are due to the selfless band of workers in Tamil Nad who have toiled to make the movement what it is to-day.

Yet a vast field still remains to be covered. I shall refer to one or two matters to which co-operators have to devote much greater attention than in the past. First, I shall refer to the part that co-operatives can play in schemes of food production. As you are all aware, the food problem is a major problem facing us today and the food produced in our country is insufficient for our normal needs. It is the declared policy of the Government of India that import of food grains from countries outside should be stopped by 1951 December, and it behoves every co-operator to think over the problem in all earnestness and seriousness and help to concert measures in order to tide over the situation. Government have launched several schemes aiming at increased food production but they cannot hope to have success without the hearty and willing co-operation of the people. Government have recently transferred to the co-operatives the work of distribution of chemical manure, iron and steel and this would give a fillip for productive activities of the co-operatives. They have also recently sanctioned a scheme for intensifying cultivation through village multipurpose societies in seven elected districts of which three, namely, Tirunelveli, Madhurai and Coimbatore are in the Tamil Nad. It is the intention of Government that the village co-operative multipurpose societies should function as potent agencies for augmenting food production and that through them the villagers should be associated with the food policy of the Government so that the implementation of the schemes launched by Government for self-sufficiency in food may be accelerated. Under this scheme village multipurpose co-operatives are expected to bring fallow lands—both Government and private—under cultivation, to undertake distribution of chemical manure and iron and steel, to encourage the use of farmyard manure and to do propaganda in all possible ways in the villages in respect of the various measures launched by Government under the Grow More Food Campaign. Under this arrangement the Grow More Food Campaign will be raised from the plane of mere Governmental activity to one of local public enterprise. May I appeal to the Central Banks in the Tamil Nad and particularly in the selected districts to put their vigour into the scheme and make it a great success as it is bound to be. With the co-operation of the several departments concerned, and through the agency of their own staff, the Central Banks can certainly do a good lot to help the food production drive that is now on in the State. I need not stress the urgency and importance of this problem and I sincerely hope that each of the Central Banks in the Tamil Nad will chalk out a detailed programme for intensifying food production activity by the village co-operatives in their jurisdiction. May I request the Co-operators assembled here to consider this most important subject carefully and take suitable and effective measures urgently to harness the village co-operatives for food production enterprise and to enable them to make an all out effort at increasing food production.

In this connection, gentlemen, I wish to refer in particular to the arrangements connected with the distribution of chemical manures and iron and steel through co-operative societies. Co-operators, for a number of years, have been pressing at various conferences and meetings that the distribution of chemical manures and iron and steel should be entrusted to them and representing that the needs of the ryots would be better and more effectively met if the distribution was in their hands. The request to entrust the work to the Co-operatives was made at the Tamil Nad Co-operative Conference held at Conjeevaram last year. Government have now agreed to do so and transferred the work of distribution of chemical manures and iron and steel from the Agricultural Department to

the Co-operative Societies. During this year, about 5000 tons of ammonium sulphate valued at Rs. 1·60 crores and 10,000 tons of superphosphate valued at Rs. 20 lakhs will be allotted to co operative organisations. Government had subsidised the sale of superphosphate at half the cost to ryots till 30th June 1950 and the question of extending the concession beyond 30th June 1950 is under their consideration. The quota of iron and steel, the distribution of which has been ordered to be entrusted to the co-operatives is expected to be about 9,000 tons valued at about Rs. 36 lakhs per quarter. Besides, the co-operatives have been permitted to take over from the existing stock of iron and steel with the Agricultural Department whatever are required by them. Co-operatives have now a splendid opportunity to render useful service to the ryots in agricultural production and agricultural improvement and they should take the necessary steps to ensure adequate and fair distribution of the commodities to the ryots and work the scheme successfully. For the future of the Co-operative Movement in relation to agriculture will depend largely on the success or failure that attends these new enterprises. It has been held that one of the short-term measures for increasing food production is the application of chemical manure. It has been estimated as a result of crop-cutting experiments that a proper application of chemical manure would give added yield roughly at the rate of two tons of food-grains for one ton of amonium sulphate and 5/6 ton of food grains for every ton of phosphate manure. If by the application of 60,000 tons in all of chemical fertilisers expected to the handled by the co-operatives, food production could be increased to the extent of about 1·08 lakhs of tons, a long way would have been reached in the solution of food problem. I therefore attach the greatest importance to the proper distribution and application of chemical manure by the ryots in the villages; and may I appeal to the co-operators to see that not only this distributions is made equitably and efficiently but also that the manure is applied properly and under suitable conditions. I am confident that the co-operators who have undertaken this new responsibility will discharge it quite successfully and demonstrate thereby the inherent vitality of the co-operative institutions and their capacity to perform new functions. I request the Conference to consider the details of the arrangements connected with the distribution of chemical manure and iron and steel through co-operatives and to devise suitable measures to make it efficient, cheap and equitable and capable of conferring the greatest advantage to the ryots in the villages.

Another line of co-operative activity allied to food production, which I would like to refer, is co-operative farming. The Grow More Food Campaign started by Government for encouragement of production of more food stuffs has as its objects not only the intensifying of cultivation of the existing lands through better methods but also its extension by bringing under the plough more and more of cultivable waste lands. But improved methods of farming will be possible only when holdings are of sufficiently large size. To achieve this object it is necessary that lands of small landholders should be pooled for joint farming. Of all the types of large scale cultivation suggested in this connection, joint farming on a co-operative basis is found to be the best suited for our conditions. Though farmers have been known to co-operate among themselves in respect of certain farming operations such as harvesting of crops, use of implements, cattle, well-irrigation or crop protection, co-operative farming in the sense of joint cultivation of land is a recent idea. There are different types of co-operative farming extending from a simple association for certain agricultural operations to highly developed associations, under which either land is cultivated on a joint basis or where ownership of land itself disappears and cultivation is under-taken on a collective basis. Of all these it is the Tenant Farming type that offers possibilities of success in Madras. Land Colonisation Societies started in Madras are working on this model and there are at present 30 land colonisation societies for civilians and for ex-servicemen which have brought in all nearly 14,200 acres under cultivation mostly with food crops. The State Government have sanctioned a number of concessions to these societies in the shape of free grants and interest-free loans. These land colonies have been formed mainly with Government lands assigned to societies. Quite recently, a few societies were organised with land contributed by private members who joined the society as in Tiruchirapalli and Chingleput. Recently, Government have constituted District Colonisation Advisory Committees to examine the question of forming land colonisation societies where large blocks of lands—Government or private—are available and various proposals are under consideration. I would appeal to the co-operators to explore the possibilities of large blocks of lands being brought under cultivation through the agency of separate land colonisation societies. It is also upto big co-operative institutions like the district co-operative wholesale stores to take up such lands for cultivation and aid food production. Central banks and wholesale stores can interest themselves in such schemes of colonisation and help to bring more lands under the plough. Multipurpose rural credit societies may also obtain fallow lands from Government or from pattadars fit for cultivation and arrange their cultivation through their members. Co-operative farming offers immense scope for intensifying cultivation and for bringing new land under cultivation and I sincerely trust that the Conference will give its very careful consideration to this subject.

There is another direction in which I would request the Co-operators of Tamil Nad to apply themselves in the coming years. I refer to cottage industries. The only effective method of keeping the huge mass of our population busy, contented and economically self-reliant, is by sustaining and fostering the cottage industries of our land. Our Nadu is

not lacking either in raw-materials or in skilled workers. The main handicaps facing rural industries are lack of finance and equipment, want of organised marketing agency and absence of proper technical advice. The problem of cottage industries has been successfully tackled in a number of foreign countries and in fact that has been the mainstay and hope of a number of Asiatic countries. No better organisation can be envisaged for such a purpose than the co-operative society. While rural credit societies can encourage individual members engaged in the production of cottage industries goods to get their requirements of raw materials and also the funds required, it is better that groups of such cottage industries' workers are organised into separate co-operative units for the manufacture and sale of products which are widely in demand. If the industry is one which has established its survival value, it is proper that the members engaged in it should be organised into a separate co-operative unit. The handloom industry which is the biggest cottage industry in the State has made considerable headway on a co-operative basis. We have also about 120 cottage industries societies in Tamil Nadu engaged in the production of metal goods, leather goods, etc., but we want more such societies. No systematic or sustained efforts have so far been made to organise these industries on a co-operative basis. With a view to foster the growth of cottage industries Government recently placed at the disposal of the Registrar of Co-operative Societies a sum of Rs. 45,600 for being disbursed to deserving cottage industries societies towards the purchase of equipment and to meet establishment charges. Government have also constituted Regional Advisory Cottage Industries Boards for select industries and have under consideration several measures for the development of cottage industries on a state-wide basis. District-wide organisations or even higher grade organisations will be necessary to co-ordinate the activities of several primary societies engaged in an industry and assist them by way of supply of raw materials, provision of technical assistance and marketing of the goods produced. Central Banks have no doubt been interesting themselves in this matter too but the time is up when a systematic and sustained attempt should be made to have a network of cottage industries in areas favourable for their development so that co-operatives can play their part in the production of the requirements of the every day life of the villagers. I have, no doubt, that this conference will devise ways and means of establishing societies for the promotion of cottage industries and for their development on sound business lines.

Before I close I would like to refer to one possible danger arising from the very fact that the movement is expanding and growing more and more popular and embracing a large sphere of the economic activities of the people. The danger is of the co-operative movement being used as an instrument of party polities. This should not be allowed. The co-operative movement is all pervading. It transcends all parties. It is in this spirit that political parties should approach the co-operative movement and their one object should be to serve first the members of co-operative societies and then the public in general and not to use the Co-operative institution as an instrument for the furtherance of their own political ends. Co-operative elections should also be conducted in the same spirit. The persons who can best serve the institutions should be chosen irrespective of other considerations.

Gentlemen, I envisage a great future for the co-operatives in Tamil Nad and immense are the possibilities of their development. I appeal to my brother co-operators of Tamil Nadu here and outside to intensify their efforts for the healthy growth and expansion of the movement in all economic spheres by incessant propaganda, careful planning, successful execution and vigilant control. The movement requires workers who will not only make business succeed but are inspired by the high ideals of the movement. The larger social aspects of co-operation and the philosophy of the movement should always be kept before the people so that each co-operative society can be an instrument not only for economic betterment but also for enlightenment of the higher social ideals and of good citizenship. So the men in charge of the affairs of the co-operatives should be sincere and honest workers imbued with the true co-operative spirit and animated by a zeal to work for the benefit of others and to the extent that the country can provide such workers, to that extent we shall expect the movement to flourish. I am confident that the Tamil Nadu which has produced great leaders in every field of national activity will produce true co-operators in large numbers and will shine forth as a beacon light of Co-operation to the rest of India.

I am sure that this Conference which meets in this Sacred Island of Rameswaram will be a landmark in the history of the movement in the Tamil Nadu and its decisions will carry us a great step forward. You have been fortunate in having secured Sri M. Vedachala Mudaliar, a practical and experienced co-operator, to preside over the Conference and I am sure that under his able guidance the Conference will arrive at correct decisions on the several issues that may come up for consideration. I thank you once again for giving me this opportunity to address you today and I have now great pleasure in declaring the Conference open. I wish the Conference every success.

Our Cottage Industries*

SRI K. SUBRAHMANYAM NAIDU, M.A.
Registrar of Co-operative Societies, Madras

BROTHER CO-OPERATORS, LADIES AND GENTLEMEN,

I congratulate the organisers for their happy idea of having an Exhibition alongside of the Conference, which has just been opened by the Hon'ble Chief Minister. Exhibitions of this kind are of immense value in that they bring the producer into contact with the consumer and serve to stimulate production.

For ages the cottage industries of our country occupied a place of pride in our national economy. With the achievement of political freedom, the possibilities of reviving and improving cottage industries have engaged the attention of our leading men, economists and Planners.

The question has often been asked whether in these days of mass production and big business, it is worthwhile to prop up the small producer against the mill or the factory. On a dispassionate study of the question it will be seen that there is and can really be no conflict of interest between the small and large scale industries. For there are several industries such as gold and silver ware-making, lace work and a number of other crafts for which only cottage industries methods are best suited. Again there are several other industries which are not only complementary to large scale industries but are also dependent on the existence of the former. Tape-making, bobbin-making, and calico-printing on mill-cloth are instances to the point. Further, ours is a land of villages and our rural population are fully employed only for a part of the year.

The problem of an increasing population and the consequent under-employment of the rural classes has to be solved and solved quickly. One of the important methods of improving the economic condition of the rural population is to foster rural and cottage industries. There is a consensus of opinion that the most suitable method of organising cottage industries is the co-operative method. Co-operative organisations can bring together artisans of homogenous groups and provide them with funds, arrange for the supply of raw materials, technical help and advice and improved appliances and for the sale of the finished products. The problem of cottage industries has been successfully tackled in a number of foreign countries. The 'Induscos' in China, for instance, are nothing but industrial co-operatives mainly, if not wholly, run for the benefit of small scale cottage industries.

*Speech delivered by Sri K. Subramaniam Naidu, M.A., Registrar of Co-operative Societies, Madras, at the Exhibition held at the VII Tamil Nad Co-operative Conference at Rameswaram on 28-7-50.

It is rather surprising that in England, which is the birth-place of Industrial Revolution and which has made remarkable progress in large-scale industries, one should come across what is known as the Rural Industries Bureau. I had an opportunity of visiting this Bureau in London. It was founded 19 years ago for the purpose of assisting the development of rural industries by giving information and advice on matters connected with them. Since its foundation it has almost wholly been maintained by grants from what is known as the Development Fund constituted by Government. It is not a Government department but it is the agency entrusted by Government with the task of maintaining advisory services for country craftsmen. It deals with problems affecting blacksmiths, saddlers, basket-makers, builders and bricklayers, stone-carvers, men engaged in potteries and tanneries, weavers, cabinet-makers, toy-makers, *etc.* It maintains technical personnel to give instruction to craftsmen. In order to assist the supply of essential machines and equipment to craftsmen's shops, a Rural Industries Equipment Fund has been created with funds made available by His Majesty's Treasury. Any machines to be supplied to craftsmen in England and Wales must be approved by the Bureau. So far, equipment to a total value of £ 150,000 was supplied to them. In addition, there is also what is known as Rural Craftsmen's Workshops Fund from which grants are issued for extending or improving craftsmen's working premises. Under this scheme, cash loans can be made in approved cases bearing interest at 3 per cent per annum. One of the outstanding functions of the Bureau is the development and maintenance of a high standard of design and craftsmanship in the rural crafts. To this end, the Bureau maintains a nation-wide service for practising rural craftsmen. It conducts exhibitions and helps the Rural Community Councils to hold exhibitions. The appointment of an Exhibitions Officer has been authorised by the Treasury and his services are at the disposal of the Bureau. In addition, it also brings out publications on matters which are of considerable practical value to craftsmen.

You may be aware that recently the Economic Planning Sub-Committee of the All India Congress Committee have considered the problem of village and small scale industries and stated their views in very clear terms. They say: "The problem before us is two-fold—to produce more wealth in agriculture and industry and to provide greater opportunity for a gainful employment. A programme of planned development of village and small scale industries can, while increasing avenues for employment and ensuring more equitable distribution, make a very significant contribution to the volume of production in the country. In the background of our limited resources of money and capital and the teeming population of the country, the decentralised co-operative economy has a special appeal. By and large the cottage industries present a spectacle of low technical efficiency, antiquated methods of work and organisation, extreme

exploitation by *Sowcars* and sub-human conditions of life and labour. It is essential to remove these defects and for this purpose to evolve a system in which the village artisans, whether they work in their homes or in co-operative establishments, have the advantages of modern methods of business and other co-operative aids and produce designs and patterns suited to indigenous and foreign markets."

