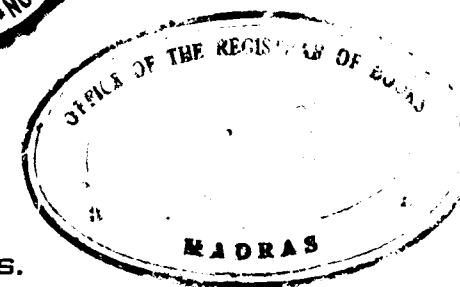
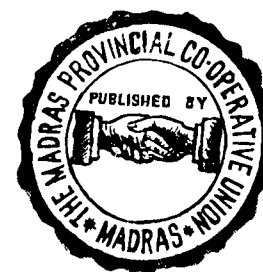


195

The Madras Journal of Co-operation

254



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CONTENTS

	PAGE
I EDITORIAL NOTES	353
II THE I.L.O. CO-OPERATIVE CONFERENCE, KARACHI—SRI J. C. RYAN, M.A.	357
III CO-OPERATIVE FARMING—O. R. KRISHNASAMY, B. COM.	361
IV PROGRESS OF CO-OPERATION IN THE ANDHRA DESA —THE HON'BLE SRI P.S. KUMARASWAMY RAJA, CHIEF MINISTER, MADRAS	367
V RAM RAJYA—CO-OPERATIVE COMMONWEALTH FOR INDIA—SRI KALA VENKATARAO	378
VI XVII ANDHRA PROVINCIAL CO-OPERATIVE CONFERENCE, TENALI	385
VII MULTIPURPOSE CO-OPERATIVE ACTIVITY IN MADRAS	389
VIII MONTHLY NEWS PAGE	397
IX OFFICE OF THE MADRAS PROVINCIAL CO- OPERATIVE UNION, MEETING NOTICE	400

The Madras Provincial Co-operative Union Examination, March 1951

An examination for the students of the Coimbatore, Tanjore, Rajahmundry and Anantapur Institutes will be held at the respective Institutes' headquarters from 26th March 1951 to 31st March 1951 as per programme given below.

Monday	26-3-1951	10 a.m. to 1 p.m.	Co-operation—Historical, General and Principles.
Tuesday	27-3-1951	10 a.m. to 1 p.m.	Co-operative Law.
Wednesday	28-3-1951	10 a.m. to 1 p.m.	Audit.
Thursday	29-3-1951	10 a.m. to 1 p.m.	Book-keeping.
Friday	30-3-1951	10 a.m. to 1 p.m.	Banking.
Saturday	31-3-1951	10 a.m. to 1 p.m.	Rural Economics, etc.

Candidates who failed in the previous Provincial Co-operative Union Examinations held during 1942 to 1950, are hereby informed that they can also sit for the above examination.

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

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

The examination in Theory comprises of three parts :—

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

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

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

The last date for receiving the examination fees together with the application in the prescribed form is 28-2-1951. Fees must be remitted only by money order. Applications and money orders received after the said date are liable for rejection, and no complaint in this behalf will be attended to.

For further particulars please apply to :

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The Madras Provincial Co-operative Union,
379, Esplanade, G. T., Madras.

THE
Madras Journal of Co-operation

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The Editorial Committee do not hold themselves responsible for views expressed by contributors. Contributors are requested to write legibly and on one side of the paper. Manuscripts will not be returned unless stamps are sent to cover postage. Matter intended for the issue of any particular month should reach the Committee before the 15th of the previous month. Reproduction of the articles or other matter of this journal in other journals, etc., either in English or translated into other languages is permitted, provided the source is acknowledged.

Karachi Conference :

The First Asian Technical Conference was held under the auspices of the I. L. O. recently at Karachi in Pakistan. This eight-day Conference was attended by the delegates of several countries in South-East Asia as well as by those of the U. S. A., United Kingdom and France. India was represented by Sri J. C. Ryan, Registrar of Co-operative Societies, Madras.

The main purpose of the Conference was a general discussion on the working relationships between Co-operatives, training of Co-operative workers, and promotion of industrial co-operation. We publish elsewhere in this issue an interesting article on the work of the Conference written by Sri Ryan.

The most important features of the Conference were the two main recommendations made for the promotion of Co-operation in the international and national spheres. In respect of international Co-operation it has been recommended that co-operative trade between countries should be carried on and that the respective Governments should help such trade by adjusting tariff policies. The Co-operative trade between Madras and Ceylon—for instance in onions—where the middlemen had been cut out at both ends, was

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taken as the pattern for development and recommended for adoption by other countries. It will be remembered that the Lucknow Conference of Co-operative Experts held in 1949 also recommended that encouragement should be given to the establishment and development of international trade connections between Co-operatives. This has now been re-iterated by the Karachi Conference.

It is high time that at least the big countries in South-East Asia made a beginning in this line of international Co-operative activity. Even India cannot be self-complacent at having shown the way. The food problem is distressing the country and attempts at self-sufficiency in food have not met with much success. To-day the food position in the country is "weak." What is more urgently needed now for building up this important Asian Country than to import enough food from other South-East Asian countries which can come to her rescue? Writing about rice marketing in Siam, for our journal recently Sri Ryan, our Registrar, suggested that Co-operatives in Madras can place orders with the Rice Co-operative in Siam for mutual advantage. He added "This line of development has to be aimed at so as to be put in force when controls in both countries disappear. But even when controls are on, Governments of both countries can help." On behalf of millions of consumers in our country, we earnestly appeal to the Government to implement this recommendation of the Karachi Conference forthwith in the sphere of food supply until the country can stand on its legs.

In the national sphere, a three-sided pattern for improving the living conditions in the under-developed countries was finalised by the Conference. This pattern consists in (a) development of the Co-operative Movement and co-ordination of various types of societies; (b) Co-operative Education; and (c) promotion of cottage industries through Co-operation. We appreciate this recognition by the Conference, of the need for co-operative education. Co-operation being *a way of life* must needs be driven home to the growing child at every stage of his education. The Conference emphasised the need for training all co-operative workers on recruitment as also at intervals during service. This idea is commendable. But here we suggest that the healthy development of Co-operative ideology and atmosphere can be kept up only when co-operative workers in active service are *compulsorily* made to undergo training at intervals. Experience in Madras has shown that training at option is to no purpose.

It is reported that a suggestion was made that the International Labour Office might open a field office in one of the Asian countries for imparting education in co-operation at higher levels for carrying on propaganda and for providing literature. We feel that India by virtue of her pre-eminent position in South-East Asian Co-operation offers an excellent training ground for Co-operative workers and hence is best-suited for starting a field office.

As regards cottage industries, the Conference has, no doubt, recognised their value for under-developed countries. Yet there is no field of economic development in the under-developed countries where the progress is so discouraging as cottage industries. Few countries—including India—have an appreciable growth of industrial co-operation. It is because the effort put forth in organising cottage industries is inadequate. The problem of the poor artisan is essentially human and a human approach is essential. Much depends on the tact and initiative of the organiser. Let us hope that this recognition of the value of these small industries at international level will stimulate the Governments of various countries to earnest activity in the right direction.

Let us hope that the I. L. O. will create the necessary machinery to see that their recommendations are implemented by the various Governments at an early date.

A Co-operative Spinning Mill for Madras:

Readers of our Journal are aware that time and again we suggested the starting of Co-operative spinning mills in the Madras State. Handlooms are clothing a third of India's population; yet it is a pity that the poor weaver is left to the mercy of the mill owners. The supply of yarn is not regulated; much less its price. The situation has completely deteriorated during recent months and now the Madras State is getting no more than some 12,000 bales of yarn a month against its demand for 30,000 bales. Never before was there a greater necessity to move without loss of time in the direction of establishing a Co-operative Spinning Mill for the benefit of co-operative weavers. It is now learnt that the matter has been taken up in earnest and the preliminary work is being gone through. Sri C. Joseph Reddy, Special Deputy Registrar for Weavers' Societies has been appointed Special Officer for organising the Spinning mill and for collecting the required share capital which is estimated to be about Rs. 30 lakhs. Though this move has come none too soon, it is never the less a matter for satisfaction.

The proposed mill will be started at Guntakal which is in the cotton-growing area. The advantages coming from a Co-operative spinning mill are obvious. For one thing it will provide yarn at reasonable rates to a considerable number of weavers who are starved by the yarn famine. Secondly a properly-managed Co-operative spinning mill will be a measuring yard for calculating correct costs of

production. Private mill owners are showing high costs of production and hence yarn prices are soaring. The Government will now be able to compare the Co-operative mill's costs with those of the private mills. This, we hope, will enable the Government to keep down the market price of yarn at reasonable levels.

We are aware that one spinning mill of 11,000 spindles for over 1,6 lakhs of Co-operative handlooms is much too small. We have already suggested through the pages of our Journal that there should be a spinning mill for every large handloom weaving region. We hope that this mill will be the first of many co-operative mills needed for the State.

It is proposed to complete the work in hand in two years and to start the mill in 1952. For this purpose it is necessary that the weavers' societies in the State should contribute their quota towards the share capital at an early date. We appeal to all the societies in the State to do so, so that the Guntakal mill may be the outcome of a common endeavour on the part of all the weavers' co-operatives in the State. Such an interest, we are sure, will enable a net work of co-operative mills to be formed in the different parts of the State; and every co-operative weaver in the State can proudly look upon the mills as his own.

Seminars on Co-operation in Madras:

The Mysore Seminar on Co-operation and the Jubalpur Seminar on Adult Education held during recent months seem to have captured the imagination of Co-operators in Madras; for the Co-operators in the State are eager to convene Seminars with a view to discuss problems and chalk out lines of co-operative development which will yield definite results. The Andhra Desa Co-operative Union and the Tamil Nad Co-operative Federation, at their meetings held recently in Madras, resolved to convene Seminars. Their object in convening Seminars separately is to enable each Language Federation to discuss thoroughly the problems peculiar to it. The Seminars are proposed to be held very early.

We commend this idea of the Federations to hold Seminars. The idea is novel and therefore sure to interest the Co-operators in the State. But the usefulness of the Seminar depends on the method of approach of those who participate in the deliberations. Thoroughness and depth is to be the keynote of the discussion at the Seminar unlike the discussion at Conferences which is prone to be rather general. While the atmosphere should be serene and free from vested interests and prejudices, the approach should be practical. Mere recapitulation of theory will mar its purpose and its value.

An undertaking of this magnitude must needs have adequate funds. We learn that the Government of Madras has been approached by the Language Federations for subsidy for the purpose. We hope that the Government will do the needful in the matter very early.