The immediate task, therefore, should be to make a rapid survey of the requirements at home and abroad which can be met by these industries and of the regional resources suitable for their development. Such a survey can be carried out by a co-ordinated effort of the State Governments in liaison with the National Planning Commission. Every State Government must have targets for their plans for the organisation of industrial co-operatives which should as far as possible look after the supply of raw materials and marketing of the products of the village and small scale industries. The Sub-Committee rightly say that emphasis should be laid on research in design and pattern and in improvement of implements and that facilities should be given for batches of artisans for different industries from each State in the centres run by Japanese technicians. They advocate that workshops should be organised for training village artisans in making improved agricultural implements and tools required for cottage industries. They suggest that small machines on the Japanese model should be produced on a mass scale and distributed through industrial co operatives to specially trained artisans. The Sub-Committee have also stated that effort should be made for organising export markets, by opening emporia in important cities in Europe and America for brass-ware, wood and ivory carving, jewellery, etc.

I may now indicate to you briefly the attempts made in this State to organise cottage industries through co-operative effort. The first attempt at organising cottage industries on a co-operative basis was made in respect of hand-loom weaving. Hand-loom industry has been well organised on a co-operative basis with a Provincial organisation to co-ordinate the activities of the primary units. Besides 948 societies for handloom weaving, there are societies for other industries as well. There are at present 235 cottage industries societies in our State for metalworks, leather goods manufacture, pottery, carpentry, blacksmithy, mat-weaving, cumbly and carpet weaving, etc. They have a membership of 23,700 with a paid up share capital of Rs. 5.92 lakhs. Last year they purchased raw materials worth Rs. 22.18 lakhs produced finished goods for Rs. 22.62 lakhs and sold goods for Rs. 31 lakhs. I may make a special mention of cottage industries societies organised exclusively for women. There are 54 women societies in this State with a membership of 4,800. They are engaged in the production of readymade garments, needle-work, home-made pickles, etc. Last year they sold goods to the value of Rs. 1.17 lakhs. There is a Central Society at Madras co-ordinating the activities of the primaries in the City. Pardon me, gentlemen, if I should say that co operative movement has not so far made rapid strides in making the women of our Nad Co-operative-minded.

A fillip has been given, consequent on the introduction of Prohibition in the Madras State, to one of the important village industries in the Tamil Nad, namely manufacture of palm jaggery. The industry has been organised on co-operative lines and licences are issued for the tapping of sweet juice for jaggery manufacture to the tappers who are members of co-operative societies formed for the purpose. There are now in Tamil Nad 1,230 palm Jaggery societies consisting of 81,662 tappers and during the last season, they produced 14.37 lakhs of maunds of jaggery valued at Rs. 65.41 lakhs. A State-wide scheme has been introduced quite recently for the improvement of the industry with the help of a subsidy from the Government of India. Although the industry is well-known particularly to the tappers of the southern districts in Tinnevelly and Ramnad, it is expected that as a result of the improved methods adopted and the training imparted to the tappers, the tappers would be able to produce better Jaggery at less cost. It should also be possible for the members of jaggery societies to get a better return for their produce by collective marketing. For the latter purpose, palm jaggery societies should affiliate themselves to marketing societies and try to market the jaggery at favourable prices.

May I request the Central Banks and Sale Societies to interest themselves in the industry, particularly in those parts where this is carried on, on a large scale and thereby promote and encourage the industry as well as the economic condition of the ex-tappers ?

The development of cottage industries through co-operative effort has, however, not proceeded according to a plan. It is time that systematic and sustained attempts are made to develop cottage industries and to build up country-wide effective centres of production of the every day requirements of the villagers. Government have been giving assistance in the shape of subsidy and staff for select societies and recently have placed at my disposal a sum of Rs. 45,600 to be given as subsidy to cottage industries societies to meet the cost of equipment, working expenses, etc. The Industries Department is now working a scheme for the revival of the village industries like oil pressing, rice-pounding etc., with a view to help the villagers to produce the daily requirements for consumption in their own village. Under this scheme models of improved labour-saving tools will be distributed to artisans free of cost and raw materials supplied to them at cost price in all seasons of the year.

The State and Union Governments are also now devoting increasing attention to cottage industries in the country. The Government of India have set up an All-India Cottage Industries Board which is considering

problems relating to cottage industries on an All-India level and co-ordinating the activities of cottage industries in the various States.

The Government of India recently sent two officers to Japan to study the working of cottage industries there.

They have also decided to establish a Central Institute of Cottage Industries in which training is proposed to be given to instructors and organisers of cottage industries in improved methods and technique. There is a proposal under consideration by the Madras Government to establish a State Cottage Industries Board. When the Board is constituted, it is expected to tackle the problems of the cottage worker. The Governments have recently constituted six Regional Advisory Boards to develop.

(1) Match Industry in Sivakasi and Sathur area in the Ramnad district;

(2) Palmyra fibre and leaf products in Tuticorin and Tiruchendur areas in the Tinnevelly district,

(3) Leather goods manufacture in Dindigul area in the Madhurai district;

(4) Woollen cumbly and blanket weaving in Kudligi- Kudatani and Bislahalli areas in the Bellary district;

(5) Pile Carpets in Ellore area in the West Godavary district and

(6) Handmade cotton lace in Narasapur area in the West Godavary District

These Boards consisting of both officials and non-officials, are to advise Government generally in regard to the measures necessary for developing the industries in regions where they are localised and flourishing. I would request the co-operators assembled here to take advantage of these Boards and explore the possibilities of forming more cottage industries societies and district or higher organisations for co-ordinating their activities. The exhibits that have been assembled here will serve to suggest the lines of possible development, and I hope that suitable steps will be devised by the Conference to form a net work of cottage industries societies in the Tamil Nad.

I may, in passing, stress the importance of museums and research work in the sphere of cottage industries. To publicise and popularise cottage industrial products which have not secured due recognition both in the internal and external markets, the Union Government have established a Central Industrial Museum at Delhi. They have also instructed their foreign embassies abroad to open cottage industrial sections. In our State there are District Industrial Museums in the district headquarters and the Central Industrial Museum at Madras which were set up with a view to act as a link between the producers and consumers by means of exhibiting the products of the former and furnishing market intelligence to the latter. They have libraries attached to them. But the District Museums are not able to forge ahead for want of necessary funds. The District Museums are being reorganised in Regional Museums at Rajahmundry Ananthapur, Vijayavada, Trichinopoly, Mathurai, Coimbatore and Kozhikode without sales depots being attached to them.

It is not merely industrial and commercial museums that we require. We also need agricultural museums. You might have known that the Bombay Government propose to set up three up-to-date agricultural museums to modernise scientific study of agriculture. That Government have agreed to give a grant-in-aid for the upkeep of the museums. The museums will be equipped with most modern equipment after the latest models in the United States and the United Kingdom. It is said that the museums will also arrange cinema shows to aid farmers in understanding scientific methods. Let us hope that our State Government also will consider the question of opening agricultural museums more or less on the Bombay lines.

The need for research and training in cottage industries is equally important. Even in advanced countries like England the "Rural Industries Board" has, as I have stated, been carrying out these functions. The Economic Sub-Committee of the All-India Congress Committee has stressed the need for training and research. We are glad to know that a Central Institute of Cottage Industries at Harduahganj will undertake research and experimental work in improving the technique of production and usage of improved varieties of tools and machinery for our cottage industries. But one central research centre for the country will hardly meet the needs of the cottage workers. It is necessary that research on cottage industries should be undertaken soon in our State also so that the benefit of such research can reach the producer and help him in rationalising the industry. The problems of survey, organisation and financing of village and cottage industries, the problem of improving the technique and methods of production and of tools and equipment, the problems of marketing cottage industries goods in the country and abroad are vast and complex and it is only a special directorate of Cottage and Rural industries that can attempt a solution, plan and direct their development. Any piecemeal, uncoordinated handling of the problem, as is now the case, is not, in my opinion, conducive to the rapid or sound development of cottage industires. Let us hope that with the formation of a special Board of Cottage Industries, we will enter a new era of progress.

Before I conclude may I take this opportunity to make an appeal to you to take an active part in the Government's programme of self-sufficiency in food and make it a success? The Hon'ble Chief Minister has already drawn pointed attention to this programme. It seems both paradoxical and perplexing that a predominantly agricultural country like ours should be faced with food shortage. It should be possible for us to

achieve the objects of self sufficiency by intensifying production and eliminating waste in all forms. The utility of harnessing the existing representative village institutions in any scheme of food production is recognised on all hands. Government have recently sanctioned a food production scheme in seven select districts in which co-operatives are proposed to be actively associated with food production. In Tamil Nad, the districts of Coimbatore, Tiruchirappalli and Madura will come under this scheme. The village co-operatives will be responsible for the efficient distribution of seeds, fertilizers iron and steel, etc. They are expected to list out cultivable fallow lands and arrange for their cultivation.

They will launch a special drive for the increased output of farm yard manure in villages, acquaint the officials with the requirements of local areas and provide the required liaison between the cultivating ryot and the Government Department concerned. In the select district 50 per cent of the villages are already covered by multipurpose co-operatives and as a result of the scheme, their membership is bound to increase.

The District Co-operative Central Bank will constitute the apex of the structure and provide the necessary co-ordination.

I would suggest the following 7 point programme for the consideration of co-operators:

(1) Bringing every village in these select districts within the jurisdiction of a multipurpose society and making an adult member of every family join the society as a member.

(2) Giving topmost priority to applications for loans for cultivation expenses including purchase of manure, implements, wages, etc., and avoiding even the smallest delay at all stages.

(3) Allowing no cultivable land within the area of operation of the society to lie fallow.

(4) Explaining the food policy of the State, holding meetings and enlisting the active co-operation of every cultivator.

(5) Taking to the notice of officers concerned the peculiar handicaps in the locality in implementing the self-sufficiency programme and getting them removed.

(6) Ensuring fair and equitable distribution of improved seeds, fertilizers, iron and steel, etc.

(7) Exploring possibilities of forming lift irrigation societies for supplying water for irrigation purposes through power pumps, etc.

May I appeal to all the Co-operators present to set about this task with missionary zeal, with determination and a sense of urgency? It is upto us, to rally round the cause, rouse public enthusiasm and make a success of the job. Co-operatives have the inherent capacity for adapting themselves to the need of the hour. Co-operators were put to a servere test during the war; but they rose to the occasion as one man and carried out with commendable success the war-time tasks of equitable distribution of commodities in short supply and the procurement of food grains. The problem of food shortage and the need for increased food production throw out a challenge to Co-operators and at the same time afford them an opportunity of service to the State and the people. Will the challenge be taken up? Gentlemen, I leave the answer to you.

I now have much pleasure in declaring the Exhibition open.

Origin and Development of L. M. Banks in Madras State*

The Hon'ble Sri K. Chandramouli, Minister for Local administration and Co-operation, Madras.

The first land mortgage bank in our State was started in 1925 when Government sanctioned the formation of such banks in different parts of the Province. The bank floated debentures on the security of lands mortgaged to them. Subsequently, the need for a Central Land Mortgage Bank was felt and was equally emphasised by authoritative committees of enquiry in view of the difficulty experienced by the primary banks to obtain funds through debentures.

The Madras Co-operative Central Land Mortgage Bank was, therefore, formed in December, 1929. It has been financing the primary banks out of funds obtained through centralised debenture issue. The bank raises funds by the flotation of twenty-year debentures and makes long term loans to the agriculturists through primary banks. It is a matter of great satisfaction that land mortgage banking in our State has made very rapid and sound progress since the inception of the Central Land Mortgage Bank which has on its rolls 119 primary banks and 505 individuals. Its share capital exceeds Rs. 12.38 lakhs and its reserve fund Rs. 18 lakhs. Since its inception the Bank floated 44 series of debentures at varying rates of interest. The value of debentures now in circulation is Rs. 439 lakhs. Other liabilities of the bank amount to Rs. 13.61 lakhs. The total amount of loans issued by it to the primary banks from the year 1929-30 to 1948-49 was Rs. 643 lakhs.

The Primary Land Mortgage Banks, too, have not lagged behind. There were 119 land mortgage banks in the State on 30-6-1949. Subsequently eight more were formed. There were about 113 thousand members on their rolls with a paid up share capital of Rs. 28 lakhs. The loans outstanding against the members on the 30th June, 1949 were Rs. 349 lakhs. During the year 1948-49, the banks disbursed Rs. 5.36 lakhs for land improvement, Rs, 3.36 lakhs for purchase of lands, Rs. 65.82 lakhs for discharge of prior debts or redemption of mortgages and Rs. 1.33 lakhs for other purposes—in all Rs. 75.87 lakhs.

As you know, the land mortgage banks give loans on the *first* mortgage of lands. This State consists of different kinds of land tenure. They may be *Ryotwari* or *Zamindari*. The personal laws and land tenures obtaining in Malabar and South Kanara are peculiar. The lands may again be wet, dry, well-irrigated or rain-fed, garden, plantations of pepper, coffee, tea, cardamum, or areca etc. As the lands of different types mentioned above have to form the mortgage for the loans issued by the

*Opening Address at the Business Conference of the Representatives of Primary Co-operative Land Mortgage Banks in Rayalaseema held at Adoni on 19-7-50.

primary banks out of the debenture-holders' money, naturally the basis and methods of valuation are steadily being evolved so as to accommodate the borrower to as reasonable a degree as possible, consistent with the need for ensuring the soundness of the security for the loan. Originally the general principle was that loans might be given by the banks upto 40 per cent of the market value of the hypotheca in the case of wet lands and 35 per cent in the case of dry lands, the market value being determined after detailed local enquiries. The current working principle is that the value of the hypotheca should not be more than 10 per cent above the pre-war value, provided the value so arrived at does not exceed the average of the post-war and pre-war values. The fact is that, as you know, the Central Land Mortgage Bank obtains long term capital through flotation of debentures. In the final analysis, the security to the debenture holder is the land that is mortgaged by the ultimate borrower to the primary bank. It is clear, therefore, that unless the borrower is assured of regular income and has consequently adequate repaying capacity, it will be impossible for the bank to make a loan to him; and the land that can ensure regular income or provide sufficient repaying capacity to the ryot is the land that is assured of adequate and unfailing sources of supply of water for irrigation and certainty of crops. This accounts for the intensive spread of the land mortgage banks in the delta districts and for the relatively restricted development of the banks in the other districts, especially Rayalaseema.

Expansion of Land Mortgage Banks

You may be aware that the Vijayaraghavachari Committee on Co-operation (1939-40) recommended a five-year plan of expansion of land mortgage banks so as to provide for at least 200 banks covering the whole State. No progress could be made during the years of World War II and immediately thereafter, in view of the vast inflation of prices that took place and in consequence of the large inflow of advance collections and the resulting decline in the business of mortgage banks. It was doubtful that new banks could develop sufficient business in view of the high prices of agricultural commodities and of the tendency on the part of the ryots to repay rather than borrow. Government could not, therefore, see their way to the policy of expansion of the movement, unless the conditions congenial to its growth emerged. The Board of Directors of the Central Land Mortgage Bank and the seventeenth conference of the representatives of primary banks resolved that new banks should be organised. Having regard to the conditions obtaining in 1949, Government permitted the formation of 9 new banks. Subsequent to 30th June, 1949, Land Mortgage Banks were started in Pudukkottai, Tirumangalam, Karur, Kallakurichi, Chipurupalli, Nandigama and Bellary. A land mortgage bank has, as you know, been just registered for Adoni, Alur and Siruguppa taluks with head-quarters at Adoni and this will be started on its work this evening. There are now 127 banks. Two more land mortgage banks, one at Narasaraopeta in Guntur District and the other at Tadpatri in Anantapur District will soon be formed. The ryots in the *Zamindari* villages have hitherto not been able to avail themselves of the facilities offered by land mortgage banks. With the abolition of *Zamindaris* and the completion of survey and settlement in these areas, I hope that the benefits of long term credit will be extended to the people there also.