The I. L. O. Co-operative Conference, Karachi

SRI J. C. RYAN, M.A.,

Registrar of Co-operative Societies, Madras

The Asian Conference of Technical Experts on Co-operation which met at Karachi from 26th December 1950 to 2nd January 1951 under the auspices of the International Labour Organisation was attended by delegates from Afghanistan, Australia, Burma, Ceylon, France, India, Malaya, Netherlands, Pakistan, United Kingdom, Vietnam, Japan and the U. S. A. India was represented by Mr. J. C. Ryan, Registrar of Co-operative Societies, Madras and Mr. Syam Nandan Sahay, M. P. Chairman, Bihar State Co-operative Bank Limited and Credit Agricole, Muzaffarpur, Bihar. Mr. Jef Rens, member of the Governing Body of the I. L. O. was the Secretary-General of the Conference. Mr. G. N. Lamming was the Assistant Secretary-General of the Conference. Mr. Zahid Hussain, Governor of the State Bank of Pakistan, presided over the Conference, while Mr. W. J. Goddard from Burma functioned as the Vice-Chairman and Mr. Ryan, functioned as the *Rapporteur* to the Conference.

2. Four subjects were dealt with at the Conference, viz.,

- (i) General discussion on the practical application of the measures for co-operative development indicated in the resolutions adopted by the Asian Regional Conference (Nuwara Eliya, January 1950);
- (ii) Establishment of organic or working relationships between co-operatives;
- (iii) The training of Co-operative office-bearers and employees; and
- (iv) The Co-operative organization of small-scale cottage and handicraft industries.

3. The resolutions of the Conference were in shape of recommendations to the Governing Body of the I. L. O. It is expected that the recommendations will be considered by the Governing Body and such of them as require action will be forwarded to the member-Governments and to the office of the I. L. O. Some of the chief recommendations which will be of interest to co-operators are given below.

(a) The general development of the co-operative movement in Asian countries was recommended on the lines in which the movement has developed in India, viz., primary co-operatives for credit and non-credit with central organisations on a federal basis. It was agreed that the primary organizations should come first and that the central organizations should come later; but it was conceded that under certain circumstances, the central organizations might precede the primary organizations so as to hasten the pace of development.

(b) Co-ordination of the activities of the various types of co-operatives was advocated. It was recognized that, for instance, the common interests of consumers' organizations organized in co-operative stores would be to purchase articles cheaper; while producers' organizations would endeavour to dispose of their articles at as high a price as possible. Nevertheless, it was considered desirable that a linking up of consumers' societies and producers' societies was desirable and could be achieved by mutual agreement between the two classes of societies at the federal level.

(c) The role of co-operation in the promotion of cottage industries was considered to be very important; but it was recognized that it would be a waste of effort to tackle cottage industries which do not have a survival value. It was, therefore, recommended that national planning committees should decide definitely the role of cottage industries in the industrial development of the country, select such cottage industries as had a chance of survival and specify the various directions in which the State should support their development. It was also indicated that in certain cottage industries like handloom weaving, lack of support from Government would cause extensive unemployment to relieve which Government would have to incur enormous expenditure. It was recommended that in such cases, Governments should give protection to such cottage industries against large-scale industries and provide other facilities to maintain the cottage industries.

(d) The importance of co-operative education for departmental hands and for employees of co-operative institutions was emphasised and the recruitment of qualified personnel was insisted upon. Educational institutions were recommended for the purpose both at provincial and national levels. The importance of co-operative education to the general public was also emphasised. While schools and colleges were requested to help in this direction, international organizations like the I. L. O. and the F. A. O. were requested to

found Chairs of Co-operation in colleges and to institute scholarships for university degrees in co-operation. As Madras is the only university in the world which has so far established a B. Com. (Hons) Degree Course in Co-operation, it is hoped that these international organizations will draw up a scheme for instituting a scholarship at the Madras University which will be available to Asian countries in alphabetical rotation. The Conference also recommended that the Governing Body of the I. L. O. might investigate the desirability and feasibility of opening a field office in one of the Asian countries for imparting higher education in co-operation and it was indicated at the end of the Conference by the Secretary-General of the I. L. O. that one such field office would be opened in Pakistan.

(e) Probably one of the most far-reaching recommendations of the Karachi Conference was its recommendation that international trade should be encouraged between co-operatives and that for this purpose member-Governments should modify their tariff policies. This recommendation was also made by the Conference held at Lucknow in November 1949 under the auspices of the F. A. O. If member-Governments implement this recommendation, a long stride will be taken in co-operative relationships between different countries. The example of producers' societies in Madras exporting goods to consumers' societies in Ceylon with the help of Government is but a beginning in this direction.

(f) Finally, the Conference recommended that each country might have a National Co-operative Council to promote and regulate the development of the co-operative movement in that country, and, particularly to institute periodical enquiries in which stock will be taken of the progress made by the movement and lines of future development will be chalked out. International Organisations like the I. L. O. and the F. A. O. could assist in such enquiries by providing experts in co-operation.

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Co-operative Farming

O. R. KRISHNASAMY B. COM.,

Lecturer, Hood Co-op. Institute Ltd., Tanjore

Co-operative farming holds out a great promise for the poor and over-populated agricultural countries like India. "It figures prominently among the plans of post-war development of agriculture." It is a means to minimising the farm-costs and maximising agricultural production. But, in practice, co-operative farming is a very complicated undertaking and costly experiment. This task calls for not only tact and administrative skill but also a clear understanding of the various issues and principles involved in organising it. It is also necessary for the organiser to understand the meaning of co-operative farming and the factors which aid its progress.

What is Co-operative farming?

The term "Co-operative farming" has been used in different senses. It seems to be an elastic concept. It has raised much controversy even among co-operators. It has been defined by different people viewing the matter from different angles. Mr. Tarlok Singh, the Author of *Poverty and Social Change*, defines co-operative farming in the following manner: "Co-operative farming must imply farming of which one element is the merging of separate farms into larger ones. It must recognise individual's right in land—It is not material to the definition whether or not the individual owners have the right to withdraw their holdings physically from the co-operative farming. But it is essential that if anyone wishes to leave the farm, he should receive due compensation for the rights finally surrendered by him. In it, ownership should not pass to the society as a whole". This definition contemplates the idea of consolidation of holdings so as to achieve the advantages of large scale farming. But it provides no solution for the condition when the ownership rights in land vest in the State itself. Another definition runs as follows: "In co-operative farming each cultivator would retain his rights in his own land, but cultivation operations would be carried on jointly. The expenditure would be met from a common fund and deducted from the gross income. The net income would then be distributed among the cultivators in proportion to the land belonging to each". This definition refers to farming operation in the very narrow sense. It also does not lay any restriction in regard to the nature of functions which may be undertaken by the cultivators.

Some eminent co-operators hold that it is not the aim of co-operation to do joint farming. For instance, Dr. C. R. Fay, asserts: "Co-operation does not extend to the act of farming. Co-operative Agriculture does not mean collective farming but independently operated farms linked together collectively for credit, for supply, for processing, sale of produce, *etc.*" This assertion signifies the co-operative farming based on individual ownership and individual operatorship.

Mr. K. C. Ramakrishnan of Madras states, "co-operative farming is voluntary and under democratic control. The policy is not dictated from outside and the individual enjoys freedom and initiative for work on the farm. The workers receive wages according to the land brought in". This definition is in conformity with the fundamental principles of co-operation such as equality, democratic control, voluntary organisation equity in division of the benefits, *etc.* From these definitions, it is evident that the principles of co-operation can be applied to farming in different ways in accordance with the changing environment of the localities.

The forms of Co-operative farming

The practical application of co-operative principles to farming can be made in four different methods. The basis for these differential classification is the right of ownership and operatorship. These methods will differ from place to place according to the socio-economic conditions prevailing in the locality.

First of all, the application of co-operation to farming may take the form of a better farming society as envisaged by the Co-operative Planning Committee. This type of society is based on the principles of individual ownership and individual operatorship. This is comparatively easier form of co-operation. This has been associated with a high degree of success, if not in India yet, in other countries. In this form of society, farmers unite together for the purpose of taking the advantages of scientific farming and for the purposes of credit, joint supply and sale, processing, *etc.* Hence the individual freedom of the farmer is encouraged; at the same time, individual family effort is supplemented by group effort in purchase, processing sale, *etc.*

The second type is the organisation of a society for individual ownership and collective operatorship. Such a society could undoubtedly secure for its members the advantages of large scale farming. It not only arranges for its own supplies and marketing

but undertakes cultivation. The remuneration for the member-workers may be paid on the piece-work basis or on daily wage system. The society may either distribute the produce to the members or sell the produce and distribute cash or do both.

The third method is the promotion of a society based on collective ownership and individual operatorship. Large plots of land may be purchased or taken out on a long lease by the society. They would be divided into economic units and allotted, one to each member. On the death of a member, the land should revert to the society. Then it would be re-allotted to any capable person preferably from the family of the deceased. The society can also make out a plan of cultivation to be adopted by members and provide other facilities including marketing. These societies can be easily organised in culturable waste land and in newly opened land. If the State has the ownership right, it can easily promote such societies. This type of society seems to be the best from the point of view of long period.

The fourth type is the society for collective ownership and collective operatorship. This constitutes probably the genuine and ideal form of collective farming. In this case, the member-workers shall be neither individual owners nor individual cultivators. The society possesses a freehold or a leasehold land and its members cultivate it according to its crop-plan and receive wages for their work (in kind or in cash). This kind of society cannot be easily organised in the places where there is too much love for land and where individualistic instinct exists among the cultivators. In order to organise such societies in cultivated areas, besides compulsory enforcement, employment shall have to be found for a large number of persons who shall not be required on land. Even this type has some drawbacks; for in this extreme form of collectivisation, the personal incentive of the farmer is weakened and his efficiency is not as great as in the case of working on his own farm. Therefore, from the long term point of view, "collective owner-operatorship" is undesirable.

It depends on the prevailing economic conditions, the social customs, the nature of the government and the psychological make-up of the people, to decide which of these forms can be successfully adopted in a particular locality or country.

The difference between collective farming and co-operative farming

Collective farming, as it is practised in U.S.S.R., is in fact, different from co-operative farming. It is built on the basis of

common ownership of land and common cultivation of land by all the members. The points of differences between collective farming and co-operative farming may be detailed as follows:—

1. In collective farming, the members are to surrender their individual rights of ownership and operatorship. But in co-operative farming members continue to be the owners of the land which is pooled together for the purpose of farming.

2. In collective farming every cultivator in a locality has a right to membership but he may not, always, have the option to stay away. On the other hand, co-operative farming is an entirely voluntary organisation, though no one must have the right to be admitted to membership as a matter of course.

3. Collective farming is carried on a large scale with the use of power and machinery according to a plan laid down by the State, while co-operative farming is more independent and allows no interference.

4. The remuneration for a worker on the collective farm is the payment of a share of the total income after meeting the cost of seeds, manures, implements, etc. The net income is distributed among the farm workers according to the quantity and quality of work turned out. But co-operative farming pays wages to the worker at prevailing rates and distributes the net profits according to the value of the land contributed; and

5. Collective farming provides little freedom or initiative to the individual working on the farm. The control of joint enterprise is authoritarian, not democratic and the policy is dictated from outside. On the otherhand, co-operative farming assures an independent status to each member as a peasant—proprietor; and he will have the joy and pride of possession and the stimulus for work and resourcefulness.