State Help to Land Mortgage Banks

It is needless for me to say how much Government are interested in the working and progress of land mortgage banks and how much of this progress is due to the fostering care and help that Government have been rendering to them. The Government gave a subsidy of Rs. 29,000 to the Central Land Mortgage Bank for its working expenses during the first two years. A staff of 3 Deputy Registrars and 40 Co-operative Sub-Registrars have been appointed to inspect the mortgage banks, to enquire into applications for loans and to appraise the lands tendered for mortgages. One-half of the cost of Co-operative Sub-Registrars and their peons is borne by Government and the other half by the Central Land Mortgage Bank.

Government have also been giving the Central Land Mortgage Bank temporary financial accommodation at 2½ per cent interest per annum to enable it to finance the primary banks, and these advances are repayable in 9 months or when the debentures are next floated. They have so far sanctioned a sum of Rs. 388 lakhs and recovered Rs. 366.9 lakhs. The Government have guaranteed the repayment of principal of and interest on the debentures floated by the Central Land Mortgage Bank upto Rs. 550 lakhs. The debentures are included among trust securities. There is no denying that the Government guarantee has helped the bank in securing the money required to finance the increasing number of agriculturist borrowers. It is true that our banking experts (the Reserve Bank of India) have been advising the Government and the Central Land Mortgage Bank to so regulate their policies that sooner or later, perhaps sooner than later, the Bank may dispense with the guarantee. The interests of the debenture holders are adequately safeguarded by the first mortgage of land, the provision of sinking funds, the large reserves of the bank and so on. Even so I am aware of what the discontinuance of guarantee would mean to the Central Land Mortgage Bank and to the ultimate borrower. The latter may probably have to pay more for the credit he needs in the event of the withdrawal of Government guarantee. Interested as Government are, in the welfare of the ryot, you may feel assured that they will not take any hasty step which will affect a large body of our agriculturists.

The other concessions which Government have given, include total exemption from the payment of fees under the Law of Registration in

respect of encumbrance certificates for amounts not exceeding Rs. 2,000 and the levy of half registration fees payable in respect of applications for loans not exceeding Rs. 5,000. Government have permitted the issue to borrowers of second and third loans under certain conditions. The land banks in the deltaic areas and in areas which are assured of irrigation facilities, have been permitted to give loans to their members upto Rs. 15,000 each.

The Government have, as you know, recently amended the Land Mortgage Banks Act by inclusion of a new section : Section 23 (A) according to which the mortgages executed in favour of and all other assets transferred to, a mortgage bank by the members thereof shall, with effect from the date of such execution of transfer, be deemed to have been transferred by such mortgage bank to the Central Land Mortgage Bank. This will dispense with the need for assignment to the Trustee of Mortgage executed by the borrower of primary banks and help in some measure to cut out delays in the sanction of loans.

The Government have under consideration a further amendment to the Act with a view to help large-scale efforts at land improvement such as erection of engines and pump sets and clearing and levelling of extensive continuous areas, for which Rs. 10,000 or even Rs. 15,000 (which is now the maximum permitted to be given by the land banks) may not be adequate. This may also step up food production. The draft bill provides for several persons joining together and taking a joint loan on the mortgage of the properties owned by them and making the lands liable for such joint loan.

With a view to encourage the issue of loans by the Land Mortgage Banks for productive enterprise and land development, the State Government have recommended to the Government of India a scheme according to which the interest payable by the borrowers who had taken loans for land improvement, would be reduced to 3 per cent and the excess of interest over 3 per cent recovered from them during the years 1943-44 to 1947-48, would be refunded to them with a subsidy obtained for the purpose. The subsidy amounting to about Rs. 14,000 is proposed to be met equally by the Central and Madras Governments.

Problems of Valuation of Lands in Dry Areas

I have been receiving representations about the methods of valuation of lands by the land mortgage banks and the need for a more liberal and sympathetic outlook on the part of all concerned. This is a difficult and complicated matter. While one can appreciate the anxiety and the desire of the agriculturists in dry areas to get all possible help from the mortgage banks to discharge their old debts, it is equally necessary to see that the interests of the banks and the debenture-holders are safeguarded. The ryot in dry areas is as much in need of cheap, long-term co-operative credit as the ryot in wet areas though the incidence of rural debt in the dry areas may be less when compared with that in delta areas. The difficulty however, is that the purely dry areas are subject to periodical famines and they affect the ability of the ryot to keep up his obligation to the bank. This is the crux of the problem. Major irrigation projects, provision of wells, schemes for the restoration and maintenance of irrigation tanks may exert a cumulative influence and help the ryot in Rayalaseema. The Government are sparing no effort or money in these directions. With an improvement in irrigation facilities, there is bound to be an improvement in the value of land as a mortgage security, and the land banks may be expected to show greater consideration and liberality in their lending policies. It is not that I suggest that we should not move in the meantime. I only appeal to the representatives of Central Land Mortgage Bank and the primary land mortgage banks in Rayalaseema to see how best their respective interests can be reconciled without prejudice to the soundness and stability of the structure which we have built up in our State and which has won the appreciation of experts and administrators of other Indian States. Any suggestions that you will make in the light of these considerations will surely receive my attention and that of Government.

I learn that the Central Land Mortgage Bank and the Registrar have under their consideration a proposal for the constitution of a revolving fund from which the land mortgage banks might draw delinquent instalments in case of crop failure or other causes which prevent the borrowers from paying their annual instalments to the banks promptly. This is also a suggestion which deserves examination.

'Delays' in the Sanction of Loans

There have been occasionally complaints of delay in the disbursement of loans by land mortgage banks. As business organisations, the Central Land Mortgage Bank and the Primary Banks have to satisfy themselves fully about the applicant's title and repaying capacity, the value of security etc. I feel that making allowance for the time taken for this examination the various processes involved in the scrutiny and disposal of loan applications should be speeded up. One of the causes for the delay can, I think, be traced to the loan applicant himself. The applicant does not know how the loan should be got from a land mortgage bank, what information he should furnish, what documents he should produce and what evidence is necessary to prove the existence of the debts, which he seeks to discharge out of the loans from the bank. He can help himself by helping the bank in this matter. He needs education in this respect. I learn that the Registrar is taking steps to prepare a folder under the heading "How to get a loan from a land mortgage bank quick" which will indicate in telling catch-words what an applicant should do to obtain loans from a land mortgage bank. A copy of the folder in the regional languages of the area of

the land mortgage bank will be made available to each applicant for a loan so that he may get ready such information and such documents as may be necessary to ensure the quick scrutiny of this loan application. I am not sure if the staff of supervisors are quick in doing their part of the job. I hope the Registrar and the banks will examine the matter from time to time and take suitable measures for hastening the disposal of applications.

The Registrar has suggested to the Central Land Mortgage Bank the creation of a research department in the bank, I welcome the suggestion. As you know, the Central Land Mortgage Bank is principally devoting itself to the financing of primary banks. It is necessary that the bank takes a more comprehensive view of its functions, and gathers such statistics and data as are necessary for reviewing its loan policies from time to time with reference to the changing agricultural trends.

Progress of Land Mortgage Banks in Rayalaseema

Turning to the land mortgage banks in Rayalaseema, there are 12 such banks working now. The Adoni Land Mortgage Bank is to be started to-day. These banks have got on their rolls 3541 'A' class members, with a paid up share capital of Rs. 1.87 lakhs. The loan amount outstanding against members on 30th June, 1949 was Rs. 26 lakhs. The Annual average amount of loans per bank issued by the Central Land Mortgage Bank in this area for the past five years works out to Rs. 41,095. The margin between the borrowing and lending rates is only 1 per cent at present. With this margin, these banks will have to meet their establishment charges and pay a dividend to members after setting apart 25 per cent towards the reserve fund. From all accounts, I find that the banks have not recorded very appreciable progress.

Government Subsidy for the Reduction in Lending Rates of Primary Banks in Rayalaseema

The Government have been giving special attention to the land mortgage banks in Rayalaseema. They have sanctioned a subsidy to the Central Land Mortgage Bank at 1½ per cent on all loans to be issued by it during the five years (with effect from 1-7-1949) Rayalaseema for the full period of 20 years during which the loans are repayable, so that the ultimate borrowers may get their loans at 4 per cent as against 5½ per cent at which borrowers in the rest of the State obtain loans from the primary banks. I am sure the ryots in this area will take full advantage of this cheap mortgage credit. The total subsidy payable by Government on this account has been estimated at Rs. 6.75 lakhs spread over a period of 24 years. This is in addition to what Government have undertaken to do to rehabilitate and strengthen the short-term rural credit societies and their financing or district co-operative central banks in Rayalaseema in order that they may more effectively fulfil their functions of financing agricultural operations. The Government have approved and the Central Banks have given effect to a scheme of intensive supervision and reform of village credit societies in Rayalaseema and have undertaken to provide subsidies to meet the Extra expenditure which the banks will incur on the additional supervisory staff and in providing loans to the ryots at 5 per cent which is one of the principal features of the scheme. The amount of Government subsidy on this account will be Rs. 71,680 per annum in the first instance in respect of reduction of interest and Rs. 1,61,743 in respect of bad debts written off by the Central Banks.

Methods of Valuation of Lands by Land Mortgage Banks in Rayalaseema

One of the causes for the poor progress of the primary banks in Rayalaseema is that they have to deal mostly with dry land, rain-fed or irrigated. Rayalaseema is often subject to famine conditions. The banks have to issue loans based on the intrinsic value of the land mortgaged, the income from such land and the repaying capacity of the borrower. On these factors depends the loan policy of the banks. In dry or famine areas loans were given only upto 15 per cent of the value of hypotheca in the initial stage. The basis and methods of valuation were modified from time to time, at the same time keeping in view the soundness of the security for the loans. As regards Rayalaseema, the present practice is that no loans should be given on the exclusive security of dry lands and that loans can be given up to 35 per cent of the value of dry lands; dry lands will be accepted upto 50 per cent of the total security. The land mortgage banks may value the hypotheca at not more than 10 per cent above the pre-war value provided the value so arrived at does not exceed the average of the present and the pre-war values.

I am informed that in pursuance of the representation made by the representatives of primary land mortgage banks at the twentieth land mortgage bank's Conference held on 12-2-50, the Board of Directors of the Central Land Mortgage Bank have constituted a Sub-committee to examine the basis and methods of valuation in respect of the lands in Rayalaseema as well as in other areas. It has recommended that "systematically cultivated dry lands" may be accepted as exclusive security and that no loans shall be given on the security of unsystematically cultivated dry land in Rayalaseema. The percentage of value upto which loans can be given, has been fixed at 35 in the case of black cotton soil and at 30 in the case of other soils. The Committee has recommended that its general decision regarding the basis and methods of valuation might apply to the Rayalaseema also. *i.e.*, recorded sale values of adjacent areas should be adopted as at present, making an allowance for improvements such as a well, electric pump, oil engine and other capital improvements. The basis of valution should be with reference to the highest value obtaining in any one of the 5 years from 1936–40 except when the sale is an inflated sale. To

give due weightage to the increase in land values, it is considered safe to value the lands at 25 per cent over the basic value instead of the 10 per cent allowed at present. The value so arrived at should be compared with the average price level of 1936-40 and 1944-49. If the average of these price levels is lower than the value arrived at, such lower value will be accepted as the land value. I may assure you that Government will give sympathetic consideration to these recommendations, when they are received by Government.

The completion of the Tungabhadra Project will open a new era of prosperity in many taluks in Rayalaseema. The value of lands will increase and with it the eligibility for the grant of loans on the security of such lands.

I have no doubt that the Conference will consider the problems that confront the banks: whether the number of banks in charge of each Co-operative Sub-Registrar will require further reduction whether existing methods of valuation are rigid and can be liberalised without detriment to the soundness of security, etc. It may also consider what the method of recovery should be in case of crop failure, whether the instalments may not be recovered within a period of 15 years, leaving the remaining 5 years for extension of payment, whether provision should not be made for advance deposit of instalments in prosperous years to be adjusted towards future instalments when they accrue, and so on.

I have very great pleasure in declaring this Conference open.

A note on the Royanallur Co-op. Milk Supply Society, Ltd.

(Tanjore District.)

The Royanallur Co-operative Milk Supply Society, Ltd., was registered on 5-3-48 and started on its work on 10-8-48 for ameliorating the conditions of ex-tappers thrown out of employment as a result of introduction of Prohibition in the villages of Royanallur, Chettimoolai, and Vilakkudi. The Society is situated about 6 miles from Tiruthuraipundi on the metal road-bus route between Tiruthuraipundi and Mannargudi. The Production and Sale of milk commenced on 15-12-48.

II. Membership and Share Capital :

	On the date of starting.		On 30-4-50.	
	No. of members	Paid up share capital Rs.	No. of. members	Paid up share capital Rs.
(a) Ex tappers ...	5	50	16	350
(b) Ex-addicts ...	3	30	10	100
(c) Others ...	10	100	64	1,310
Total ...	18	180	90	1,760

Out of 25 ex-tapper families in the villages 16 have joined this society while the others have joined the local jaggery manufacture society. Thus all of them are employed.

III. Borrowings:

	From Government interest free loan. Rs. A.	From the Kumbakonam Central Bank @ 4½ % interest. Rs A.
(a) Received ..	9,460 0	7,130 0
(b) Repaid upto 30-4-50..	7,876 0	
(c) Balance outstanding on 30-4-50 ..	1,584 0	
(d) Overdues ..	Nil	
(e) No. of milch animals purchased (number) ..	51	

IV. Loans advanced to members for purchase of milch animals.

	Ex-tappers and others out of Govt. loans.	Out of Central Bank loan.
1. No. of members to whom loans were issued. ..	42	27
	Rs. A. P.	Rs. A. P.
2. Amount disbursed ..	9,460 0 0	7,130 0 0
3. Amount Recovered ..	4,144 4 9	2,610 7 9
4. Balance outstanding on 30-4-50.	5,315 11 3	4,519 8 3
5. Overdue (if any)		

The loans are repayable in 12 months time.

V. Production and sale of Milk.

	From 15-12-48 to 30-6-49	From 1-7-49 to 30-4-50.
1. Total Quantity purchased ...	9,593 M.M.	63,142 M.M.
2. Value of purchase ...	Rs. 5,995 14	Rs. 9,856 8 6
3. Total Quantity sold ...	9,939 M.M.	63,142 M.M.
4. Value of sale ...	Rs. 7,569 0	Rs. 11,138 1 3

There are at present 73 producer members with 120 milching animals producing about 550 seers on an average daily (*i.e.*) 100 M.M. The society has not met with surplus production so far.

VI. Profit Earned.

	From 10-8-48 to 30-6-49.	From 1-7-49 to 30-4-50.
Gross Profit ...	Rs. 1,647 7 3	Rs. 1,281 8 9
Net Profit ...	316 13 0	340 5 0

VII. Establishment:

	Monthly expenditure. Rs.
One Manager on Rs. 35 P.M. ..	35
Three Milk recorders at Rs. 20, 15 and 10 ..	45
Two watchmen on Rs. 10 each ..	20
Two Cycle vendors on Rs. 35 and 25 to carry milk to the Union.	60
Four Cycle vendors for selling milk on Rs. 35 each ..	140
One Cycle vendor @ Rs. 37 P.M. ..	37
3 Cleaners. ..	17
	354

VIII. Milking Yards.

There are 3 milking yards two on either side of the river and the third on the roadside at Vilakkudi about a mile from Royanallur where a shed had been constructed by this society. A rent at Rs. 5 each is paid to the other two milking yards.

IX. The purchase and selling rate of milk:

	To Consumers. Rs. A. P.	To the Tiruthuraipundi Union. Rs. A. P.
Purchase price: 0 2 3 per seer.		
Selling price per seer Consumers.	0 2 9	0 2 6
Margin of profits ...	0 0 6	0 0 3

The milch animals are brought to the milking yards between 3 to 5 A.M. and 3 to 5 P.M. and milked under the supervision by the staff.

The milk collected is sent in sealed cans. The milk is also filtered and strained before measuring.

The animals purchased out of loans from the society are verified and valued by the officers of the Department every quarter.

X. Government Aid:

The Government have sanctioned a subsidy of Rs. 600 for the first six months to meet the initial expenditure by the Society.

XI. General:

All the members particularly the ex-tappers evince much interest in the working of the society as it helps them a great deal by providing them with alternative employment.

There is a proposal to take on lease 12 acres of lands belonging to Sethubavaswami Chattram for the use of the society both for grazing and growing of fodder. The matter is receiving the attention of the Department.

The VII Tamil Nadu Co-op. Conference, Rameswaram*

28th and 29th July 1950.

OUR MARCH UNDER THE RAINBOW FLAG

Dr. P. Natesan, M.B., B.S.,
President, Madras Dist. Co-op. Central Bank, Ltd.

Mr. President, Hon'ble the Chief Minister and Friends,

I consider myself singularly fortunate in having been called upon to hoist the Flag of Co-operation in this Sacred Island of Rameswaram at this 7th Tamil Nad Co-operative Conference in the presence of this distinguished audience. It should be considered doubly auspicious that this Conference should be held at the place of the most holy pilgrimage and the members feel grateful to Mr. Ramachandram Pillai and his associates for having held this Conference in this historical island.

Madras has been considered foremost by the rest of the States in the Indian Union in the matter of progress in Co-operation and I find Co-operators of these States looking forward for advice and guidance from Madras. But this cannot be the criterion and we cannot rest satisfied that we have reached the pinacle of glory. If this country wants to march abreast with other advanced civilised countries in the world, we will have to make our foundations stronger and build more edifices. No doubt the credit movement has made substantial progress, but the rural indebtedness has been met with only to the extent of about five per cent and there remains a vast field to which the agriculturist could be helped by co-operative credit. As it stands at present, this is our predominent activity and to that extent we have helped the agriculturist to get cheap credit. To help the poor agriculturist and to augment his meagre income, cottage industries have been suggested, but how far this has been implemented is the question. As it stands many of the cottage industries are full time occupations of the members. Amongst these industries handloom weaving is the largest and has been developed to a very high level, but there are still many snags and difficulties which the producer has to remove from the point of view of the consumer. Thanks to the Government of Madras for having appointed a Committee to go into the question of production and marketing of handloom goods with a view to better the position of the handloom weaver. The other cottage industries like metal, coir, and leather societies are all in a state of infancy and I consider that a few leading selfless Co-operators must come forward and take interest in these and place these societies on an ideal basis. One other important aspect that Co-operators should consider is production of food stuffs. The population has been increasing but the production of food has not kept pace with the increase in the population. Recent medical discoveries are of such a high order that all deaths from acute infections could be easily prevented and finally one day we will be left with the real problem of tackling the rapidly increasing population. By reviewing some of our activities, and pointing out the defects, I have not struck any despondent note but have only attempted to suggest improvements.

With reference to the suggestion of policies and enactments, we have ideal institutions like the Tamil Nad Co-operative Federation, Provincial Co-operative Union, Provincial Advisory Council and the Indian Co-operative

*Address by Dr. P. Natesan, M.B., B.S., President, Madras District Co-operative Central Bank, Ltd., Madras, on the occasion of hoisting the Flag of Co-operation.

Union, and the only institution that is yet to be found is the Central Co-operative Advisory Council.

But what ever may be the Co-operative institutions that are formed, what ever may be the advisory bodies that are nominated Co-operation will never proceed in the correct direction unless Co-operators feel strongly and permanently that co-operative institutions are also business concerns and not charitable institutions and that any loss arising in the working of these institutions would finally devolve on their brother co-operators, unless they are enthusiastic and devise ways and means of progress and unless above all, they are selfless and honest. I cannot but mention in this connection the words of that greatest personality that ever lived in this world cited by the Hon'ble the Chief Minister at the 27th Madras Provincial Co-operative Conference. "We will not measure the success of the Movement by the number of co-operative societies that are formed, but by the moral condition of the co-operators."

The privilege of hoisting the flag of Co-operation is given by convention to the representative of the district in which the Conference would be held in the coming year. The Madras District Co operative Central Bank has already resolved to invite the 8th Tamil Nad Co-operative Conference to the City of Madras and I on behalf of the Madras District Co-operative Central Bank, even before my friend Mr. Ramachandram Pillai welcomes you to this 7th Tamil Nad Co-operative Conference, offer you a warm welcome to the City of Madras in the coming year 1951 for the 8th Tamil Nad Co-operative Conference.

Multipurpose Co-operative Activity in Madras

[Readers are well aware that the chief feature of Co-operative Development in Madras as in some other parts of the country is the re-organisation of rural credit societies as multipurpose co-operatives. Fairly brisk work is seen in this direction in all the districts. With a view to acquaint the public with the progress of the work in this direction, we propose to publish periodically in these pages notes on the working of some rural credit societies which have taken up multipurpose activities. The first note is on the progress in Chittoor district published in our September 1949 issue.—*Editors*]

1. Virapandi Co-operative Credit Society (Salem Dt.)

This Society was registered on 3-2-21 and commenced functioning from 11-3-1921. The Society caters to the credit needs of its members, in Virapandi, Akkarapalayam, Palampatti, Bairoji, Ariyampalayam, Nallariampatti and Agraharam villages, which are included in its area of operations. The population or these villages is estimated at 20,000. As on date, the Society has a membership of 333 with a Paid-up Share Capital of Rs. 2,374.

The net Assets of the members as per the property statements revised for the year 1949—50 on 11-12-1949 amounted to Rs 7,74.859. The maximum borrowing limit of the society was Rs. 30,000 and was raised to Rs. 60.000 after the introduction of the Reorganisation Scheme so as to enable more members to avail of the credit facilities available through the Society. The individual maximum credit limit which was Rs. 250 at the beginning, was subsequently increased to Rs. 1,000. The outstandings under the Central Bank loan as on date is Rs. 7,761. 80 loans amounting to Rs. 9075-6-9 are outstanding against the members. There are no bad or doubtful debts among the loans. The Society enjoys an overdraft of Rs 2,000 from the Central Bank and the amount is mainly used for the quick disbursement of loans required by the members.

The Society has a Reserve Fund of Rs. 3,060-12-0 invested with the Salem District Central Bank. In addition, the Society has created a Bad Debt Reserve of Rs. 500-10-0, a Special Reserve of Rs 36 and a Building Fund of Rs. 70-9 0. Further, it has taken up shares to the value of Rs 1,000. Rs. 250, Rs. 2, and Rs. 550, in the Co-operative Central Bank, Salem Co-operative Marketing Society, Salem City Stores, and Salem Co-operative Wholesale Stores respectively. The Society is therefore functioning satisfactorily and its financial condition is good.

Since the introduction of the Reorganisation Scheme of Rural Credit Societies in this District, the Society has undertaken many of the multipurpose activities envisaged in the Scheme. To this end, the Model By laws relating to social and recreational activities and also By-laws to take up business in controlled commodities were adopted by the Society and got registered. Since the date of introduction of the

Scheme, the Share Capital and membership have been increased by Rs. 482 and 80 members respectively. It has taken a licence for dealing in mill-cloth but has not commenced the sale due to the very limited over draft of Rs. 500 sanctioned by the Central Bank. During the period the Society has purchased vessels of domestic use to the value of Rs. 500 and distributed to its members under the joint-purchase system. It also acts as an agent to the Co-operative Marketing Society for the sale of groundnut-cake and other manures. Till date, it has distributed about 800 bags of groundnut-cake to its members.

Out of the Common Good Fund of the Society, it has arranged to get a Tamil Daily, "Dinamani" a fortnightly "Co-operation" published by the Tamilnad Co-operative Federations and the Monthly, "Madras Information" for the Reading Room run under its supervision. The Society has a radio-set for the benefit of its members. Indents were prepared for the members' requirements of agricultural implements and sent to the Co-operative Marketing Society, Salem, and the supply is awaited. As the Society is close to Salem, it has been requested to contact the Marketing Society and obtain the requirements, after collecting the necessary amounts from the members in cash. The Society is also taking steps to collect donations from the villagers for the opening of a regular Night School. At present, the Night School has been functioning in the premises of the Secretary of the institution for the past 3 weeks.

In the matter of promotion of thrift, 19 hundi boxes have been distributed till-date through the Society, and the net amount saved by the Deposits, amounts to Rs. 213.

2. The Yekkar Co-operative Society (South Kanara Dt.)

This Society was registered on 21-5-1921 and started on work on 17-6-1921. The area of operations extends to the 2 villages of Yekkar and Delanthabettu. The Society had a membership of 186 with a paid up share capital of Rs. 1,580 on 30-6-1950.

Under the scheme of Reorganisation of Rural Credit Societies, the society has undertaken the multipurpose activities and has been doing considerable business due to the keen interest evinced by the office-bearers and members of the Society. The Society har opened a mill cloth sale section besides running a ration depot. It supplies its members and non-members with agricultural implements. The transactions during this year from 1-7-49 to 30-6-50 were as follows :—

		Rs.
(1) Sale of controlled articles (such as rice, kerosene and sugar)	..	28,497
(2) Agricultural implements	..	18
(3) Handloom and Mill cloth	..	6,006
		Rs. 34,521

Encouragement of Thrift:—The society has been encouraging deposit rom its members and Rs. 336 under *hundi* deposits and Rs. 2,179 under other types of deposits were outstanding on 30-6-1950.

Issue of loans :—An amount of Rs. 7,174 was outstanding at the beginning of the year as loans to members. A sum of Rs. 3,295 was issued as loans and Rs. 3,658 was collected during the year, leaving a balance of Rs. 6,811 at the end of the year.

Social and Recreational activities:—The Society is running a small reading room also, which consists of more than 200 library books. The reading room is freely used by the villagers. The Amelioration Committee of the Society conducts *Bhajanas* also.

The Society intends to put up a godown of its own to expand its activities with a view to cater greater benefits to the villagers.

3. The Alangayam Multipurpose Co-operative Credit Society (North Arcot District.)

The society was registered on 18-7-21 and started on its work on 21-7-21. This is situated 12 miles away from Vaniyambadi. It serves almost the entire population of the village which consists mostly of agriculturists and merchants too. There were 177 members with a paid up share capital of Rs. 4,307 on 31-5-50. During the year 1948-49 the society has issued the following loans to its members.

		Rs.
Medium term loan	...	9,950
Short term loan	...	9,800
Cultivation-cash credit	...	1,490
General cash credit	...	5,000

Besides the issue of loans to the members the society has also engaged in multipurpose activities. The details of the transaction under this head are furnished below ;—

During the year 1948-49 the society purchased food grains to the extent of Rs 24,000, pulses worth Rs. 1200 and distributed them to the members as well as non-members. It has also purchased cloth for Rs. 4,261 and sold it for Rs. 4,394 It has also invested a sum of Rs. 150 in the National Savings Certificates. The society is also running a ration shop and a cloth depot for the past 5 years, and catering to the needs of the people of the locality. The society agreed to take up the rural housing scheme for providing houses to its members as originally contemplated in the Registrar's circular. But consequent on the revised instructions issued by the Government and the Registrar in this regard a separate rural housing society has been proposed for the locality. The *panchayatdars* of the society take a very keen interest in the affairs of the society and it is very useful to the people of the locality in these hard days even though it is far away from the urban area. The society has got a reserve fund of Rs. 7,817-15-0 of which Rs. 5289-15-0 has been invested so far.

4. The Kavetipuram Co-operative Rural Credit Society (Nagari select Firka, Chittoor District.)

This is one of the Co-operative Credit Societies formed in the select Firka. It was registered on 13-11-1948 and started on work on 20-11-1948. On 1-12-1949 it had on its roll 54 members and a paid up share capital of Rs. 390. Its area extends over the main village of Kavetipuram and its 6 hamlets, covering a population of 1,000.

With a view to develop button-making as a cottage industry, the society has undertaken as one of its object, to work up the industry. To give a fillip to the industry, the Firka Development Committee sanctioned a free grant of Rs. 500 for the purchase of necessary machinery and also to meet the cost of maintaining an Instructor. 4 Lathes were purchased at a cost of Rs. 200-12-0. Tools to the value of Rs. 40 were also purchased to provide work for 6 trainees. The society obtained the services of an expert from Tirupanangadu on a monthly salary of Rs. 50 to train 6 workers in the society, for a period of 5 months. 4 members underwent training for the full period. The society is at present manufacturing buttons for a type of country wood which is available in the neighbouring forest. The society is able to manufacture shirt buttons of very fine quality at a cost of As. 12 to 14 for a gross and is selling at Rs. 1-2-0 which works out to 0-1-6 a dozen. A worker at the industry for a period of 6 hours is able to earn Rs. 1-2-0 a day. The society is also attempting to manufacture bone buttons.

The District Industries' Officer, Vellore has undertaken to train 6 Harijan members for the working of the industry. In view of the cheap price and good finish, it is able to compete fairly well in the market. The society has so far produced 170 gross of shirt buttons valued at Rs. 172 and they have been sold to the Co-operative Institutions in the District for sale to the public.

Another multipurpose activity conducted by the society is the distribution of mill cloth to the villagers. It purchased form the Chittoor Wholesale Co operative Stores mill cloth worth Rs. 490 and distributed it to its members and non-members in its area of operations.

On the credit side, it obtained a loan of Rs. 1,000 from the Chittoor District Co-operative Central Bank, and distributed it among 7 of its members as short term loan for agricultural purpose.

5. The Tirukattupalli Co-operative Bank (Tanjore Dt.)

The Tirukattupalli Co-operative Bank No. 881 in Tanjore Taluk was registered on unlimited liability basis on 22-2-1912 and started on its work on 8-4-1912. This is the 39th year of its working. Its area of operations extends over two villages, Tirukattupalli, and Ombathuveli. It affords banking facilities to its members and the public by opening current and

savings accounts. It issues jewel loans to members from 1937 and has introduced "B" class membership with 1 Rupee shares for this purpose. It has built up a decent business under this head the value of jewel loans outstanding on 30-6-49 being Rs. 1,03,129. It has a membership of 402 'A' class, and 1028 'B' class with a paid-up share capital of Rs. 12,295 and Rs. 1,028 under A & B class respectively. The Reserve Fund of the society amounts to Rs. 28,772-1-0 of which Rs. 28,186-2-0 has been separately invested. The society owns a building, and has recently purchased a site for construction of a godown. It has installed a radio for the benefit of the public.