How to organise a farming society

Considering the existing socio-economic and other conditions of the locality, the suitable form of co-operative farming which should be applied successfully can be ascertained at the first instance. Land may be secured for the society either from Government or land-lords or members themselves. If it is from the Government or land-lords, it may be acquired either by purchase or by long lease. Where the members have their own lands, all the lands may be pooled together for the joint cultivation.

Selection of area:—Care must be taken in selecting the area. Experiment should not be launched on lands which are subject to violent climatic changes like droughts or floods, otherwise such experiment would mean a detriment to the movement itself. The land should be capable of development at reasonable cost. The locality must have the facilities such as roads and means of transport to market its produce.

Selection of Members:—The success of the enterprise depends mainly on the selection of members and therefore, careful scrutiny must be exercised in selecting members. The members may either belong to the same fraternity or community or to the same religious order (as the Jews in Palestine), or be bona fide cultivators or landless labourers or colonists or settlers like ex-servicemen. They must possess the ability to face the hard times of the starting period and the capacity to labour for higher and nobler ideals.

The extent of operation:—The activity of the society may be confined to cultivation only or cover the entire agriculture including the supply and sales. It may be further extended even to social services such as education, recreation, provision of health and efficiency etc. The aim and endeavour should be to take up all the activities of rural life so as to achieve the triple ideal of "better farming, better business and better living."

Management:—The ultimate authority should be vested in the general body consisting of all the members. The executive authority will be vested with an executive body elected among and by members. For keeping accounts and allocating the tasks, a specially appointed staff may be maintained. There will a supervising agency either selected from the members, or supplied by the Government, if it is the moving spirit in sponsoring the movement. The success of the society depends on the efficiency of management which calls for the greater ability, and integrity and honesty on the part of leaders constituting the managing body. Outside help in the form of costly implements on hire technical advice and assistance, financial aid etc., will pave the way for smooth and efficient working of the society.

The possibilities of increasing production and income, homogeneity of members, identity of interests, leadership and the spirit of co-operation of the members, and the equitable distribution of the produce among members are the factors which lead to assured and everlasting success of the movement. The human factor—the integrity and ability of the men behind it—plays the predominating influence in bringing success to the venture. Success is assured where each of the members is not only experienced and trained in the co-operative method but also imbued with hope, courage and determination to contribute his maximum to the working of the society.

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Progress of Co-operation in the Andhra Desa*

THE HONOURABLE SRI P. S. KUMARASWAMI RAJA,
Chief Minister, Government of Madras

Brother Co-operators,

I am deeply grateful to the Andhra Desa Co-operative Union for having asked me to open the 17th Andhra Co-operative Conference and for having given me an opportunity to renew my acquaintance with the co-operators of Andhra Desa. I have been connected with the co-operative movement for over two decades and this is, I think, my claim to your invitation. I am a believer in co-operation and have always felt that co-operative organisations can promote the economic interests of a large section of our people, especially the rural community. It therefore gives me great pleasure to be present here to day in your midst.

The Andhras played a remarkable part in the political struggle which brought us our independence. Your contribution to art, literature and social reform are equally remarkable. You have taken a notable part in the organisation and development of the co-operative movement; and the contribution which the veterans like the late Sri V. Ramadass Pantulu and Sri M. Ramachandra Rao made to the progress of the movement in the State is too well known to the co-operators to need mention. It is only appropriate that with the varied development of the movement, there should be stock-taking of the problems and difficulties facing the co-operators, and this conference affords an opportunity for pooling experiences, for exchanging ideas, for concerting measures to overcome difficulties and for planning future development.

In a country of conflicting political ideals, religious differences and economic inequalities, co-operation exercises a unifying influence. Though Mahatma Gandhi was not a co-operator, in one sense, it was his inspiration that led the Congress in its latest manifesto to recognise co-operation as the most suitable instrument for rural progress. The Congress has as its ideal a co-operative commonwealth. The Co-operative movement is based on eternal human values such as honesty, fair-dealings, service, mutual help, good will. It transcends caste, creed, colour or religion. With the achievement of political freedom the foremost task facing the Central and the State Governments today is the economic development of the country and the raising of the living standards of our people, and the co-operative method and technique can to some extent help us achieve this objective. The Madras Government are fully alive to the great utility and potentialities of the co-operative movement as an agency for

*Speech delivered while inaugurating the 17th Andhra Co-operative Conference and opening the Industrial Exhibition at Tenali on 26-11-50.

promoting the economic well-being of the people and the policy of Government has been to utilise co-operative agencies as far as possible for carrying out some of those schemes which aim at this objective. I can assure you that Government are always prepared to give the full measure of their support to the movement.

Andhra Desa has a good record of co-operative work to her credit. As in many other parts of the State, the co-operative movement in your districts has been meeting the several demands made on it and has extended its activities in various directions. May I proceed with your permission to make a rapid survey of the movement in the Telugu districts and make a few general observations?

Co-operative Credit

In the sphere of rural credit, village credit societies have made notable progress. There are at present 6252 credit societies with over 4.5 lakhs of members in the Andhra Districts. They cover 61.6 per cent of the villages and 17.70 per cent of the population. They issued loans to the extent of Rs. 3.36 crores during 1949-1950. 2,852 societies have undertaken multipurpose activities such as distribution of essential commodities agricultural requisites, social and recreational activities, promotion of thrift, etc. You are aware that the Government have launched a two-year scheme for the reorganisation of rural credit societies with a view to cover 50 per cent of the villages and 80 per cent of the rural population in the State and to make the societies undertake multipurpose activities. Government have given subsidies to central banks for the employment of additional supervisors to help them to implement the scheme. While fair progress has been recorded in carrying out the reorganisation plan in the Andhra Desa, much yet remains to be done. I appreciate the feeling among some of the co-operators that any forced or artificial expansion of rural credit societies is not healthy or desirable, that the successful execution of the plan needs an adequate number of zealous men for management and trained personnel for supervision which it is not always easy to find and that the work so far done during the last one and half years should be consolidated before further expansion is proceeded with. The Provincial Co-operative Advisory Council has therefore suggested that the scheme may be extended for three more years. This will receive the careful consideration of Government.

To the Rayalaseema, Government have given special facilities by way of subsidies to central banks to enable them to lend the ultimate borrower at a reduced rate of interest not exceeding 5 per cent, to write off bad debts in village societies amounting to Rs. 1.62 lakhs and make a fresh start and to employ additional supervisors for intensive supervision of rural credit societies at the rate of one supervisor for every 15 societies. This is a very generous measure of help which, I hope will go a long way

to help the banks in this area to reorganise and strengthen the co-operative rural credit structure.

It is needless to emphasise that rural credit societies constitute really the backbone of the movement and that they should function not only as effective lending agencies and providers of cheap credit but also as units of social and economic progress.

In an evaluation of the results of the working of our rural credit societies, I would ask this conference to consider two essential points:—

- (a) how far they have provided *all reasonable credit* needed by their members and prevented them from approaching the money-lender,
- (b) Whether the societies have shown *promptness* and flexibility in giving their members financial accommodation.

I may in this connection invite your attention to the observations of the Rural Banking Enquiry Committee. The Committee observed that in any scheme for a sound and efficient system of agricultural finance, sufficient emphasis must be laid on the building up of a sound structure of primary institutions—whether co-operative credit societies or multipurpose societies. The weakness of the co-operative structure seems to lie mainly in these institutions and more thought and effort should be devoted to their development. The generally favoured plan now is the establishment of strong multipurpose societies able to employ competent paid staff for each group of contiguous villages.

The land mortgage banks have made steady progress. Some of the earliest banks were in fact formed in the Andhra Districts, viz., Gudlavalluru, Vadamannadu and Alamuru. They issued debentures until the formation of the Central Land Mortgage Bank. There are at present 54 mortgage banks with a paid-up share capital of Rs. 13 lakhs in the Andhra Districts. They issued loans to the extent of Rs. 31.50 lakhs during 1949-50. Here again, Government have given special help for the promotion of land banks in the Rayalaseema. They have sanctioned a subsidy to the Central Land Mortgage Bank at 1½ per cent on all loans to be issued during the 5 years from 1-7-49 to enable the ultimate borrower to get his loan at 4 per cent rate. This rate, I may say, is the lowest for long-term loans in the whole of the Indian Union. The total Government subsidy on this account is Rs. 6.75 lakhs spread over 24 years.

The time has come when every effort should be made to utilise mortgage banks for the more constructive task of agricultural development. Government have been considering an amendment to the Co-operative Land Mortgage Banks Act of 1934 with a view to help large scale efforts of land improvement such as irrigation, erecting engines and pumping sets etc. This will help to step up food production. I do not see why the banks cannot render service to the ryots and the State by actively participating, subject of course, to the usual business safeguards, in the execution

of irrigation schemes which need large capital. The demands on the State's finances are considerably on the increase and it seems to me that in future such irrigation schemes should be more in the nature of co-operative enterprise to which the State and the ryots should make their respective contribution. The ryots, who stand to derive benefits from the schemes, should come forward to finance in some measure the irrigation projects in their area. You are aware that recently the ryots in Tirunelveli district subscribed a crore of rupees for the Manimuthar Project, enabling the Government to undertake the execution of the project immediately. When ryots come forward to shoulder a part of the financial burden, it is only reasonable that priority should be given to such schemes. Land Mortgage banks can be of great assistance to the ryots and advance the funds required by them. I believe the Central Land Mortgage Bank will address itself to this task with zeal and help the people.

Role of Co-operatives in Food Production

The food problem is a major problem facing us to-day and as you know, Government have launched various schemes to increase food production. They have recently transferred to co-operative societies the work of distribution of chemical manures, iron and steel and introduced a scheme for intensifying the cultivation of waste and fallow lands through village multipurpose co-operative societies in select areas in Andhra Desa, in the districts of East Godavari, Guntur and Nellore. Through village co-operatives villagers can be actively associated to make the self-sufficiency scheme a success. In these societies, arrangements have been made for the distribution of chemical fertilisers, groundnut-cake, iron and steel and other agricultural requisites to the farmers. About 750 societies in Andhra Desa have undertaken the work during the current season. About 250 societies have constructed compost-pits and 107 societies are making arrangements to take up about 8000 acres of fallow land for cultivation.

This is a splendid opportunity for the co-operators to make themselves useful in the national effort to intensify food production and help the country to achieve self-sufficiency in food. Co-operatives can render distinct service to the ryots by timely and proper distribution of iron and steel and chemical fertilisers by the application of which, it is expected to increase food production considerably. It is my desire that this conference should consider the best methods of utilising rural co-operatives in schemes of food production in a larger measure.

It is my conviction that the distribution of chemical fertilisers, iron and steel should be the concern of co-operative organisations rather than the Agricultural Department, and that the latter Department is intended to render technical advice and help to the farmers and introduce improved methods and practices in farming with a view to augment agricultural production. It is in that belief that Government transferred this work to

co-operative societies. I am sure that the societies will apply themselves to this task earnestly and carry it out efficiently, equitably and to the satisfaction of the ryots.

I am glad to note that a positive contribution to food production has been made in the Andhra area, principally in the Circar districts, by what you call 'Tenants or Field Labourers Co-operative Societies.' You have 448 such societies with over 36,000 members who are all poor agricultural labourers, or Harijans. They have obtained on lease 35,590 acres of *lanka* and other Government waste lands and cultivated about 28,000 acres with food crops and 6,000 acres with commercial crops.

Co-operative Farming and Land Colonisation

The Government and the co-operators realise the importance of co-operative farming and land colonisation. The Grow More Food campaign itself aims not only at intensifying cultivation in existing lands through better methods but also its extension by bringing more land under cultivation. In all we have 41 land colonisation co-operative societies (for civilians and ex-servicemen) and there are 16 such societies in Andhradesa. These societies have been formed mainly with Government lands. Government have given over 22,000 acres of land to the 41 societies and an extent of about 18,600 acres have been so far reclaimed and brought under cultivation. Government have been giving these societies all possible initial help by way of subsidies and loans to enable the members to carry out reclamation and cultivation. You may be aware that recently we have constituted District Advisory Land Colonisation Committees in order that they may explore the possibility of bringing as much of land under cultivation as possible with a view to step up food production. I understand that there are 120 schemes involving an extent of about 50,000 acres of land at various stages of investigation and examination. Representations also have been made to Government to increase the scale of financial assistance to the members of these societies who are all landless poor people and Harijans.

Government consider that through such societies some relief will be afforded to the landless poor and Harijans on the one hand and that some contribution to food production will be made on the other by bringing waste or fallow land under cultivation. Government also propose to take suitable steps for accelerating the examination and implementation of these schemes.

Co-operative Dairying and Cattle-Breeding

Milk and milk products are a part, an essential part, of the food of a very large section of our people. Government have introduced a three-year scheme of urban milk supply through co-operatives and appointed special staff of Dairy Assistants and Co-operative Inspectors to work out the plan.

We have to-day 571 co-operative milk supply societies and unions in the State. During the year ended 30th June 1950 they handled milk worth about Rs. 150 lakhs. In the Andhra districts there are 166 societies and unions and they sold milk to the value of Rs. 17.47 lakhs. Relatively the progress is very slow and somewhat disappointing. Dairying is an important rural industry which provides supplemental income to the agricultural classes and requires to be encouraged and organised on satisfactory lines: May I ask the co-operators to take stock of the position in this respect and concert measures to improve and strengthen the co-operative dairies in these districts?

The Ongole tract is noted for its high breed of cattle and supplies them to other parts of the State. The preservation and improvement of this breed should be a matter of zealous concern to the co-operators and all others interested in the cattle wealth of our country. This lends itself to co-operative effort. I understand that a cattle breeding society has just been organised at Ongole. Government have sanctioned a special staff and a non-recurring subsidy of Rs. 4,640 to meet the cost of stud bulls, etc. I hope the society will soon start work and fulfil its objects. Government have extended considerable help to a similar enterprise in Sugulimitta in Kurnool district. I am, however, afraid that these scattered efforts, however praiseworthy, may not meet the needs of the situation. I feel that the co-operators will do well to give this matter more attention.

Co-operative Housing Schemes in Andhradesa

You are aware that alongside of our efforts to tackle the food problem Government have formulated measures to relieve the housing shortage in urban and semi-urban areas. Housing schemes on co-operative lines were started and as a result 77 new house building societies have been organised in the Andhradesa in the last two or three years. There are in all 116 such societies in your area with 7800 members and a paid-up share capital of over Rs. 29 lakhs. Out of a crore of rupees provided in the Budget of 1950-51 to be given as loans to housing societies, a sum of Rs. 44.25 lakhs was allotted to Andhradesa. Upto the end of October 1950 loans amounting to Rs. 32.52 lakhs were sanctioned to housing societies in the Andhra districts. At the end of September 1950, loans amounting to Rs. 48.50 lakhs were outstanding against the members of these societies. Apart from the houses built by their members in the past, at the end of September 1950, 587 houses were in different stages of construction in important towns in the Andhra districts. Co-operative housing societies in Chittoor, Guntur, Bapatla, Narasaraopet, Repalle, Vijayawada, Nellore, Kovvur, Kavali, Visakhapatnam, Srikakulam, Hiramandalam, Amadalavalasa and Parvathipuram have done good work. The societies at Bellary, Adoni, Rayachoti, Ellore, Kovur, Anantapur, Tadpatri and Guntakal took possession of the sites, and construction work is fast progressing in

Bellary, Adoni, Rayachoti, Ellore and Kovur. I learn that the progress in certain towns has been slow owing to the time taken in the acquisition of sites while in some other places misunderstandings among directors and members have retarded progress. The housing shortage is very acute in all urban and semi-urban areas and you will be doing great service to the people if you take full advantage of the facilities and funds provided by Government and speed up the execution of housing schemes. I need hardly that Government have provided some of the building societies in Rayalaseema with staff at half cost to work as their secretaries. A Special Land Acquisition Officer is attached to the Registrar to speed up acquisition proceedings. Special quotas of iron and steel and fittings are allotted to the Registrar for distribution among co-operative housing societies. Government timber is supplied by the Forest Department to Co-operative societies at concessional rates. In spite of financial stringency we have provided a crore of rupees in the current year's budget for loans to these societies apart from Rs. 20 lakhs for rural housing societies. These constitute very substantial help.

Under the Rural Co-operative Housing Scheme, 12 villages have been selected in Andhra districts and 9 rural housing societies have been registered. This is an interesting and useful departure the Government have made in housing policy and further extension of the scheme will depend upon the results of this experiment.

Cottage and Rural Industries

I am glad that an exhibition of cottage industries products in Andhra Desa has also been arranged. Andhra Desa is not lacking either in raw materials or in handicraftsman. The main handicaps facing the cottage and rural industries are want of finance and equipment, lack of organised marketing agencies and of technical advice. The problems can be tackled on a co-operative basis as has been done in many other Asian countries.

The handloom industry, which is next to agriculture in importance—in the State, has made considerable progress on a co-operative basis. They produce about one-third of the cloth requirements of our 'people'. Out of the 5 lakhs of looms, nearly 80 per cent are organised on a co-operative basis. There are 940 weavers' co-operative societies with 1,47,000 looms headed by the Madras Provincial Handloom Weavers' Society with its net-work of emporia in the State and outside. Of these, 516 societies with 70,000 looms are functioning in the Andhra Desa. Out of the total production of Rs. 3.2 crores of handloom goods by the societies in the State during the year 1949-50, nearly Rs. 1½ crores worth of goods were produced by the societies in Andhra Desa.

The chief problem now facing the handloom industry, more than markets, is the shortage of yarn. Government are keenly aware of this and

have made repeated representations to the Government of India. I hope the position will soon improve.

I must congratulate the Provincial Society on its decision to start at a cost of Rs. 30 lakhs a Co-operative Spinning Mill with 11,000 spindles at Guntakal in Anantapur district to supply at least a part of the yarn requirements of its affiliated weavers' co-operative societies. The society has requested the Government to contribute a third of the capital by way of a ten year loan and the request is now under the consideration of Government.

Cumbly weaving is an important rural industry in parts of Andhra districts, particularly Rayalaseema. I am glad that efforts have been made to organise this industry also on a co-operative basis. I learn that there are eight cumbly weavers' societies. Government have been providing them with subsidies and technical assistance through a designer. They recently gave the Bislehalli Co-operative Cumbly Weavers' Society in Bellary district a free grant of Rs. 5,120 to set up a weaving factory with fly shuttle looms and a subsidy of Rs. 400 for payment of premia to sheep owners. I have no doubt that the Rayalaseema Economic Development Board and the Co-operative Department will make joint efforts to place this industry on a sound, progressive co-operative basis.

All of us know how the weavers carry on their work in insanitary and unhealthy surroundings and housing conditions. Government have been encouraging the weavers' co-operatives to provide decent housing conditions within the means of their members and towards this end they are giving the societies long-term loans at a low rate of interest. The Yemmiganur Weavers' Co-operative Society which is the biggest society in the Andhra Desa has been given a loan of Rs. 2 lakhs and 60 houses have been completed and 40 more are under construction. Similar housing schemes are in progress in Tenali and Rajahmundry also. There is no doubt that provision of suitable houses will contribute to the health and efficiency of the weaver and his family and greater outturn. I appeal to the other societies to show the same spirit of enterprise and undertake suitable schemes to improve the housing and social conditions of the weavers.

I may also make particular mention of the Eluru Pile Carpet Weavers' Society, whose products have earned reputation not only in India but also in foreign countries. Government have been giving every assistance to the society to place it on a progressive basis. It still seems to lack patronage from the general public apart from the want of loyalty on the part of its members. There is considerable scope for expansion of its business. I am sure that the co-operators assembled here would extend their patronage to it and make the industry a flourishing one.

Besides 940 societies for weavers other cottage industries societies have also been organised on a co-operative basis. There are in Andhra

Desa 121 societies for metal workers, leather workers, carpet-making, basket-making, toy-making etc. The societies produced goods worth Rs. 16 lakhs during 1949-50. The bulk of the business is done by the twelve metal workers societies which produced goods worth over Rs. 9 lakhs. I learn that the Ajaram Brass metal Workers Society in West Godavari, the Aluminium Metal Workers Society at Rajahmundry, The Penugonda Hardware Co-operative Workshop in West Godavari district, Proddattur, Cuddapah and Venipenta Brass Metal Workers Societies in Cuddapah district have established a place among the industrial co-operatives in the State.

One important industry which has developed in the State on a co-operative basis after the introduction of Prohibition in Palm Gur Industry. This industry has received encouragement both from the Central and State Government. There are at present 465 societies for manufacture of palmyrah and date jaggery in Andhra districts with 20,218 tappers as members. They produced jaggery valued at over Rs. 18 lakhs last year. The industry has spread particularly in West Godavari district. The tappers have also been trained in improved methods of jaggery production under a scheme sanctioned by Government.