The Bank arranged for crushing of gingelly seeds into oil for sale to its members and the public as a multipurpose activity. It purchased gingelly seeds in small quantities—4 or 5 bags at a time—cleaned the seeds well, and crushed the seeds by hiring out a country chekku locally. The cleaning and the crushing of the seeds were done in the presence of one of its trusted employees and the oil produced and sold by it became very popular and the demand was steadily increasing. The society commenced this activity in July 1949 and was carrying it on regularly till the close of February 50 when the price of gingelly seeds shot up abnormally. While it was hesitating to continue the activity with the risk of incurring a loss by any sudden fall in prices, the Joint Registrar of Co-operative Societies who visited the society on 24-2'-50 suggested that the oil crushing business may be undertaken by the local stores which is functioning in the village. The Bank stopped crushing the seeds from 24-2-'50.

Details relating to the crushing of the seeds and the result of the transactions are furnished below :—

The society purchased 4 or 5 bags of gingelly seeds at Tanjore, Trichy or even locally once a month. Each bag of 60 m.ms was cleaned. About 9 to 10 per cent was lost as wastage in cleaning. One country chekku of a local monger was hired by paying Rs. 2 per each kanam (22 m.ms) and the crushing of these 4 or 5 bags was generally completed in 3 days. For every kanam, 3/4 Viss of jaggery was used and the average yield us 40 seers of oil and $1\frac{3}{8}$ mds. gingelly oil cake. Contingent charges of Rs. 0-4-0 was incurred per each kanam in the process of conversion. The society sold the cake at the local market rate of Rs. 0-8-0 per Viss) and the oil at a rate of 0-0-6 in excess of the local rate. The oil was sold directly to the consumers by the Bank. The Bank was able to get a net profit of Rs. 141-15-0 by undertaking this activity from July 1949 to February 1950. But more than the profit, it supplied pure and unadulterated gingelly oil to the public which was very much appreciated.

The society handled 49 bags of gingelly seeds purchased at a cost of Rs. 3,433 and sold the oil and cakes for Rs. 3,574-15-0.

6. The Working of Multipurpose Rural Credit Societies in the South Arcot District during May 1950.

Certain Select Activities of Multipurpose Societies in the S. Arcot District

The credit facility offered through Rural Co-operatives has enlisted the rural popular support and encouraged their faith in the movement. The agriculturists are happy over getting financial aid in time, and as per demands for various agricultural operations Their faith has still further deepened in the Co-operatives on the introduction of multipurpose activities in rural credit societies, on a district-wide basis. The agriculturists who are scattered in remote villages get at home all their requirements, domestic and agriculturals satisfied through the Co-operative Society. The wasteful expenditure in the journeys involved in purchasing their requirements in distant towns has been almost completely exterminated.

During the month of May 1950, 48 rural credit societies sold hand-loom cloth to the extent of Rs. 3,430. 14 societies sold mill cloth to the extent of Rs. 1,578. 5 Societies distributed rationed food grains to the extent of Rs. 2,895. 4 societies distributed Kerosene to the value of Rs. 743. The sale of groceries was undertaken by 18 societies to the extent of Rs. 2,556, and sugar by 2 societies to the value of Rs. 167. Eight societies supplied Rs. 2,556 worth of manure to members and 5 societies purchased and distributed agricultural implements to the extent of Rs. 541. 12 societies effected savings in hundi boxes to the extent of Rs 55 and 3 societies dealt in purchase and distribution of milk to the extent of Rs. 2,328. 32 societies were converted into multipurpose units.

The scheme is rapidly progressing in the district, catering to the all-round needs of the rural population in the district.

The III Conference of Secretaries of Co-op. Central Banks.

The Third Conference of the Secretaries of Co-op. Central Bank was held at Rameswaram on 29-7-50 The following were present.

Sri V. Alagappan	...	Secretary, Madura District Central Co-op. Bank, Mathurai, President of the Conference.
,, A. P. Pillai	...	Secretary, Coimbatore Nilgiris Co-op. Central Bank, Coimbatore.
,, P. Manickam	...	Secretary, Salem Dt. Co-op. Central Bank, Salem.
,, T. V. Ramachandran	...	Secretary, Tanjore Dt. Co-op. Central Bank.
,, V. Balaguruswamy	...	Secretary, Ramnad Dt. Co-op. Central Bank at Mathurai.
,, T. R. Dharanitharan	...	Secretary, South Arcot Co-op. Central Bank.
,, D. Rangabashyam	...	Secretary, North Arcot Co-op. Central Bank.
,, B. S. Vijayagopal	...	Secretary, Madras Dt. Co-op. Central Bank.
,, S. Velayutham	...	Executive Officer, Tiruchirapalli Dt. Co-op. Central Bank.
,, S. Natarajan	...	Secretary, Pudukottah Co-op. Central Bank.
,, P. N. Thiruvenkataswami		Asst. Secretary, Coimbatore Nilgiris Co-op. Central Bank, Ooty.
,, T. Narayana Pillai ,, M. S. Palaniappa Mudr.		Joint Secretaries of the Tamil Nad Co-op. Federation.

Sri K. Subramaniam Naidu, M.A., Registrar of Co-operative Societies, Madras and Sri A. Palaniappa Mudaliar M.A., Joint Registrar of Co-operative Societies, Madras, and Dr. P. Natesan, General Secretary, Madras Provincial Co-operative Union were also in the morning session.

Sri V. Alagappan, B.A.,B.L., Secretary, Madura District Central Co-operative Bank was proposed to the chair and he delivered his Presidential address.

2. The Proceedings of the 2nd Conference of Secretaries of Co-operative Central Banks held at Kancheepuram were read and recorded.

The following resolutions were passed at the Conference:

1. The Central Banks must be given facilities for discounting bills of individuals who are approved customers upto a limit of Rs. 1,000.

2. To request the Central Banks to afford facilities for discounting bills of constituents holding deposits with the Banks upto a limit of 90 per cent of the deposits on getting an undertaking from the constituents that the deposit will not be pledged to others.

3. To reiterate resolution No. 8 of the 2nd Conference and to request the Central Banks concerned to permit their Secretaries to attend the Central Banks' Conference.

4. To request the Registrar to permit the Central Banks to honour drafts of Co-operative institutions without waiting for the receipt of advice from the Madras Provincial Co operative Bank upto a limit of Rs. 1,000.

5. To request Government to amend the rules relating to recruitment of Deputy Registrars so as to permit Secretaries of Central Banks being recruited as Deputy Registrars upto an age limit of 45 and to select at least one among the Secretaries every year.

6. To request the Central Banks to fix the scale of pay of the Secretaries of Central Banks as follows:—

In Banks with a working capital upto Rs. 50 lakhs: Rs 200—10—300—15—375

In Banks with a working capital over 50 lakhs: Rs. 250—15—400—20—600

7. To request the Government to amend Section 40 of the Co-operative Societies Act so as to have powers for persons inspecting societies under section 40 for issuing summons for production of books, cash balance etc., of the societies.

8. To reiterate resolution No. 17 of the previous Conference,

9. To request the Madras Provincial Co-operative Bank to arrange for the training of the Secretaries of the Central Banks, Accountants etc., in them and other Joint Banks and the Central Banks concerned to depute their Secretaries to undergo the training.

10. To recommend to the Central Banks' Conference to adopt a suitable telegraphic code for Central Banks and to authorise Sri P. N. Tiruvenkataswami Naidu to draft the necessary code and to circulate it among the Secretaries of Central Banks.

11. To suggest to the Government, the Co-operative department and the Societies not to use the expression "non-credit" and to expunge this expression in Co-operative parlance.

12. To suggest to Government, the Co-operative department and the Societies not to use the expression "non-officials" or "unofficials" but to use the expression "Co-operators" and "Co-operative employees".

13. To request Government that Central Banks be exempt from the operations of the Shop and Establishment Assistants Act.

14. To request the Registrar and the Madras Provincial Co-operative Bank to make provision in the bylaws relating to service conditions of employees so as to promote persons who have put in atleast 10 years of service and more to higher post without reference to qualification prescribed for the post.

After the President's concluding remarks, the Joint Secretaries of the Tamil Nad Co-operative Federation and Sri V. Balaguruswamy, Convener of the Conference proposed vote of thanks and the Conference came to a close.

V. ALAGAPPAN,
President of the Conference.

G.O.'s and Circulars

Copy of G.O. Ms. No. 2558 Development Department, Government of Madras dated: 28-6-1950

Public Services—Subordinate—Madras Co-operative Subordinate Service—Junior Inspectors of Co-operative Societies—Tests to be passed during the time of probation—Period during which the tests to be passed and penalties—Special Rules—Amended.

From the Registrar of Co-operative Societies letter No. 89483/49-G-2 dated 27-7-1949.

ORDER:

His Excellency the Governor of Madras accepts the Registrar's proposals for liberalising the conditions prescribed for Junior Inspectors to pass the Departmental tests *i.e.*, for reduction of the penalty prescribed for not passing the tests from discharge from service to the stoppage of increment and ineligibility for further promotion, etc.

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

In exercise of the powers conferred by the Proviso to article 309 read with article 313 of the Constitution of India, His Excellency the Governor of Madras hereby makes the following amendments to the Special Rules for the Madras Co-operative Subordinate Service (Section 2 of Part III-B of Service Rules in Volume III of the Madras Services Manual, 1946).

AMENDMENTS.

In the said Special Rules—

(i) in rule 11 (*a*), in the entry in column (3) against each of items (3), (4) and (5), for the words "To be passed at one of the first three examinations held after completion of instruction and training, or within the period of training which ever is later", the words "To be passed within a period of two years after appointment "shall be substituted."

(2) in rule 11 (i) in sub-rule (*b*), after the words "A Member", the words "other than a Junior Inspector" shall be added;

(ii) sub rules (*c*) and (*d*) shall be lettered as (*d*) and (*e*) of that rule and after sub rule (*b*) the following shall be inserted namely;

"(*c*) A Junior Inspector who does not pass the examinations in Auditing, Co-operation, Banking and Book-Keeping within the prescribed period of two years after appointment shall not be entitled to appointment as full member of the service or for promotion as Senior Inspector unless and until he passes all the said examinations but this will not operate as a bar against declaration of completion of his probation. His increment shall also be stopped till he passes the said examinations, but such stoppage shall not operate to postpone future increments after he has passed the examinations".

(True Copy)

Endorsement R.C. 89483/49-G-2

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES, CHEPAUK, *Madras, Dated 20-7-1950.*

Copy of G.O. Ms. 2558 development dated 28-6-50 is communicated to all Deputy Registrars Special Development Officers etc.

2. The provisions of the G.O. will apply to those Junior Inspectors who are appointed on or after 28-6-50 *i.e.* the date of the G.O. The question of extending the benefit to all Junior Inspectors who were probationers on 28-6-50 is under consideration and further orders will be communicated in due course.

G. VISWANATHAN,
For Registrar.

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

SRI K. SUBRAHMANYAM NAYUDU, M.A., REGISTRAR.

Rc. No. 117225/49-B. *Dated, 26-7-50.*

Sub:—Public Servants' Co-operative Societies—Loans to members—Recovery from salaries by pay—Disbursing officers.

Ref:—Registrar's Circulars R. 2199/41-B. Dated 1-8-41 and Rc. 10914/42-B Dated 22-6-43.

In the circulars cited, certain forms of agreements to be executed in pursance of G.O.Ms. No. 2528 Development, dated 31-10-40 by the members of public servants' societies in favour of the societies and the pay disbursing officers were communicated. In the Registrar's letter D. 5970/46-B, dated 7-5-48 to the Deputy Registrar, Tirunelveli (Copy communicated to other Deputy Registrars) it was pointed out that when a member of a public servants' society was transferred to another district, that is, outside the jurisdiction of the society, the member might be required to execute a fresh agreement empowering the new pay-disbursing officer to make recoveries from his pay since he could not effect recoveries under the agreement with the old pay-disbursing officer. It is seen that these instructions have not been followed by societies, with the result that considerable difficulty is caused in the recovery of dues from members of public servants' societies, transferred outside their jurisdiction, particularly societies started for the subordinates of the Co-operative Department. To get over this difficulty it has been decided that the form of agreement to be executed in favour of pay disbursing officers should be revised. Accordingly the annexed revised form of agreement, is prescribed in consultation with the Government solicitor, Madras.

2. The new form empowers the pay-disbursing officer under whom the subordinate is serving at the time of his admission to the society and the officers under whom he may work thereafter consequent on transfers, to recover the dues of the society from his pay. As soon as a member is

transerred out of the jurisdiction of the officer, the society should communicate to the new pay disbursing officer an authenticated copy of the agreement and request him to effect the recoveries furnishing the demand from month to month. The new officer will then begin to effect the recoveries as is an agreement had been entered into between him and the member.

3. Deputy Registrars are requested to communicate this revised form to all the public servants' societies in their jurisdiction for adoption.

K. SUBRAHMANYAM,
Registrar.

ANNEXURE.

Agreement with the Pay Disbursing Officer.

From

Sri

Member of the Public Servants' Co-operative Society.

Through the Secretary, Public Servants' Co-operative Society.

To

The

(for the time being the pay disbursing officer of the member).

"I have applied for $\frac{\text{admission as a member of}}{\text{a loan from}}$ the Public Servants' Co-operative Society, hereby authorise you, for the time being my pay disbursing officer, and any other pay disbursing officer under whom I may happen to serve in future, to recover from and out of my monthly salary and pay such sum or sums to the said socieiy in payment of all or any instalments of share capital, loan or loans, thrift deposits and all other sums that may from time to time and at any time become due and payable by me to the said society, towards the instalment or instalments of share capital, thrift deposits, loan or loans or other sums, that may be due and payable by me to the society. I agree to accept as sufficient evidence of my liability a demand from an officer of the society certified by him to be correct. I agree that you and my future pay disbursing officers may make recoveries from my salary in the manner above mentioned so long as I continue to be a member of the society. I shall not at any time ask for the suspension of the recovery except with the express consent of the Board of Directors of the society.

2. If I am transferred out of the district, I request and authorise yourself, and the society to communicate to my new pay disbursing officer a copy of this agreement and request and authorise him to make the recovery. Thereupon the pay disbursing officer shall effect recoveries according to the demand list sent to him by the society or by yourself."

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

SRI K. SUBRAHMANYA NAYUDU, M.A. *Registrar.*

No. R. C. 55529/50. Q. *Dated, 14-8-50.*

Sub:—Bifurcation—Bifurcation of South Kanara District into two Deputy Registrar's Circles.

Ref:—G. O. Ms No. 2987 Development, dated 1-8-50.

Deputy Registrars and Special Development Officers are informed that Government have sanctioned the bifurcation of the South Kanara District into two co operative circles with the following jurisdictions:—

Mangalore:—Area covered by the taluk of the Coondapoor, Udipi, and Karkal and the Taluk of Mangalore excluding Buntwal and Panamangalore Firkas.

Kasargode:—Area covered by the taluks of Kasargode and Puthur and Panamangalore and Buntwal firkas of Mangalore Taluk.

The ameliorative staff working under the Special Development Officer will work under the respective Deputy Registrars. The bifurcation will take effect from 1-9-50 The Special Development Officer, Mangalore will take charge as Deputy Registrar, Kasargode on that date.