I should like to emphasise three basic factors as regards cottage and rural industries. Ours is a country of villages and the need for a decentralised industrial economy is obvious. Secondly, it is necessary that in an under-developed country like ours with increasing pressure of land, the problem of under-employment and seasonal employment can be tackled only through planned development of rural and cottage industries. Thirdly, many of our cottage industries are carried on, on very crude methods and have not taken advantage of modern mechanical appliances, tools and implements to improve craftsmanship. The problem calls for urgent attention. The time has come for action; a sustained and planned attempt should be made to have a net-work of cottage industries in all promising areas on a co-operative basis apart from the question of agency that may concern itself with their promotion. Government have placed at the disposal of the Registrar a sum of Rs. 45,600 for being given to deserving cottage industries societies for the purchase of equipment and for meeting expenditure on their establishment.

Government have recently constituted Regional Advisory Boards to develop select industries. They have also constituted a Cottage Industries Board to make a survey of cottage industries and take all necessary measures for their development. Government have under consideration other measures too. I may mention in particular the proposal to encourage rural industries in select firkas through village co-operatives. Deserving village co-operatives will be provided with tools free of cost and raw materials at cost price. The village societies will be federated into a firka of cottage industries co-operative federation with the main object of distributing and supplying raw materials to the artisans in the firka. Where

it is not possible to form a federation, co-operative stores or marketing societies may undertake this work. It is expected that as a result of operation of the scheme village industries will be promoted in select firkas so that the ordinary every-day requirements of villagers can be met.

Rice milling and cotton-ginning may lend themselves to co-operative effort. A bone-meal factory on co-operative basis round about the Kollair lake is yet another possibility. I am sure this Conference will devise ways and means of establishing societies for the organisation and development of cottage industries on a wide scale. I am sure now of all possible Government support to help them.

General.

Let me now mention a few general matters. You know as well as I do that the movement has been making very rapid progress in several directions. The need for trained and efficient paid men to supervise and run the institutions is obvious. The progress and soundness of the movement will be conditioned by the availability of trained personnel. The movement needs not only a band of honorary workers but well-equipped paid staff. It is true that co-operation is founded on high ethical principles but please remember that co-operative societies are essentially business organisations. Honorary service supplies the idealism, zeal, direction, advice which these organisations really require. Their day-to-day management, development of business, maintenance of accounts or supervision of societies, etc., cannot however be attended to by amateurs. A pool of trained employees is essential to the success of the movement. Its stability depends on their efficiency, honesty and loyalty. We have in Andhra Desa co-operative training institutes at Rajahmundry, and Anantapur which train candidates for employment in co-operative institutions. More men will have to be trained and if need be, more institutes will have to be established. The movement should be able to train enough men it requires and create a pool of such men. It is not a sound arrangement to go on taking the loan of services of Government officers. The tendency to indent the services of departmental officers is still strong, and I suggest that you stop this as soon as possible. For one thing, the department has not enough men to attend to its statutory duties and for another, societies will have relatively to pay more by way of additional remuneration and leave and pensionary contributions of the officers lent. What is more is that when they become useful to the institutions, they are taken away for administrative reasons and their experience is lost to the societies concerned. This is an unsatisfactory state of affairs and needs to be remedied. The service condition of non-official staff should be rendered sufficiently attractive. I believe the Conference would consider ways and means of building up a trained body of non-official employees qualified to run the increasing number of co-operative organisations.

The tendency for party or sectional politics or local factions to invade co-operative institutions is most undesirable and should at all costs be checked. Co-operative organisations are business organisations intended for the benefit of all members, irrespective of their political or party or communal loyalties or differences. Unless the movement keeps clear of local rivalries and factions, it cannot expect to command the confidence of the people or to be of real service to them. In some cases, the party spirit is carried to the extreme length of creating deadlocks in institutions. I earnestly appeal to co-operators of all shades of thought to keep the movement above these things and bring under its beneficent influence a larger and larger body of men and women.

Co-operation is not a Government machinery but a people's movement. Government are always prepared to provide most liberal help for its expansion. But the co-operative movement cannot succeed unless its constituents are loyal, the management is sound and honest and the workers are animated by a spirit of service. Co-operative method cannot become effective until the people clearly understand the basic principles and keep vigilant as in all democratic institutions and accept co-operation not only as a means of self-help but also as an agency of mutual help and service to the community. Andhradesa has a large body of veterans and workers in the co-operative field. I have every hope that with all their resources, they will fully exploit the potentialities of the movement and promote the economic well-being of their fellow-men. I am aware that co-operation has obvious limitations and is only part of our economic programme but even so, it can be of great service to the community.

Gentlemen, I am sure that this Conference will be a landmark in the history of the movement and its decisions will take you a great step forward. You have been fortunate in having secured Sri Kala Veekata Rao to preside over the Conference. He is a veteran co-operator and he was a member of the Committee on Co-operation and has been associated with several co-operative institutions. I have no doubt that under his guidance, the Conference will be a success. I once again thank you for giving me this opportunity and wish your deliberations every success.

The George Town Co-operative Credit Society, Ltd., No. 8512
 29, Krishnappa Naicken Agraharam Street, G. T. Madras.
 (REGISTERED IN 1923.)

All Banking facilities are afforded to Members and Constituents of the Society. Fixed Deposits are accepted for one year at 4½ per cent interest.

There are 3,000 subscribers who contribute towards Monthly Savings Scheme, which runs for 84 months.

The Loan Transactions of the Society—Simple, Jewel, Mortgage and Surety loans—exceed Rs. 18 lakhs.

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

Ram Rajya—Co-operative Commonwealth for India*

SRI KALA VENKATARAO,

General Secretary, All India Congress Committee

Hon'ble Chief Minister and Brother Co-operators,

I joined the Co-operative Movement in 1924 and have been closely associated with its development in this Presidency for nearly 25 years. My association was more with the Sree Konaseema Co-operative Central Bank Ltd, Amalapuram of which I was the Honorary Secretary for 14 years and was also its Vice-President and later on its President for sometime. I was on the Board of Directors of the Provincial Co-operative Bank and was also a Member of its Executive. I do not like to detail here the other aspects of intimate association with the non-official side of the co-operative movement. Even this much I thought it fit to say just to draw another picture in contrast. Suddenly in 1947 I had to sever my active association with the movement and I must confess that with that, my daily intimate contact with the movement ceased; and when I sit to write down this Address, my thoughts have more of the historical background than a picture of the fieldwork of today. However, I am glad for one thing. The great political organization, the Indian National Congress, of which I am a humble member, has as its first article of faith "the establishment in India by peaceful and legitimate means of a Co-operative Commonwealth." You are well aware that our National Congress under the great leadership of Mahatma Gandhi followed the path of Satyagraha and won our freedom. The Father of our Nation never minced matters. He wanted not merely "Swarajya" but a "Swarajya" which would be a "Ramarajya." Ramarajya is no religious concept based on some mythological system of Government but is a political and economic order of society, whose picture *Bapuji* painted. He also shaped a living organism out of it.

Co-operation is a great 'Isim' like any other economic theory like Socialism, Communism, Fascism or Capitalism. It has no Christ like Marx nor a Bible like "Capital." Its authors were also humble workers; it had humble beginnings and grew out of the peasant's hovels and the workmen's slums and the craftsmen's unions. Its fundamental concept has always been union—union of the poor common man and the pooling of his poor resources. As J. J. Worley said: "A co-operative philosophy of society must rest on free, universal association, democratically governed, conditioned by equity and personal liberty." Co-operation can be compared and contrasted with other known economic doctrines. Co-operative production provides for the individual ownership of the instruments of

* Presidential Address at the 17th Andhra Provincial Co-operative Conference held at Tenali on 26th and 27 November 1950.

RAM RAJYA—CO-OPERATIVE COMMONWEALTH FOR INDIA

production. This is against the conception of Communism. Co-operative distribution provides for the sharing of profits among the members. This is against the conception of Capitalism. Co-operative membership provides for equal status to all the members—one member one vote—and this is against the conception of Fascism. More than anything else, Co-operation brings the producer face to face with the consumer and eliminates many middlemen. Co-operation does not kill individual initiative and incentive though it restricts the profits of the entrepreneur. What is saved out of the pool goes to the common reserve fund of the society. Thus certain evils of Capitalism are controlled and even eradicated. The abolition of private property and the doing away with class structure in Soviet Russia could not successfully create conditions of economic equality and sufficient incentive to the workers to labour for the common weal. We hear of the Stakinov movement, and the extra prize money to the worker who works harder is only a new name for the piece-rate system of the capitalist society. Even in Russia armaments are manufactured (they are not production for social necessity) and there also there is a wage-differential and the difference between the highest and lowest wage is more than twelve times a thing, which our Gandhiji was prepared to concede. Instead of our classes, a new hierarchy in the shape of different cadres of officers is being established. On an appraisal of these and several other factors, I feel that the co-operative way is the better way and that co-operative commonwealth is the desirable economic state for which we Indians have to strive.

Co-operation provides an answer to many of the problems facing our country to-day. To quote Rev. John A. Ryan:

"Reduction of prices to the consumer, increase of prices to the producer, democratic management of industry, education in self-help, in the capacity for community action and in the ability to manage business, are all within the reach of the masses, both in the country and the city, if they are willing to use methods that have been tested and approved in the co-operative movement."

Mr. Leon Henderson has completed the picture when he says:

"Co-operatives are definitely anti-authoritarian. They help in the redistribution of income. They are not afraid of better wages, not afraid of social security and not afraid of democracy. They are a people's movement."

The Indian National Congress in its resolution passed at Jaipur on the Economic Programme *inter-alia* said: "that all the nation's resources, human and material, should be utilised to increase production" It also said that all this must be done in a planned manner and that the plan should be one of decentralised production. All these ideas and many others formed the subject of our state planning. But for a time there was a co-ordinated effort on the lines suggested by the Jaipur Congress. This

gap was filled up by the Congress Working Committee when, in January and February 1950, it passed two resolutions regarding planning and its implementation. The Working Committee resolution on "Economic policy" which requested our Central Government to create a National Planning Commission defined four objectives:

1. Establishment of a just order of Society.
2. Securing of a progressive increase in the standard of living through an adequate and expanding volume of production.
3. The best utilisation of resources through improvement in skilled and productive capacity of the nation by suitable technical training and education,
- and 4. Attainment of national and regional self-sufficiency.