K. SUBRAHMANYAM,
Registrar.

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

SRI K. SUBRAHMANYAM NAYUDU, M.A., REGISTRAR.

No. R. C. 18346/50. Q. *Dated*, *14-8-50*.

Sub:—Bifurcation—Bifurcation of Tirunelveli District into two Deputy Registrar's circles.

Ref:—G. O. Ms. No. 3008 dated, 2-8-50.

The Deputy Registrars and the Special Development Officers are informed that Government have sanctioned the bifurcation of the Tirunelveli District into Deputy Registrars circles with the following jurisdictions.

Tirunelveli: Area covered by the Taluks of Sankarankoil, Tenkasi, Tirunelveli, Ambasamudram, Nanguneri Anjengo and Thangasseri.

Tuticorin: Area covered by the Taluks of Koilpatti, Srivaikuntam and Tiruchendur.

The ameliorative staff working under the Special Development Officer will work under the respective Deputy Registrars. The bifurcation will take effect from 1-9-50. The Special Development Officer, Tirunelveli will take charge as Deputy Registrar, Tuticorin on that date.

K. SUBRAHMANYAM,
Registrar.

Monthly News Page

Foreign.

The British Journal of the Co-operative Movement, *Reynolds News* suggested recently that Pandit Nehru should be invited to mediate over Korea for United Nations.

Provincial

The General Body meeting of the Karur Town Co-operative Bank, Ltd, was held on Sunday, 6-8-50 in the Bank premises with Sri T. S. Muthukumaraswami Pillal, President of the Bank in the chair.

The Bank's by-law No. 4. (1) enhancing the authorised share capital from Rs. 1,01,250 to Rs. 1,51,250 was passed. The Budget for the year 1950-51 showing a probable income of Rs. 30,000 and payments of Rs. 20,232-8-0 and a net income of Rs. 9,767-8-0 was passed.

* * *

A deputation on behalf of the Coorg Co-operative Bank met Sri P. S. Kumarasawami. Raja Chief Minister, at the Secretariat and discussed with him certain proposals for the advancement of loans to agriculturists in Coorg by the Madras Central Land Mortgage Bank.

Mr. K. P. Appayya, M. L. C. and Mr. P. I. Velliappa, President and Director respectively of the Coorg Co-operative Bank, and Mr. P. M. Chengappa, Registrar of Co-operative Societies, Coorg, formed the deputation.

Mr. K. Chandramouli Minister in charge of Co-operation, was present during the discussion. Mr. K. Subramania Naidu, Acting Registrar of Co-operative Societies, Mr. K. Koteeswara Rao, Deputy Secretary, Development Department, Mr. K. V. Rajagopalan, Law Secretary, and Mr. B. Venkataratnam, President of the Central Land Mortgage Bank, Madras, also attended the meeting.

It is learnt that the meeting discussed certain proposals, by which the Madras Central Land Mortgage Bank could give long-term land mortgage loans to agriculturists in Coorg. It was tentatively agreed that a separate land Mortgage bank might be formed with jurisdiction over the whole of Coorg and that the Central Land Mortgage Bank, Madras, might consider the question of financing the Coorg Bank for enabling it to lend money to its members.

The legal aspect of the question as to how far the Madras Land Mortgage Bank Act and Madras Co-operative Societies Act should be amended so as to enable the new arrangement proposed at the meeting to come into force will be examined by the Government. It is considered that Central legislation would be necessary to give effect to the proposal.

* * *

Mr. T. J. Jacques, Collector, Trichinopoly, on 24-7-50 laid the foundation-stone for construction of a godown for the Karur Co-operative Marketing Society.

Mr. M. R. Rajagopala Ayyangar, President, stated that the Society was started in 1929 and now had a membership of 1,239, with a paid up share capital of Rs. 25,779. The society procured and distributed food grains to the value of Rs. 5½ lakhs during the last year. The society also helped ryots in marketing their produce on a profitable basis to the value of Rs. 2½ lakhs.

The construction of an additional godown was keenly felt as the distribution of chemical manures and agricultural implements were recently entrusted to the Society. The new godown to be constructed was estimated to cost Rs. 15,700, and the Government was thanked for giving half-grant. The Collector was requested to recommend to the Government the opening of a Co-operative training centre.

Laying the foundation-stone for the godown, the Collector hoped that the society would work in a spirit of selflessness in marketing commodities at fair prices.

* * *

The following were elected to the Board of Directors of the Madras Handloom Weavers Provincial Co-operative Society on 12-8-50 in the office premises, Egmore: Mr. M. Somappa, President; Mr. M. P. Nachimuthu Mudaliar, Vice-President; and Mr. A. J. Arunachala Mudaliar, Treasurer. Messrs V. V. Raman (Cuddapah), B. Annadri Chettiar (Trichinopoly), A. K. Thangavelu Mudaliar (Chingleput) and J. Ramalinga Chetti (Anantapur), members of Executive Committee.

Mr. M. T. Raju, Director of Industries presiding, the meeting passed a resolution expressing gratitude for the valuable services rendered by Mr. C. S. Ratnasabapathi Mudaliar as the Society's President for the last 14 years.

* * *

At a meeting of Congress Political Sufferers recently it was decided to start a co-operative colony at Gandhi Nagar in the Karuvattuparai where about 300 acres of land had been disafforested near Kadiampatti, Salem District. The colonists were asked to pay Rs. 61 each as share capital. A Committee was formed.

* * *

The Government have directed that Co-operative Societies should be shown preference in the matter of sale or long term-lease for house-building purposes of lands at the disposal of Government departments, municipalities improvement trusts or other public bodies.

This direction has been issued on the lines of the recommendation made by the Provincial Housing Committee.

* * *

Co-operative Notes.

The Tiruchirapalli District Co-operative Central Bank, Ltd., has collected the entire demand under Principal and Interest during the year 1949-1950. This is the third successive year in which the Bank has shown nil balance both under Principal and Interest. The figures under demand and collection are furnished below:

		Demand.	Collection.
Principal	...	Rs. 15,41,815	15,41,815
Interest	...	Rs. 1,66,363	1,66,363

The demand for the year under report was nearly twice the amount of the demand of the previous year. The money market was tight during the year in general and the yield of agricultural produce was also affected on account of failure of monsoon. Yet the able direction and timely instructions given by Sri T. S. Muthukumaraswami Pillai, President of the Bank well in advance, the incessant drive and the close watch exercised by Sri G. Varatharajan, Secretary, the strenuous attempts and sincere service of Sri S. Velayutham, Executive Officer and the help and co-operation of the Department and non-officials were responsible to achieve the result.

The Madras Provincial Co-operative Union,

Esplanade, Madras.

P.C.U. EXAMINATION RESULTS—APRIL 1950.

The following is the list of candidates with their Registered Numbers who have come out successful at the Co-operative Training Institutes' Examination, in **Theory**, held in the month of April 1950 at Coimbatore, Tanjore, Rajahmundry, Anantapur and Madras centres and at the **Practical Examination** held in June 1950 by various Co-operative Central Banks.

(* Denotes Supplementary Candidates.)

First Class.

Coimbatore Centre.

S. No.	Name of the Candidate.	Regd. No.	S. No.	Name of the Candidate	Regd. No.
1	Ganapathi, A.	3394	5	Muthukanakan, G.	3416
2	Karunakaran, M. P.	3400	6	Palatchappan, T. P.	3422
3	Karunakara Menon, K.	3401	7	Parameswara Panicker, P.	3424
4	Lakshminarayanan, P.	3411	8	Vishvanatha Shenoy, P.	3447

Tanjore Centre.

9	Abdul Rahiman, A.	3448	12	Narayanaswamy, M.	3500
10	Amirthalingam, P.	3452	13	Swamisubramanian, M.	3574
11	Krishnaswami, G.	3487	14	Veluswamy, M.	3584

Rajahmundry Centre.

15	Ananda Rao, R.	3590	18	Perraju, V.	3634
16	Nukaraju, G.	3628	19	Ramachandra Rao, K.	3648
17	Panduranga Rao, B. V.	3632			

Anantapur Centre.

20	Gopalakrishna, G.	3715	21	Ramaiah, B.	3733

Second Class.

Coimbatore Centre.

1	Angappan, A.	3381	15	Kesavan Kutty, P.	3402
2	Appa Nair, K.	3382	16	Krishna Marar, K. E.	3403
3	Babanna Hegde, B.	3383	17	Krishnaswamy, K. S.	3404
4	Balakrishnan Nair, P. K.	3384	18	Kunhi Kannan, A. P.	3405
5	Balasamy, K. P.	3385	19	Kurickal Ummer	3407
6	Bellie, M. B.	3386	20	Kutty Krishnan Nair, P.	3408
7	Chandrashekar Holla, B.	3388	21	Lakshmanan, P.	3409
8	Cheru, C. V.	3389	22	Madhana Gopalan, P.	3412
9	Damodaran Nair, P. K.	3390	23	Marisamachary, R.	3413
10	Devassy, C. M.	3391	24	Muhammed Unni, R. V.	3414
11	Doraiswamy, A.	3392	25	Murugaiyan, S. P.	3415
12	Hari Das Menon, P.	3396	26	Narayanan, S. R.	3418
13	Joghee, K. M.	3397	27	NeelakandhanNambeesan, P.	3420
14	Kannan, S.	3399	28	Padmanaban, U.	3421

Coimbatore Centre—(*Contd.*)

S. No.	Name of the Candidate.	Regd No.	S. No.	Name of the Candidate.	Regd. No.
29	Parameswaran, M.	3423	39	Ramaswami, P.	3435
30	Parthasarathi, R.	3425	40	Sivadas Menon, V.	3438
31	Rajagopal, A.	3426	41	Srinivasa Raghavan, S. R.	3439
32	Rajagopalan Pillai, K.	3427	42	Subban, M	3440
33	Rajendran, P.	3428	43	Subramanian, E. K.	3441
34	Ramachandran, A.	3429	44	Subramanian, S.	3442
35	Ramachandran, V. S.	3430	45	Tiruvenkatachari, S.	3443
36	Ramadas, K. S.	3431	46	Venkataramanan, S. S.	3445
37	Ramamoorthy, S.	3432	47	Venkataswamy, K. G.	3446
38	Ramamurthi, S. V.	3433			

Tanjore Centre.

48	Abdul Sathar, A.	3449	83	Narambu—Olaganathan, S.	3496
49	Amaladoss, S.	3450	84	Narayanan, N.	3498
50	Ambajee Rao, R.	3451	85	Narayanaswamy, N. B.	3501
51	Arokiaswamy, V.	3453	86	Narayanaswamy, T.	3502
52	Arulanandam, K. M.	3454	87	Natarajan, J.	3504
53	Arumugam, R. S.	3455	88	Navaneetha Krishnan, S.	3505
54	Asirvatham, P.	3456	89	Neelakantan, S.	3506
55	Balasubramanian, P.	3457	90	Palaniappan, R.	3507
56	Chelliah, S. A.	3458	91	Paramasivan, A.	3509
57	Chelliah, V. M.	3459	92	Parthasarathy, G.	3510
58	Chitrambalam, P. J.	3460	93	Ponniah, S.	3511
59	Chokkalingam, T.	3461	94	Raghavan, M. S.	3514
60	Dhanapalan, R.	3462	95	Rajagopalan, K.	3516
61	Dhanishkodi Ramanathan, N. S.	3463	96	Rajakannu, T.	3519
62	Dharmaraj, D.	3464	97	Rajoo Ezekiel	3522
63	Durai Pandian, C.	3465	98	Ramachandran, R.	3524
64	Ganapathi, A.	3466	99	Ramachandran, T. K.	3525
65	Gopala Rao, T. N.	3467	100	Ramalingam, S.	3527
66	Govindan, D.	3468	101	Ramamurthy, C.	3530
67	Guruswamy, S.	3469	102	Ramanathan, M. S.	3532
68	Jagannathan, C.	3470	103	Ramanathan, S. S.	3533
69	Jagannathan, R. S.	3471	104	Ramaswami, A. V.	3534
70	Jambu, S.	3472	105	Ramaswamy, L.	3535
71	Janakiraman, A. K.	3473	106	Ramaswamy, S.	3537
72	Japyesan, K. G.	3474	107	Ramasubramanian, P.	3538
73	Joseph Jeganathan, S.	3475	108	Rayappan, E.	3540
74	Kandasamy, A.	3477	109	Rengasamy, P.	3543
75	Krishnamoorthy, B. S.	3481	110	Sailappan, U.	3545
76	Krishnamurthy, N.	3483	111	Sambandam, C.	3546
77	Krishnamurthy, N. R.	3484	112	Sampath Rengan, S.	3547
78	Krishnaswamy, A. G.	3486	113	Santhanam, V.	3548
79	Mariappan, V.	3488	114	Seshadri, V. T.	3550
80	Marichamy, S.	3489	115	Sethurathnam, M. S.	3551
81	Mathiruvalan, P. K.	3490	116	Sivagnanam, K	3553
82	Muthukumaraswamy, V. S.	3493	117	Sivaprakasam, A.	3554
			118	Somasundaram, K.	3556

Tanjore Centre—(Contd.)

S. No.	Name of the Candidate.	Regd. No.
119	Sornam, M.	3557
120	Soundararajan, D.	3558
121	Subbiah, S.	3559
122	Subramaniam, J. V.	3563
123	Subramanian, K.	3564
124	Subramanian, M.	3565
125	Subramanian, N. V.	3566
126	Subramaniam, R.	3567
127	Sundararaj, R.	3568
128	Sundaravaradan, M. V.	3569
129	Srinivasan, D.	3571
130	Srinivasan, M. S.	3572
131	Srinivasan, R.	3573
132	Swayamprakasam, M.	3575
133	Thalaimalai, K.	3576
134	Thirugnanasambandam, K.	3578
135	Thiagaraja Pandian, D.	3579
136	Varatharajan, L. K.	3581
137	Veerasami, R.	3583
138	Venkataraman, O. R.	3585
139	Venkataraman, R.	3586
140	Venkata Subramanian, A. M.	3587
141	Visvanathan, N. K.	3588

Rajahmundry Centre.

S. No.	Name of the Candidate.	Regd. No.
142	Appalacharyulu, R.	3591
143	Appalanarasimham, D.	3592
144	Bachanna, P.	3594
145	Bhaskara Rao, V.	3596
146	Brahmaji Rao, A.	3597
147	Chenulu, N. S. R.	3600
148	Chennamallu, M.	3601
149	Durgaprasad Patnaik, V.	3602
150	Gopalacharyulu, K.	3604
151	Gopalakrishna Murty, S.	3606
152	Gopal Rao, Ch.	3607
153	Jogayya Sastry. B.	3609
154	Kameswara Rao, G.	3610
155	Kotaiah, M.	3612
156	Krishnabrahmam, S.	3613
157	Krishnamurty, A.	3615
158	Krishnamurty, D.	3616
159	Krishnamurty, G. V.	3617
160	Lakshminarayana, K.	3619
161	Lakshminarayana, G.	3620
162	Lakshminarayana, Gutta	3621
163	Lakshmipathi, V.	3622
164	Narasimham, B. L.	3623
165	Narasimhamurty, K	3624
166	Narasimha Rao, K.	3626
167	Narasimha Rao, S.	3627
168	Nookaraju, N.	3629
169	Padma Raju, L. V.	3630
170	Palasankaram, K. V.	3631
171	Papayya Sastry, A.	3633
172	Prabhakara Rao, R. V.	3635
173	Prakasa Rao, Ch. S.	3636
174	Prakasa Rao, G. S.	3637
175	Prakasa Rao, N. V. S.	3638
176	Raghunadha Rao, B.	3636
177	Ramachandra Rao, A.	3641
178	Ramachandra Rao, Bh.	3642
179	Rama Krishna, Y.	3645
180	Ramamurty, G.	3648
181	Ramamurty, J. A.	3649
182	Ramamurty, P. J.	3650
183	Rama Rao, K. V.	3654
184	Rama Rao, R.	3655
185	Rama Rao, Y.	3656
186	Sambamurty, K.	3658
187	Sambamurty, M.	3659
188	Sarkar, D. H.	3662
189	Sastry, C. P. S.	3664
190	Sastry, Y. S. U. B. G.	3665
191	Satyanarayana, B.	3666
192	Satyanarayana, B. G.	3667
193	Satyanarayana Rao, Ch.	3671
194	Seshagiri Rao, M.	3672
195	Sivaprasad, V.	3674
196	Sreeramulu, B.	3676
197	Sriramulu, L.	3677
198	Sriramulu, S.	3678
199	Subba Raju, D.	3679
200	Subba Rao, A.	3680
201	Subba Rao, I. V.	3681
202	Subba Rao' P.	3682
203	Subrahmanyam, Dh.	3683
204	Subrahmanyam, M. V. S	3684
205	Sukadevara, K.	3686
206	Suryanarayanamurty, N.	3687
207	Suryanarayanamurty, V.	3689
208	Veerabhadram P.	3691
209	Veerabhadra Rao, Bh.	3692

Rajahmundry Centre—(Contd.)

S. No.	Name of the Candidate.	Regd. No.
210	Veerabhadra Rao, Ch.	3693
211	Veeraraja Rao, K.	3694
212	Venkatachelem, P.	3696
213	Venkata Sastry, K.	3698
214	Venkateswarlu, P.	3702
215	Venkateswarlu, T.	3703
216	Viswanadham, M.	3704
217	Viswanadham, P.	3705
218	Viswapathi, D.	*3780

Anantapur Centre.

S. No.	Name of the Candidate.	Regd. No.
219	Annaswami Pillai, A. S.	3709
220	Basaiah, G. M.	3710
221	Gayasuddin, M.	3713
222	Gnanasurudu, S.	3714
223	Gopalakrishna Pillai, B.V.	3716
224	Kuppusamy Reddy, T.	3719
225	Lakshmikantha Sastry, N.	3721
226	Mohammed Jaffar, M. S.	3724
227	Maribasiah, K. M.	3725
228	Raghavendra Rao, K.	3729
229	Ramachandra Rao, M.	3730
230	Rajagopala Rao, M.	3731
231	Sadasiviah, V.	3734
232	Santhanaraman, A.	3735
233	Subbanna, M. C.	3737
234	Subba Reddy, M.	3738
235	Syed Ameer, M.	3739
236	Vajendra, A.	3741
237	Venkatachalam, B.	3742
238	Veeriah, K.	3743
239	Viswanatham, Ch.	3744

PASSED IN PARTS I, II AND III (THEORY ONLY.)

Coimbatore Centre.

1	Kunhi Kelu Kurup, K. P.	3406
2	Narayanan Ezhuthachan, V.	3417

Tanjore Centre.

3	Kalyanasundaram, P.	3476
4	Kandasamy, M.	3478
5	Krishnan, R.	3480
6	Krishnamurthi, N. (Shiyali)	3482
7	Narasimhan, A.	3497
8	Narayanan, P. S.	3499
9	Pandian, S.	3508
10	Rajamuthu, T.	3521
11	Renganathan, D.	3542
12	Santhana Krishnan, P.	3549

Rajahmundry Centre.

13	Appa Rao, B.	3593
14	Bhaskara Rao, K.V.	3595
15	Brahmayya Sastry, S	3598
16	Butchi Raju, V.	3599
17	Hanumantha Rao, P.	3608
18	Narasimha Murthy, Kothapally	3625
19	Ramachandramurty, M.S.	3640
20	Ramachandra Rao, S.	3644
21	Ramana Murty, G. S. V.	3646
22	Ramamurty Raju, M.	3651
23	Rama Rao, E.	3652
24	Rama Rao, K.	3653
25	Sankaram, M. B.	3660
26	Sastry, C B. S.	3663
27	Venkanna, E.	3695
28	Venkataswamy, T.	3699

Anantapur Centre.

29	Bennett A. Isaac.	3711

PASSED IN PARTS I, II & IV.

Coimbatore Centre.

1	Ebenezer, G.	3393
2	Kandaswamy, S.	3398

Tanjore Centre.

S. No.	Name of the Candidate	Regd. No.	S. No.	Name of the Candidate	Regd. No.
3	Kannan, S.	3479	5	Ramachandran, R. (Budalur)	3528
4	Nagarajan, T. K.	3494	6	Vaidyanathan, M. N.	3580

Rajahmundry Centre.

7	Krishnam Raju, M.	3614	9	Sanyasi, N.	3661
8	Rangacharyulu, T.	3657			

PASSED IN PARTS I, III & IV.

Tanjore Centre.

1	Ramamoorthy, P.	3531	3	Vedapuri, G.	3582
2	Sivaraj, V.	3555			

Rajahmundry Centre.

4	Subrahmanyam, S.	3685

PASSED IN PARTS II, III & IV.

Tanjore Centre.

1	Sadanandam, T.	3544

PASSED IN PARTS I & II.

Coimbatore Centre.

1	Kalyanasubramanian, T.R.	*3747	2	Vedavyasa Rao, S.	*3749

Tanjore Centre.

3	Natanasabesan, T.	3503	4	Shanmugasundaram, M.	3552
5	Rajagopalan, M.	*3762			

PASSED IN PARTS I & III.

Coimbatore Centre.

1	Narayanaswamy, S. K.	3419	2	Raman S.	3434

Rajahmundry Centre.

3	Subrahmanyam, K,	*3783

PASSED IN PARTS I & IV.

Coimbatore Centre.

1	Bolar, S. R.	3387	2	Lakshmanan Nambiar, V.C.	3410
3	Venkatachalam, N.	3444			

Tanjore Centre.

4	Muthian, L.	3491	9	Rajaiyan, K.	3518
5	Muthukumaraswamy, S.	3492	10	Ramalingam, S. (Ramnad)	3528
6	Nallathambi, M.	3495	11	Ramalingam, T. S.	3529
7	Raghavan, N.	3513	12	Ratnam, R.	3539
8	Rajagopalan, M.D.	3517			

Anantapur Centre.

S. No.	Name of the Candidate	Regd. No.	S. No.	Name of the Candidate	Regd. No.
13	Krishnamurthi, K.	3720	14	Mahaboob Sahib, K.	3722

PASSED IN PARTS II & III.

Coimbatore Centre.

1	Raju, K.	*3752

Tanjore Centre.

2	John Arthur, M.	*3763	3	Kunjithapatham, T. S.	*3764
4	Venugopal, G.	*3770			

Rajahmundry Centre.

5	Satyanarayana Murty, V.	3670	6	Venkateswarlu, Ch.	3700

Madras Centre.

7	Muthukrishnan, T. S.	*3805

PASSED IN PARTS II & IV.

Tanjore Centre.

1	Krishna Rao. G.	3485	4	Rengachari, V. R.	3541
2	Purushothaman, J.	3512	5	Subbiah, S. R.	3560
3	Raghavendran, A	3515	6	Susainathen, D. A	3570

Rajahmundry Centre.

7	Krishnamurthy, M. J.	3618	9	Suryarao, J.	3690
8	Satyanarayana P. V.	3669			

Anantapur Centre.

10	Govinda Reddy, M.	3717

PASSED IN PART I.

Tanjore Centre.

1	Balasubramanian, R.	3589	2	Kailappan, C. T.	*3771

Rajahmundry Centre

3	Veerabhadraiah, S.	*3792

Anantapur Centre.

4	Mahammad Pasha, K.	3723	6	Raghavendra Rao, D.	*3799
5	Syed Abdul Majeed	3740			

PASSED IN PART II.

Coimbatore Centre.

1	Sankaran Nair, M. V.	3436

Tanjore Centre.

2	Dorai Rajan, P.	*3772	3	Swaminathan, S.	*3776

Rajahmundry Centre.

4	Bhanoji Rao Pantulu, P.	*3784	5	Veerraju, P.	*3798

Anantapur Centre.

S. No.	Name of the Candidate	Regd. No.	S. No.	Name of the Candidate	Regd. No.
6	Ratnakara Rao, M.	*3801	7	Veerappa, C.	*3802

PASSED IN PART III.

Coimbatore Centre.

1	Nanjappan. C.	*3751			

Tanjore Centre.

2	Sivalogam, M.	*3767	4	Vaidyanathan, S.	*3776
3	Chidambaram, S.	*3777			

Rajahmundry Centre.

5	Siva Rao, N. V.	*3786	6	Viswanadham, S.	*3790

Madras Centre

7	Somayajulu, G. V. B.	*3806			

PASSED IN PART IV.

(*Practical Training only*)

Coimbatore Centre.

1	Santanam, T. R.	3437			

Tanjore Centre.

2	Rajam, V.	3520			

Rajahmundry Centre.

3	Kanakambaram, D.	3611	7	Suryanarayanamurty, S.	3688
4	Ramana Murty, R. V.	3647	8	Venkataratnam, G.	3697
5	Satyanarayana, D. V. S.	3668	9	Venkateswarlu, K.	3701
6	Sitaramanjaneya Rao, Ch.	3673			

Anantapur Centre,

10	Anjanaiah, B.	3708	12	Sreeramulu, P.	3736
11	Narasaiah, P. V.	3728			

Non-Credit Training (6 months course)

Supplemental Examination—April 1950.

Coimbatore Centre.

1	Srinivasan, K. K.	*64.			

REPORT ON THE WORKING

OF

The Madras Provincial Co-operative Union

(From 1st July 1948 to 30th June 1949)

1. Period of Report.

The following is the report on the working of the Madras Provincial Co operative Union, for the period from 1st July 1948 to 30th June 1949.

2. Membership.

The number of member societies as on 30-6-48 was 706 and the number of member societies as on 30-6-49 was 717. The numbers of members belonging to different types of institutions are given below. As usual, the Union made appeals to many societies inducing them to enrol themselves as members. But many of them have not responded to our call. It is confidently hoped that by persistent appeal, more societies can be induced to enrol themselves as members. Members of the Board are requested to take effective steps to enrol as many institutions as possible as members of this Union.

	Name of Institution.		As on 30-6-48	As on 30-6-49
1	Provincial Institutions	...	8	7
2	Central Banks	...	31	30
3	Language Federations	...	2	2
4	Urban Banks	...	124	126
5	Audit Union	...	1	1
6	Land Mortgage Banks	...	55	55
7	Local Supervising Unions	...	174	175
8	Training Institutes	...	4	4
9	Honorary Members	...	15	15
	Non-Credit Societies:			
10	Stores Societies	...	188	190
11	Marketing Societies	...	16	20
12	Loan and Sale Societies	...	22	22
13	Weavers' Societies	...	36	38
14	Milk Supply Unions & Societies	...	13	13
15	Building Societies and Banks	...	6	6
16	Agricultural Societies	...	9	9
17	Other Societies	...	2	2
18	P.C.C. Societies	...	-	2
	Total.		706	717

3. Change of Office Bearers.

(i) In August 1948 Sri R. Suryanarayana Rao, B.A., M.L.C. who was the Honorary Editor of the Madras Journal of Co-operation and a member of the Executive Committee of this Union resigned his Editorship and ceased to be a member of the Executive Committee. The Honorary

Editorship was taken up by Sri V. Viyyanna, B.A., B.L., the then General Secretary of the Union.

(ii) Sri V. Viyyanna, B.A., B.L., the then General Secretary of this Union passed away on 10th April 1949. The deep sorrow of the members at his sad demise was expressed on 12-6-49. On 17-4-1949 Dr. P. Natesan, M.B., B.S., member of the Board of this Union was co-opted as General Secretary of this Union and as Honorary Editor of the Madras Journal of Co-operation.

(iii) In March 1949, Sri P. S. Kumaraswami Raja, Vice-President of this Union was exalted to the unique position of the Premiership of this Province. The members of this Union expressed their feelings and felicitations at a special meeting held on 12-6-1949.

4. Meetings.

(A) General Body :

A meeting of the General Body was held on 12-6-49 when the Annual Report and Audit Review for 1947-48 were considered and adopted.

(B) Board of Management :

The Board met during the year twice, *i.e.*, on 12-9-1948 and 12-6-1949.

(C) Executive Committee :

The Executive Committee met 5 times in the year and the meetings were generally well attended.

(D) Sub-Committees :

The Sub-Committees for Credit, Consumers, Producers, Marketing and Education and Propaganda met twice during the year.

(i) Credit Committee :

The above Committee at its meeting dated 12-9-1948 passed the following Resolution :

> "The Central Banks in areas where Urban Banks are not advancing on gold, may be permitted to advance loans on the security of gold to share holders and members of primary societies that are not doing this business."

The Registrar of Co-operative Societies issued a Memo to all the Deputy Registrars suggesting the reduction of individual maximum credit limit for all Urban Banks. The Registrar has also sent a copy of the same to this Union requesting for the opinion of this Union on the suggestion made. This Union communicated a copy of the Memo to all the members of the Credit Committee and also to some individual Co-operators requesting them to offer their opinions in the matter. The following resolution was passed based on the views expressed by several Co-operators regarding the giving of maximum credit limit for issuing loans by Urban Banks to individuals.

"Surety Loans	Rs. 2,500
Mortgage Loans	*No Limit Need be Fixed*
Jewel Loans	*No Limit*

Loans on Non-agricultural Produce : Rs. 3,000"

The Executive Committee while approving the resolution modified as follows :

> "*The maximum borrowing power under mortgage loans may be fixed by each society with reference to its resources and needs. Jewel loans also should be fixed like that of mortgage loans.*"

This was communicated to the Registrar of Co-operative Societies.

(ii) Consumers' Committee :

The Committee which met on 12-9-48 passed a number of resolutions pertaining to the strengthening of the Stores Movement in Madras Province. The report of the action taken by the Registrar of Co-operative Societies on the recommendations of the Stores Committee has been placed before the Stores Committee meeting on 12-6-49 and was recorded. The Committee once again requested the Registrar of Co-operative Societies to move the Government to handover to the Co-operatives the distribution of iron and steel, cement and chemical manures. The Registrar informed that the matter had been taken up by the Controller of Commodities who has promised to move the Government in the matter. It was also suggested to him that the Co-operative Wholesale Stores in each district might be selected as a wholesale registered stock holder and the primaries selected as retail stock holders. In this connection it may be stated that the Government have since issued orders transferring the distribution of agricultural implements and chemical manures from the Agricultural Department to the co-operatives and that this will come into effect from June this year.

Another important resolution of the Stores Committee relates to the protest against the levy of supervision fees by the Government on the net profits of Stores exceeding Rs. 1,000. This matter was since pursued and the Registrar of Co-operative Societies informed the Union that no purpose would be served by this when the Government had issued definite orders for the levy of the fees. It may be mentioned here that the recent 27th Madras Provincial Co-operative Conference also had resolved protesting against this levy.