The Government of India accepted the request of the Working Committee and appointed a National Planning Commission. The Planning Commission is at present evolving a long term and a short term plan. I am one of those who feel that the plans so evolved must be based mainly upon co-operation if they want to create a real benefit and prove successful. Ours is a poor country and it will be difficult for us to pool the required financial resources to invest in any costly scheme of planning. While I am not against the import of foreign capital for productive purposes, I do feel that we will not be able to succeed in our endeavour unless we utilise the internal financial resources to their fullest extent and the unemployed and under-employed manpower in India. Some people feel that we in the Congress are a bit ante-diluvian in our ideas and that we want to put the clock back in order to satisfy our whims and fancies. But these critics do not take into account certain of our national incapacities and deficiencies. Let us for argument's sake assume that the Congress will bid good-bye to *Khadi* and will advocate complete industrialisation for our textile needs. But how can this be achieved? Now there are about 420 textile mills in this country with an investment of about Rs. 130 crores. There are more than 6 lakhs of workers in these textile mills. Even if you want to draft in two more lakhs of workers, it would mean a further investment of Rs. 100 crores. As against the minimum national demand of 660 crores yards of cloth at present we are producing only round about 380 crores yards of cloth. And in order to fill in the gap in our requirements, we need many crores of rupees for investment in this sector alone. At part from money, where from are we to get the machinery? The countries that will have to supply the textile machinery are themselves busy in re-equipping their war-shattered textile industry and are not in a position to supply our needs for years to come. By ourselves we cannot manufacture the machinery without the establishment of heavy industries which in their own turn would mean a heavy financial investment and the import of capital tools and the know how. Therefore, our country will have to

continue along with the present controls which also in their turn are resulting in dissatisfaction to many of our people, especially in the middle and lower classes. Should we not, in these circumstances, think of some collateral means to improve our supply of textile goods. Our villager is very much under-employed in spite of his being an agricultural worker. Should not his spare time and energy be mobilised and utilised for the production of the primary requirement of clothing himself and his family? The cause of the poor man is thus served with comparatively little investment resulting in greater out-turn and without the problems of industrial labour and their grievances facing us. Neither Gandhiji nor the Congress nor the Congressmen are ante-diluvian in their ideas. The programme of *Khadi* is a practical proposition if we have got the will for it and a plan to widespread it and enforce it. And I am certain that co-operation can play a great role in this endeavour.

The same can be said of our other programmes for industrialising our country. We do not want to block industrialisation. As a matter of fact, we want to encourage industries, old and new, and achieve targets. But, as practical men, we must think of our capacity, financial and otherwise, and plan in a practical manner. It will be a surprise to know that between 1923-24 and 1934-35, the total amount of invested paid up capital of all Joint-Stock Companies in India was only Rs. 35 crores, and between 1939-40 and the present time, the average investment for a similar purpose is round about Rs. 26 crores per year. If we want to achieve any substantial agricultural or industrial progress, we would require an annual investment on the average of at least Rs. 300 crores per year. This would mean that we must save as a nation 6 to 8 per cent of our aggregate national income and see to its investment in a planned way. Though estimates differ, India is said to be producing at the rate of ever Rs. 5,000 crores worth of industrial and agricultural goods per year. This national wealth we are consuming to the tune of over 98 per cent because a poor producer has to spend all his earnings for his food, clothing and after to save 6 to 8 per cent of our annual production and re-invest it is a stupendous task. But we cannot afford to rest on our oars and feel helpless. We have to pool that much every year by austere living, by foreign borrowing and by increasing our overall national production. As the National Planning Commission has not yet reported, it will be futile to go on expanding on the subject.

The Nasik Session of the Indian National Congress passed a resolution defining the Congress objective regarding our economic progress as the Establishment of a Welfare State wherein there is economic democracy, the national minimum standard in respect of essentials of physical and social well-being, a rising standard of living, full employment, elimination of exploitation and progressive narrowing down of disparities in

income and wealth, so that there may be equality of opportunity to all for self development and growth of personality. A resolution also demanded immediate action on these lines. Such an immediate action was, among other things, to be by the "expansion of opportunities for gainful employment by planned development of village and small scale industries on co-operative lines as far as possible, and on the basis of the highest attainable technical efficiency." This plan gives an opportunity for us, co-operators, to trim, shape and plan our own movement so as to integrate it with the National Plan and thus develop not only a co-operative ideology but also co-operative dynamics and press them into the service of the country. The resolutions further said that "Efforts should therefore be made to utilise the experience, energy, free time and other resources of the people on a voluntary basis on a nation-wide scale". This is an appeal specially addressed, I should say, to Co-operators and fits in with our ideas of voluntary efforts to build up a free economic society which respects man as a man.

The Reserve Bank of India in a Review of the Co-operative Movement which covers the period between the years 1946-1948 has an excellent chapter which deals with the States, and the Co-operative Movement. It details the great assistance that the Government in India have rendered to the co-operative movement. This positive role played by the State is increasing day by day. When the State itself is to be a Co-operative Commonwealth, all that is being done by our Governments is only in recognition of this principle. The nature of encouragement and the help that the State has rendered to the co-operative movement during the period under review gives a good idea of that support. That aid included financial assistance, legislative help and moral support. Financial assistance took the shape of loans, grants-in-aid and subsidies and guarantees of interest on debentures issued by the co-operative institutions. Special concessions and privileges, such as exemption from income-tax, stamp duties, and registration fee, free remittances, transfer facilities, etc. were given. Legislation was passed for the organisation and the working of co-operative institutions and production of co-operative institutions of the respective Provinces from various Debt Relief Acts. Special concessions and legal privileges regarding execution of awards through Government agencies, etc. was also provided for. The co-operative movement was recognised and utilised as a suitable agency for the supply, procurement and distribution of foodstuffs and for some controlled articles. I do not like to go into the details of all the matters and tell you over again what you all know about. My simple plea is that co-operation in India must increasingly become the vehicle for the economic progress in this country. What form should it take and how best it should reach the masses and how it should be administered is for you to decide on the basis of your experience as co-operative field workers.

The Madras Government of the day appointed a Committee on Co-operation in the 'thirties and that Committee of which I had the honour of being a member, made an elaborate report and also made certain definite recommendations. Subsequently another Committee reported on the co-operative movement in Rayalaseema. The Government of India also appointed a Co-operative Planning Committee and that Committee reported in 1946. The 15th Conference of Registrar's Co-operative Societies and other prominent Co-operators was held in Madras in May 1947. The proceedings of that Conference disclose a thorough grasp of the co-operative problems facing the country.

The Conference in its turn made a number of recommendations. I want to know what progress has been made by the Government of Madras in the implementation of the recommendations of all the Committees named above. I believe that I am not wrong in saying that many of these recommendations have not yet been adopted into the frame work of the co-operative movement in our Province. In many respects and in many aspects of the Co-operative Movement, Madras is far ahead of any other State in India. Both the officials and non-officials in Madras have done a lot for the advancement of the movement in this Province. As a Co-operator I must say that some basic changes are still wanting. One important thing I would like to lay stress upon is about limited liability. This idea accepted by a majority of Co-operators in general is being put into cold storage. The Co-operative credit societies based on unlimited liability have served their day. Perhaps unlimited liability was good to some extent when the societies functioned merely as instruments of cheap credit. But our endeavour to-day is that co-operation must be made to serve the needs of the masses not only for their credit facilities but also for production, consumption and distribution. *We have to broad-base the existing co-operative credit society and change it into a multipurpose society. A multipurpose society cannot but be on a limited liability basis. I do not agree with the idea that multipurpose and unlimited liability can be made to go together. Our ideas have to change radically in this matter.* Even the idea of starting Rural Banks has not been allowed to spread very well and the success attained by the Alamuru Rural Bank is denied to other parts of the Presidency. I do not claim infallibility for these experiments but progress can be only with error and trial and must be allowed to move its greater speed if you want to meet the revolutionary needs of the situation. I must be frank in stating that the Registrar of Co-operative Societies and his colleagues (I do not mean any individual) have consistently obstructed the development of co-operation on multipurpose lines. We in Madras have the fortune to have as our Registrars good administrators, but we are yet produce a Registrar who can inspire and shape Co-operative Commonwealth, and that is our real need. Anyhow I would like that we should have two Registrars, one for Administration, and the other

exclusively for Developmental work. The fact that Madras has led the way in having efficient land mortgage bank, provincial and central co-operative banks and consumer co-operative stores should not blind us to the developing needs of a Free India. If like wise my esteemed and able friend, the Hon'ble Minister for Co-operation will make Department progressive in the new ideology and make a fair start ahead of other States we shall be grateful. I am certain that he can and will do it with the certain support of our Chief Minister who is a well known co-operator himself. When I accepted the Presidentship of this Conference I wanted to examine these matters in full detail in my present Address but unfortunately I was unable to devote much time and so you find no statistics here nor even a well framed full picture of my ideas and aspirations. Therefore I thought that I could join you actively in your discussions in the Conference and determine what all we want to advance the cause of co-operation.

I am a believer in real democracy and as such I am a believer in individual initiative, individual freedom and the development of the individual. But I do not believe in a democracy or individual freedom that will stunt the growth of any citizen and deny him equal opportunity with his brother citizens. Babu Rajendra Prasad once said that "There is an element of democratic freedom inherent in Co-operation and this freedom has to be praised above all things. The freedom of the individual however, has to be used for the benefit of the community of which he is a part and it is this healthy compromise between discipline and freedom that has been embodied in the Co-operative Movement—'all for each and each for all'.

The advantages of Co-operation are not easy to achieve. To quote Rev. J. A. Ryan, once again, its advantage "cannot be achieved in a day nor in a year nor by Governmental Subsidies nor through any easy formula nor recipe. They must necessarily come about gradually and through the action of men and women who are willing to exercise patience and make the sacrifices which are indispensable for any improvement or lasting reform of industrial, I may add, agricultural conditions".

The Indian National Congress has declared its faith in co-operation as the method which can bring "an equality of opportunity and of political and economic social rights and aiming at World Peace and Fellowship".

As a Congressman and as a co-operator I believe in the establishment of such a Co-operative Commonwealth in our country in preference to communism or socialism and if we want to achieve this in an Ideal World, we must yoke ourselves to a great task. I am certain that the Co-operators will do all that they can in order to establish such a Co-operative Commonwealth or *Ram Rajya* in our Free India.

XVII Andhra Provincial Co-operative Conference, Tenali 26th and 27th November 1950

RESOLUTIONS

Planning for Seminar

1. This Conference welcomes the appointment of the National Planning Commission and awaits the publication of its short-term plan and later of its long-term plan for the establishment of a Welfare State in terms of the Nasik resolution of the Indian National Congress about economic programme.

This Conference feels that co-operation has to play a vital role in any endeavour or in any plan which seeks the establishment of a first order of society and for the attainment of a higher minimum standard of national living. As such it will be but just for co-operators to bring in a change in the approach of vital problems and in the organisational set-up of the Movement in the Province. This would mean that the village co-operative units should be more broad-based and directly associated with the productive activities of the society at large. It is only by an integration of production, consumption and distribution and the shaping of a form of co-operative society that this idea can be given a practical shape. Further it has also to be realised that incentive for the co-operative worker should be made attractive. Towards this end, this conference feels that the time for academical discussion is over, and that an experiment should be immediately started in any select area. Rigid ideas and fixed notions will not solve the problem and a bold experiment of trial and error even at the cost of some financial loss has got to be made and the Government be requested to undertake to meet the loss of such an experiment.

As this Conference is too big a forum to discuss the requisite details, it resolves to request the *Sammelanam* to invite a Seminar of prominent co-operators under the guidance of the Registrar of Co-operatives and forge a practical programme before the end of December 1950.