(iii) Producers' Committee :

The Committee passed resolutions requesting the Government of India to issue permits for the export of handloom cloth to foreign countries, including Pakistan, and to save the industry. This Union has communicated the same to the Registrar to move the Government in the matter. The Government of India also were directly addressed to give their immediate attention to the matter. All the controls for the export of handloom cloth to the foreign countries have since been lifted and there is free trade. The Union has also requested the Government to waive the Sales Tax leviable on Milk Societies as these institutions are in their infancy.

(iv) Marketing Committee :

This Committee had resolved to prepare a film on the best society for propaganda purposes. As this Union could not get grant in the year under review the resolution could not be implemented. The films now under production relate to Milk Supply and Cottage Industries. A film on Agricultural Marketing as suggested by the Committee is yet to be taken up when sufficient funds are forth-coming.

It was also decided to request the Registrar to prepare the blue prints and estimates for at least three kinds of godowns costing Rs. 10,000, Rs. 15,000 and Rs. 25,000. It was also resolved to request the Government through the Registrar of Co-operative Societies that the grant for construction of godowns may be extended to Central Banks also in case the institutions agree to construct godowns in the marketing centres.

These resolutions were communicated to the Registrar of Co-operative Societies with a request to move the Government in the matter. In his reply sent during the current year, the Registrar has stated that it was not the object of Central Banks to construct godowns and that the concession could not therefore be extended to the Central Banks.

(v) Education and Propaganda :

The Education Committee which met on 11-9-48 permitted the candidates of Co-operative Institutes' Examination to answer in the regional language viz. Tamil and Telugu, besides English, from March 1949 examination onwards. It was also resolved to present a booklet containing examination question papers from 1941—1948. With a view to bring the Prospectus and Syllabus of the Co-operative Supervisors' course up-to-date, a revised Prospectus and Syllabus was prepared and the suggestions of the Registrar of Co-operative Societies and of the Institutes were invited. The Education Committee at its meeting held on 12-6-49 approved the revised Prospectus and Syllabus. The revised Prospectus and Syllabus along with the question papers from 1941—1949 was printed and offered at a nominal cost of Re. 1 per copy.

The Committee resolved to request the Government to divert the grant of Rs. 15,800 ear-marked for Panchayatdar Training Classes for the year 1948—49 for the preparation of films on Co-operation. This request did not meet with favourable response from Government during the year. But, we are glad to report that in the year that this bore fruit in the year 1949—50; for in November 1949 the Government sanctioned a subsidy of Rs. 15,800 for the purpose. The film shooting on Milk Supply and Cottage Industries was taken up forth-with and it has now been almost completed.

The Committee also resolved that a Scheme for Mass Education and Propaganda might be prepared and placed before the Government. An elaborate scheme was accordingly prepared in September 1948 and placed before the Government. The scheme provided for mass education in Co-operation in the entire province, the methods of education and propaganda consisting in lectures, bhajanas and Kalakshepams, visual aids and the like. It was estimated that the scheme would cost about Rs. one lakh a year that it was suggested that adequate funds should be provided on a 50 : 50 basis by the Government and the Union. This scheme was approved by the Provincial Co-operative Advisory Council. The Government have, however, not yet accorded their sanction of this all important Scheme of Education and Propaganda. In this connection, it may be emphasised that for real progress to be achieved in the co-operative field, this scheme is essential and the Government should again take up the matter and give it favourable consideration.

During the year a revised scheme for Panchayatdars Training Classes was also prepared. The scheme had some modification to get over the difficulties experienced in the working of the Panchayatdars Training Classes scheme during the previous years. The modification was to reduce the days of training from 15 days to 7 days and to increase the centres to

15 per each Institute. After the instructions had beed issued by this Union to the Institutes in pursuance of this scheme, the Government, however, ordered that the Panchayatdar Training Classes Scheme might be dropped.

5. Activities.

The main activities of the Union have been, the conduct of the *Madras Journal of Co-operation*, subsidising Co-operative Journals in the various languages of the province, running of Co-operative Library, publishing of Propaganda literature, holding of examinations for the students of Co-operative Institutes and the celebration of the International Co-operative Day.

(a) The Madras Journal of Co-operation :

The Journal continued to be published regularly every month. It continued to publish interesting literature and instructive articles on Co-operation and Agriculture, Rural Reconstruction, Postwar Reconstruction and allied subjects. The cost of publishing the Journal amounted to Rs. 6,167-9-0 against which the subcsription and appropriations of membership fees amount to Rs. 8,319-8-0. The publication resulted in a net profit of Rs. 2,151-15-0. The Journal continued to be very popular. Besides affiliated societies which are entitled to a free copy the number of subscribers rose to 660.

(b) Subsidy to Language Journals:

Subsidy of Rs. 1,000 each was given to the Tamil Nadu Co-operative Federation, Coimbatore which conducts a Journal *Kootturavu* and to the Andhra Desa Co-operative Union, which conducts a monthly Journal *Sahakaramu* and a sum of Rs. 250 for each was also given to *Kannada Sahakari* and *Parasparasahayi*, published by the South Kanara Co-operative Central Bank and the Malabar Co-operative Central Bank, respectively. These Journals were conducted satisfactorily and appeared regularly, contributing a great deal to the spread of Co-operative ideals in their linguistic areas.

(c) Library and Reading Room :

Books to the value of Rs. 500-11-0 were added to the Library. The Government gave a grant of Rs. 200.

(d) Propaganda Tours :

Sri B. Venkataratnam Choudary, M. L. A., President of the Madras Provincial Co-operative Union and Sri T. Narayana Pillai, Joint Secretary of this Union and majority of Executive Committee and Board members of this Union attended the 6th Tamil Nadu Co-operative Conference held at Kancheepuram in January 1949. Sri Viswanathan Tekumalla, Manager-cum-Associate Editor of the Madras Provincial Co-operative Union also attended the Conference. On behalf of the Union Sri B Venkataratnam Choudary, M. L. A. President of this Union and Sri T. Narayana Pillai and Sri P.S. Guruva Reddy, Joint Secretaries of this Union attended the Eighth All India Co-operative Conference held in Bangalore in May 1949. During his stay in Bangalore the President of this Union studied the housing and rural work done there and recorded his impressions which have been published in the Madras Journal of Co-operation.

AUDIT REVIEW

BY

SRI D. A. SUSAINATHAN, B.A.,

Deputy Registrar of Co-operative Societies, Madras.

ON THE ACCOUNTS OF

The Madras Provincial Co-operative Union, No. 1130.

for the year ended 30-6-1949.

The accounts of the Madras Provincial Co-operative Union for the year ended 30-6-1949 as audited by Sri K. Swaminathan, Senior Inspector of Co-operative Societies, Madras, are passed. The statements of receipts and charges, funds available and obligations to be fulfilled and income and expenditure accounts as furnished by him are appended.

2. **Membership** :—The number of members as on 30-6-1949 was :—

Name of the institution.	As on 30-6-48	As on 30-6-49
1. Provincial Institutions ...	8	7
2. Central Banks ...	31	30
3. Language Federations ...	2	2
4. Urban Banks ...	124	126
5. Audit Union ...	1	1
6. Land Mortgage Banks ...	55	55
7. Local Supervising Unions ...	174	175
8. Training Institutes ...	4	4
9. Honorary Members ...	15	15
(a) *Non-Credit Societies.*		
(a) Stores ...	188	190
(b) (i) Marketing Societies ...	16	20
(ii) Loan and Sale Societies...	22	22
(iii) Weavers' Societies ...	36	38
(iv) Milk Supply Unions and Societies ...	13	13
(v) Building Societies and Banks ...	6	6
(vi) Agricultural Societies ...	9	9
(vii) Other Societies ...	2	2
(viii) P.C.C. Societies ...	...	2
	706	717

3. **Funds** :—The Funds of the Union are composed mainly of :

(i) Contribution from member societies.

(ii) Subscription for Madras Journal of Co-operation.

(iii) Subsidies and other miscellaneous.

The Demand, Collection and Balance Statements for items (i) and (ii) are given below :—

	Demand Rs.	A.	Collection Rs.	A.	Balance Rs.	A.	Advance Collection Rs.	A.
Contribution ...	10,520	12	7,426	4	3,094	8	29	0
Subscription ...	2,757	4	2,388	8	378	12	1,276	0

4. **Activities of the Union** :—

(a) *Madras Journal of Co-operation* :—The Journal was published every month. The cost of publication amounted to Rs. 6,167-9-0. Against this Rs. 8,319-8-0 was realised by subscription and contribution.

(b) *Library* :—The value of books on hand amounted to Rs. 8,824-5.

(c) *Subsidies* :—Journals were published in the vernacular languages. Subsidies paid to the Institutions are noted below :—

		Rs.
1	Tamil Nad Co-operative Federation ...	1,000
2	Andhra Sahakara Sammelanam ...	1,000
3	Malabar District Co-operative Central Bank ..	250
4	South Kanara Central Bank ...	250

Meetings :—One meeting of the General Body was held in the year. Two Board Meetings and Five Executive Committee meetings were held in the year.

Miscellaneous :—Institutes : The Training Classes of Supervisors were conducted in the five Training Institutes at Coimbatore, Tanjore, Rajahmundry, Anantapur and Calicut (Malabar). The Union received a sum of Rs 5,247-11-0 by way of examination fees, etc., against an expenditure of Rs. 2,024-12-0.

D. A. SUSAINATHAN,
Deputy Registrar.

The Madras Provincial Co-operative Union, 1948—49.

STATEMENT No. 1—*Receipts and Disbursements for the year ending 30th June 1949.*

RECEIPTS.		Rs.	A.	DISBURSEMENTS.		Rs.	A.
Provident Fund from Staff	..	171	0	Provident Fund for Staff	..	390	14
Interest on Security Deposit Account	...	5	8	Security Deposit investment in P.D. Account	...	5	8
Sale of Slides	..	511	0	Purchase of slides	...	361	8
Sale of Co-op. Societies Act	...	2,278	0	Purchase of R.B I. books	...	28	2
Sale of other books	..	117	2	Purchase of blocks for Milk Supply book	..	39	8
Sale of Madras Journal of Co-operation	..	8	10	Posters and charts	..	247	0
Sale of Maps and Posters	...	300	0	Propaganda materials	..	583	14
Miscellaneous Income	...	35,082	14	Miscellaneous payments	...	34,488	11
Interest on P.D. Account	...	48	14				
Adjusting Heads :—				*Adjusting Heads :—*			
Due to Union	...	4,761	11	Due to Union	...	4,672	4
Due by Union	...	4,265	8	Due by Union	...	1,822	9
Petty Cash	..	1,450	4	Petty Cash	...	1,450	4
Bank withdrawals Account No. I.	...	34,502	14	Library books purchased	...	500	11
Bank withdrawals Account No. III.	...	3,438	0	Bank remittances Account No. I.	...	35,813	4
				Bank remittances Account No. III.	...	6,500	4
				Cash balance on hand	...	37	0
Grand Total	...	86,941	5	Grand Total	...	86,941	5

STATEMENT No. II—*Liabilities and Assets.*

Obligations to be fulfilled.		At the end of the year. Rs.	A.	At the beginning of the year. Rs.	A.
LIABILITIES:					
Provident fund for staff	...	1,363	0	1,143	2
Security Deposit from staff	...	282	9	277	1
Share Capital	...	105	10	105	10
Adjusting heads	...	4,362	11	1,919	12
Total Liabilities	...	6,113	14	3,445	9
* Net difference between Assets and Liabilities	...	44,299	0	42,779	9

Funds Available		At the end of the year. Rs.	A.	At the beginning of the year. Rs.	A.
ASSETS:					
Cash onhand	...	37	0		
M.P C. Bank Current Account					
Account No. I.	...	11,615	13	15,609	0
Account No. II.	...	570	11		
Account No. III	...	7,795	2		
Fixed Deposit in M.P.C.B. a/c No. I.		10,000	0	10,000	0
Fixed Deposit in M.P C.B. ,, No. II.		4,000	0	4,000	0
Christian Central Bank	...	207	4	207	4
Co op. Fire and General Insurance Society	...	100	0	100	0
T U.C.S Ltd.,	...	24	1	24	1
C.C.P. Works, Ltd.,	...	1,000	0	1,100	0
Security Deposit of staff	...	282	9	277	1
P.F. Deposit of staff	...	2,696	11	2,[illegible]05	13
Value of furniture and equipment less depreciation	...	1,443	6	1,603	12
Value of Propaganda materials	...	656	14	73	0
Magic Lanterns	...	791	4	940	12
Library	...	3,324	5	3,193	0
Value of publications	...	116	0	116	0
Stock of books and other saleable articles	...	2,127	14	3,060	0
Adjusting head	...	3,624	0	3,713	7
Total	...	50,412	14	46,223	2

			Rs.	A.	P.
* Previous year's surplus	...	Rs.	42,777	9	0
This year's surplus	...	,,	1,521	7	0
Total	...	,,	44,299	0	0

STATEMENT NO. III—*Miscellaneous Income and Expenditure. 1948–1949*

INCOME.	Rs.	A.	EXPENDITURE.	Rs.	A.
Account No 1.			*Account No 1.*		
Annual Contribution (Current) ...	5,582	8	Establishment	6,353	6
Annual Contribution (Arrears) ...	1,843	12	Postage	588	10
Madras Journal of Co-operation (Current) ...	1,861	8	Stationery	267	10
Madras Journal of Co-operation (Arrears) ...	527	0	Bank charges	15	14
Madras Journal of Co-operation for blocks ...	25	0	Rent	360	0
			Repairs	119	7
Recovery of postage on Madras Journal of Co-operation ...	3	10	Printing charges	170	1
Recovery of postage on other items ..	225	7	Telephone	208	6
Advertisement charges ...	465	0	Telegrams	29	15
Library grant ..	200	0	*Madras Journal of Co-operation*		
Examination fees ..	5 247	11	Paper	4,010	7
Grants ..	11,500	0	Printing	1,545	3
Propaganda Material ...	80	0	Honorarium ...	100	0
Dividend from C. C. P Works, Ltd. ...	187	14	Miscellaneous ...	216	3
			Postage ..	295	12
Dividend from Co-operative Fire & General Insurance Society ...	5	0	Language Federations (Subsidy) ...	2,500	0
Interest on current Account No. 1 ...	25	6	T. A. to Executive Committee ...	1,976	1
Interest on Fixed Deposit ...	315	0	T. A. to Board meetings ...	2,384	2
Other items ...	22	5	T. A. to other meetings ...	522	12
Account No. III			Tea parties and other Miscellaneous payments ...	1,277	5
Government's subsidy ...	6,480	0	Grants and donations ...	300	0
Interest on current account ...	20	4	Education and Propaganda ...	20	0
			Subsidy to Institutes ...	2,500	0
Refund of subsidy from Ramadas Co-operative Institute, Ltd. ...	465	9	Examination expenses ...	2,024	12
			Dress for Attenders ...	65	0
			Office Contingencies ...	163	1
			Co-operation & Industrial Labour Welfare (Tamil Edition)		
			Paper ...	588	7
			Printing ...	402	5
	35,082	14	Refund of M. J. C. Subscription ...	6	0
Gross Profit as per Trading Account ...	1,457	0	*Account No. III:*		
			Cost of Non-official lecturers ...	5,478	0
Grand Total ...	36,539	14		34,488	11
Surplus ...	1,521	7	Depreciation on Furniture and Library ...	529	12
			Total ..	35,018	7

Edited and Published by P. Natesan, M.B., B.S., at M. P. C. Bank Buildings, Esplanade, Madras. Printed by Sri S. Sundaresan, L. P. T., at the Central Co-operative Printing Works, Ltd., 1/17, Mount Road, Madras.
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