Rural Banking

2. This Conference invites the attention of the Government to the Reports of the Committee on Co-operation of 1940 and the Committee on Co-operative Planning 1946 and requests Government that some of its vital recommendations particularly those relating to the extension of limited liability to basic co-operative organisation should be implemented by the establishment of multipurpose co-operative societies in villages or groups of villages in rural areas.

3. The recommendation of the Co-operative Department that co-operative banks be established in all municipal and major panchayat areas, having

been accepted by the Rural Banking Enquiry Committee, this Conference requests the Government to establish such banks at an early date in order to tap savings in rural and semi-urban areas and to provide banking facilities and give such banks the necessary financial and other assistance.

Grow More Food

4. This Conference requests the Government to assign *lanika* lands in the deltaic regions in East and West Godavari, Kistna and Guntur districts on long-term leases through co-operative societies without resorting to public auction.

5. This Conference requests the Government to get cultivable waste-lands in different districts under the plough through co-operative societies and thus help food production and co-operative farming. This Conference further requests to provide the necessary staff and funds to push through the required schemes. The District Land Colonisation Schemes have till now been only paper schemes and have not been brought into execution. Hence this Conference requests the Government to take steps to translate at once these schemes into action.

Controls

6. As at present in the distribution of controlled commodities the co-operative stores and the private merchants are linked up at certain places. This procedure has resulted in great inconvenience and, therefore, this Conference requests the Government to transfer the entire distribution of controlled articles to co-operative societies only.

7. The Government are requested to arrange for the distribution of the entire controlled articles through the co-operatives and that the distribution of the mill cloth should be carried on by the co-operative central stores, as before.

8. The Government have allotted sale of fertilisers to private dealers and the co-operative societies on a fifty-fifty basis but the merchants have not discharged their duty in disposing of the stocks whereas the co-operatives did. The Government stopped further allotments to co-operatives, pending merchants' disposal of the stocks held by them. Co-operatives have invested a good amount and increased their establishment to carry on the distribution business. Now that further allotments have been stopped to co-operatives, the merchants are selling the stocks with them in the black-market. To counter-act this tendency this Conference requests the Government to abrogate their previous orders, stopping further allotments to co-operatives.

9. Whereas the Central Government's orders on *Gur* Control are causing irreparable losses to the ryots and whereas the cost of production of *Gur* per acre is Rs. 2,441 while the price fixed by the Government is

Rs. 1,760 with the result that the producer is sustaining a net loss of Rs. 680 per acre, this conference requests the Government to cancel the *Gur* Control Order and that if cancellation is not possible, the Central and Provincial Governments might fix the price of Imperial Maund of *Gur* at not less than Rs. 25 in this State.

Administration

10. Notwithstanding the fact that co-operative movement is a People's Movement, officers of the department are transferred, without linguistic considerations. This Conference, therefore, urges on the Government to amend the rules so as to bifurcate the administration on linguistic lines and effect transfers on regional basis.

11. Whereas the Co-operative Movement in this state has grown so enormously in size that one Registrar cannot cope up with the existing work this Conference strongly endorses the suggestion of the Conference President that the administrative and development sides of the department be separated with a Registrar for each. This Conference therefore requests the Government to appoint two Registrars for the purpose.

12. This Conference resolves that the State be divided into two zones for the purpose of co-operative administration, and that each zone be kept in charge of a separate Registrar.

Firka Development

13. While appreciating the steps taken by the Government to start 5 non-official centres, this conference requests the Government that Co-operative Societies might be utilised in the execution of the Schemes.

Advisory Councils

14. This Conference requests the Government to constitute District Co-operative Advisory Committees consisting of official and non-official members to suggest ways and means for the healthy growth of the Movement in the districts.

Deposits

15. This Conference requests the Government to cancel their existing order requiring the previous and separate sanction of the Inspector of Local Boards and Registrar for every deposit made by a Local Board or a Municipality in the Central Banks and Urban Banks and to permit the Local Boards and Municipalities to invest amounts as approved by the Registrar of Co-operative Societies at their discretion in every approved Central or Urban Bank, such sums not exceeding a particular amount in the aggregate in a year as fixed by the Registrar.

16. This Conference requests the Government and the Registrar to permit Central Banks and Urban Banks to pay the amount due on their demand drafts at least upto Rs. 1,000 before recovering the credit advice

note from the Provincial Bank and if necessary to amend the Co-operative Act for this purpose.

17. This Conference requests the Government to issue orders permitting the funds of liquidated societies to be deposited in the name of the liquidator in the Central Banks in suspense or current account instead of depositing in the sub-treasury.

18. This Conference hereby requests the Government and the Registrar that in determining the extent of fluid resources, required to be maintained, the distinction between the outside and inside liabilities should be done away with and that to meet all liabilities fluid resources to the extent of a specified minimum be fixed and that the cash credit sanctioned by the Madras Provincial Co-operative Bank to the Central Banks on the pledge of the Rural Societies Bonds be also treated as an item of the fluid resources.

19. For purposes of fluid resources Government securities and the debentures of the Central Land Mortgage Bank may be treated at par. The Government are requested that the rule that in the existing fluid resources the value invested in the Co-operative Central Land Mortgage Bank debentures should not exceed one third of the total value of the fluid resources, be cancelled.

Weavers

20. This Conference resolves to request the Government to take urgent steps to arrange distribution of yarn to weavers' co-operative societies in our State.

21. It is resolved to request the Government to organise a spinning mill so as to increase the production of yarn output.

22. With a view to make handloom cloth available at cheap rate it is requested to remove sales-tax of yarn, dyes and handloom cloth.

23. Resolved that to find markets for handloom textiles abroad, the Provincial Handloom Weavers' Co-operative Society should open depots and that the Central and Provincial Governments should bear the net loss for five years.

24. As the Government are not able to acquire sufficient quantities of Khaddar to meet their departmental requirements, this conference requests the Government to make use of handloom cloth instead of Khaddar.

KALA VENKATARAO,
27-11-50.
*President, the XVII Andhra
Prov. Co-op. 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 was published in our September 1949 issue.—Editors]

1. The Denduluru Multipurpose Co-operative Society (West Godavari District)

Denduluru is a village in Eluru Taluk of the West Godavari District. It is about 5 miles from Eluru and is connected by Metal Road. It is 2 miles from the Denduluru M. S. M. Railway Station on the Calcutta line from Eluru to Nidadavolu. The village has a population of about 6,000. An ordinary Co-operative Credit Society on unlimited liability basis was registered for the benefit of villagers in 1918 and the Society commenced work on 29-11-1918. It is now nearly 32 years and is one of the oldest societies in the District.

In 1948, the Government sanctioned a Scheme of Intensive development of villages in the Denduluru Firka of the Eluru Taluk of the West Godavari District. In pursuance of the Policy of the Government to convert all-existing societies in the Firka into Multipurpose Societies of the full fledged type, so that the societies could, not only dispense credit as they had been doing hitherto, but undertake other activities like supply of domestic requirements, arrangement of recreational activities; the Denduluru Co-operative Credit Society was converted into Denduluru Multipurpose Co-operative Credit Society on 14-6-1949.

Membership and Share Capital

The population of the village is roughly in the neighbourhood of 6,000. There is a separate Co-operative Society for Christians and Harijans. There are 594 members on the rolls of the Multipurpose Co-operative Society and it must be said to the credit of the society that almost all families in the village are represented in the Society. The paid up share capital of members is Rs. 12,878.

Borrowings Loans and Deposits

The maximum borrowing power of the Society is 1.5 lakhs. Many, if not most of the Co-operative Credit Societies, have been looking to the District Co-operative Central Bank for finance and seldom is local deposit forthcoming. Unlike the majority of societies, the multipurpose Co-operative Credit Society has been taking steps to attract local

deposits. It has been able to obtain local deposits to the extent of Rs. 23,590. It has also borrowed from the Co-operative Central Bank to the extent of Rs. 99,157.

Loans to Members

There are 3 kinds of loans-surety, mortgage and produce loans. The Individual Maximum Borrowing Power is Rs. 2,000. The Society has taken care to see that almost all the needy members are supplied with credit. To facilitate easy and quick disbursement of loans and to provide funds to members without delay the society has obtained a cash credit of Rs. 5,000 from the Eluru Co-operative Central Bank and is operating on the account. There are now loans amounting to Rs. 1,05,765. The smallest amount of loans is Rs. 50 and the biggest amount is Rs. 2,000. Small ryots and workers like Upparas, Yerukulas, Vegetable Growers have received the same attention from the Society as the big ryots.

During the year 1949-50, the Society advanced the following kinds of loans to members:

No Rs.	Short term loan amount Rs.	Long term amount No. 30 Rs.	Paddy Loan No.	Amount. Rs.
86	49,541	26,834	4	6,591

The loans outstanding on 1-7-50 were Rs. 82,965. Overdues from members amounted to Rs. 18,000 under principal and Rs. 112 under interest.

Reserve Fund

The Society has built up a Reserve Fund of Rs. 10,129 of which Rs. 8,529 have been invested in the Eluru Co-operative Central Bank and Rs. 1,600 in National Savings Certificates.

Other Activities

The Society has undertaken distribution of grams, ghall, sugar, cloth, kerosene oil etc. During the period from 14-6-49 to 30-10-1950 the society turned out the business shown below:—

Commodity.	Amount of sales.		
	Rs.	A.	P.
Cloths	10,321	5	6
Bengal Gram	1,221	0	2
Sugar (Wholesaler for the Firka)	23,468	15	4
Gingelly oil seed	23	3	0
Copra	209	4	0
Oil Cake	443	1	3
Oils (Gingelly and Cocoanut).	2,306	9	0
Agricultural implements	3,085	3	3
Chemical Fertilisers	7,624	3	4
Kerosene oil	1,904	12	4

The Society has been selected for distribution of agricultural implements (cart tyres included) and chemical fertilisers. It is doing the business fairly well.

Thrift

In spite of its other activities the Society has not been unmindful of the thrift campaign which is so essential for the economic betterment of the ryots. It has been collecting small amounts of thrift from members and has so far accumulated Rs. 698 towards thrift fund.

Extension of Cultivation

The Society has proposed to take up a proposal for cultivation of fallow land of about Ac. 1,700—00, by hiring a Tractor at half the cost from the Agricultural Department and the proposals are under consideration. The proposal has been supported by the Denduluru Firka Development Committee.

This society has an establishment consisting of two clerks and a Peon and has taken a house on rent.

2. The Perdal Co-operative Society (South Kanara District.)

The society was registered on 22-2-1919 and started working on 4-6-1919. It had a membership of 408 with a paid up share capital of Rs. 3,542 at the beginning of the year 1949. On account of the increased benefits conferred by the society due to the introduction of Multipurpose activities, the membership rose to 454 with a paid up share capital of Rs. 3,775 by 30-6-1950.

It has invested its entire Reserve Fund of Rs. 2,704 in the Central Co-operative Bank and National Savings Certificate (Rs. 1,524 and Rs. 1,180 respectively).

The society has undertaken various Multipurpose activities under bylaw 2 (2) during the year 1949-50. Besides the issue of ordinary surety loans to the extent of Rs. 18,633 it has also issued Rs. 24,340 as loans on the pledge of produce. The main produce being arecanut. It has thus acted as an agent to the Agricultural Marketing Co-operative Society and helped its members to get better prices for their produce when the market was high. The total amount outstanding on 30-6-50 from members towards Produce loans and surety loans was Rs. 34,209 of which only Rs. 3,470 was overdue.

The amount due by the Society to the Central Bank on 30-6-1950 was Rs. 24,894.

The Society has undertaken the distribution of Agricultural implements and manures, such as Pickaxes, spades and Superphosphates and groundnut oil cakes and gave incentive to Grow More Food Scheme through its members.

Joint purchase and distribution of essential articles and rationed articles, such as paddy, rice, wheat, sugar and Kerosene was made during

THE MADRAS JOURNAL OF CO-OPERATION

the year. The transactions under this head amounted to Rs. 52,203. The net profit for the year 1949-50 amounted to Rs. 1,860 on account of the non-credit transactions of the society.

Regarding the implementation of social and recreational activities, the society has constituted an amelioration Committee and has collected Rs. 36 as donation for running a reading room.

This society is also playing an important part in inculcating the habit of thrift by the introduction of Hundi Box deposits. It has distributed hundi boxes to 15 members and collected Rs. 192 by way of hundi box deposits. A sum of Rs. 2,697 has also been collected by the society as Savings Bank deposits from members. The total deposits from members and non-members at the end of the co-operative year ending 30-6-50 was Rs. 4,920 and Rs. 2,558.

Recently the society is taking keen interest in the intensive cultivation scheme, by supplying chemical manure, and by doing propaganda for the cultivation of waste lands.

3. Anaiaipatti Co-operative Society (Salem District)

This society was registered on 15-5-1917 and started on its work on 29-6-1917. The area of operations of the Society extends over Anaiaipatti and its hamlet, Pudur, i.e., over a radius of 2 miles. The total population coming into the area of the Society is estimated at 3,800. According to the Reorganisation Scheme of Rural Credit Societies, based on 80 per cent of the population and assuming that each family consists of 5 persons, the Society will have to bring into its fold 228 members. At present, the Society has 232 members on its rolls with a Paid-up Share Capital of Rs. 2,461. The Society has been endeavouring its best to increase its membership and also bring up the paid-up Share Capital to Rs. 5,000 soon. This Society has now been converted into a Multipurpose Rural Co-operative Credit Society and it will arrange to cater to most of the requirements of its members besides credit-accommodation. The Society proposes to adopt enbloc amendments to its Bylaws converting it into the full-fledged type of Multipurpose Co-operative Society. It will be convening its General Body Meeting shortly for adoption of the enbloc amendments.

2. The Property Statement of members of the Society revised for 49-50 shows the net assets of the members at Rs. 7,77,980. The maximum credit limit of the Society is fixed at Rs. 40,000, and that of the individual at Rs. 3,000. The borrowings of the Society consist mainly of loans from the Salem District Co-operative Central Bank and deposits to a small extent have also been received. They are furnished below :

	Rs.
Loans from Central Bank ..	6,944
Overdraft from Central Bank ..	2,000
Fixed Deposit ..	50
Recurring Deposit ..	265
Home-safe Deposit ..	15

MULTIPURPOSE CO-OPERATIVE ACTIVITY IN MADRAS

The Society has been keeping up its obligations to the financing Bank and no amount out of it is overdue.

The loans due by members amount to Rs. 708 under Short-Term and Rs. 7,961 under Long-term. A sum of Rs. 706 under Short-term loans alone is overdue and it is expected to be collected as soon as the members harvest their crops. Under the directions of the Special Development Officer, Salem, a Family Register showing the detailed particulars about the financial position of each family, has been opened by the Society and statistics have been gathered so far about 50 families of members. Based on this data, the sanction of individual cash credits has got to be considered in deserving cases. The Salem District Central Bank has been addressed in this regard for getting the applications prepared. By gathering these particulars the entire credit requirements of the members can be met through the Society and they would be prevented from going to the money-lenders. The other investments of the Society are detailed below.

	Rs.	A.	P.
Reserve Fund ..	8,051	7	0
Share Capital in District Bank ..	650	0	0
„ „ Co-op. Wholesale Stores ..	100	0	0
„ in Attur Sale Co-op. Socy....	100	0	0

3. Among the extra credit activities of the Society, the Panchayatdars prepared an indent for the supply of handloom cloth to its members for Deepavali. The Special Development Officer, Salem, supplied the handloom cloth to the members of the Society to the extent of Rs. 246-1-0 to 42 members and iron agricultural implements to the value of Rs. 55-4-6 to 19 members. Four of the members of the Society required steel-tyres and axles and their applications have been forwarded to the Co-operative Wholesale Stores, Salem, for supply through its branch at Attur. Fourteen members of the Society required chemical fertilisers also and their indent has been forwarded to the Co-operative Wholesale Stores, Salem, for supply through its Attur branch. This Society has recently been selected for the distribution of steeltyres and iron implements. The question of getting persons engaged in cottage industries was also considered by the Panchayatdars of the Society and 7 persons were got admitted. 4 of whom are engaged in mat-weaving, 2 in running of oil-chekkus, and one in brassmetal works. Arrangements are being made to obtain indents of the raw-materials required by these members for the development of their cottage industries and supply them to the members at reasonable rates. Small cash credit loans will also be arranged to be given to them to facilitate the purchase of the raw-materials. Under recreational activities, the Panchayatdars of the Society have constituted the Amelioration Committee which in its turn has constituted a party of 12 persons for the enacting of Dramas, conduct of bajanas, chedugudu etc. Action is also

being taken by the Amelioration Committee to collect funds to the extent of Rs. 325 for the purchase of a Radio-set on the subsidised basis.

4. The Panchayatdars of the Society are taking keen interest in the proper working and development of the Society. The Panchayatdars propose to construct a godown-cum-reading room for the village at a cost of Rs. 10,000.

4. Report on the Working of Multipurpose Societies During 1949-50 In the Tirumangalam Firka-Madura District.

1. *Extent of the Firka Area* :—The Tirumangalam intensive firka Development area originally comprised all the 52 villages in the Tirumangalam firka and 12 villages in Kallupatti firka. On 1-4-1950 the intensive firka area was extended to the remaining 54 villages in the Kallupattai firka, 11 villages in the Kalligudi firka and 12 villages in the Pannikundu firka. Thus at the end of the year there were 141 villages in the intensive firka development area. Seven of them are uninhabited.

2. *No. of societies in the firka area* :—In the old firka area there are 41 rural credit societies and 3 Kallar credit societies. All these 41 societies have been converted into full fledged multipurpose co-operative societies. In the extended firka area there are 41 credit societies and 7 Kallar credit societies.

3. *Working of the Multipurpose Co-operative Societies in the old Firka Area* :—

A. *No. of members* :—At the beginning of the year there were 3084 members in the societies. 746 persons joined the societies as members and 92 members withdrew from them. At the end of the year there were 3,738 members on the rolls of the societies.

B. *Share Capital* :—At the commencement of the year the societies had a paid up share capitals of Rs. 52,074. During the year Rs. 19,034 were collected and Rs. 1,654 were refunded. The share capital of the societies at the end of the year amounted to Rs. 69,454.

C. *Transactions* :—All the societies are affiliated to the Madura District Central Co-operative Bank. Their borrowings amounted to Rs. 3,18,129 at the beginning of the year; Rs. 3,20,048 was borrowed and Rs. 3,27,053 was repaid during the year. On 30-6-1950 the loans due to the central bank amounted to Rs. 3,56,124. There were no overdues to the central bank at the close of the year.

On 1-7-1950, Rs. 3,99,828 was outstanding against members loans. During the year Rs. 3,86,126 were disbursed and Rs. 2,71,387 were collected. Rs. 5,14,537 were outstanding against the societies at the close of the year. Overdues under principal and interest amounted to Rs. 34,430 and Rs. 2,728 respectively at the end of the year.

D. Details of multipurpose activities undertaken by the societies during the year.

Distribution of food grains was undertaken by 4 societies namely 1. Kallupatty. 2. Karaikani 3. Kunnathur and 4. Veeraperumalpuram. The progress made by these societies is furnished below :—

Name of the societies.	Purchase of food grains.	Sale of food grains.	Net Profit.	Net loss
1. T. Kunnathur	12,518	12,230	75	—
2. T. Kallupatti	61,617	64,496	856	—
3. Karaikani	10,343	10,934	36	—
4. Veeraperumalpuram	8,476	8,215	—	67

The ration shops were run efficiently by the societies and the villagers were thereby greatly benefited. The inadequate supplies received by them account for the low profits earned by some of them.

2. *Sale of non-controlled articles* :—T. Kunnathur co-operative society purchased a brans sieve. Bulk purchases of brans were made from the mills. After cleanning this through the sieve they were sold to the members as cattle feed. Purchases and sales amounted to Rs. 322 and Rs. 330 respectively.

The following 14 Societies undertook joint purchase and sale of handloom and mill cloths amounting to Rs. 2066.

1. T. Andipatti	2. T. Pudupatti.	3. Kappalur.
4. Savarakottai,	5. Keelakoil	6. Ulagani.
7. Sinna Ulagani	8. Arasapatti	9. Melakottai
10. Keelakottai	11. Nallamaram	12. T. Kallupatti.
13. T. Kunnathur, and	14. Kulathulavaipatti.	

3. *Distribution of cart tyres and agricultural implements* :—Nallamaram Multipurpose co-operative society was allotted 153 pairs of cart tyres for sale in the firka area. It was also entrusted with the work of the distribution of agricultural implements to poor ryots at half the cost. The following is the progress achieved in this direction.

Details.	Purchases	Sales.	Closing stock.	Government grants-received
Cart Tyres	4,218	3,037	1,427	—
Agricultural implements.	1,463	664	451	434

The society earned a gross profit of Rs. 463 on account of this transaction.

4. *Issue of loans on pledge of produce* :—Due to the existence of controls, this multipurpose activity could not be undertaken in most of the societies. Failure of the monsoon during the past 3 to 4 years also contributed to the poor progress. Sivarakottai, Retrpatti co-operative societies undertook this work on a small scale.

5. *Collection and sale of milk* :—The T. Kunnathur Co-operative society undertook the sale of milk. Loan to the extent of Rs. 4,200 were disbursed to 18 members for purchase of milch animals. These animals are brought to a common milk yard for milking. Milk was purchased at 0-12-0 per M. M. and sold at Rs. 0-14-0 per M. M. During 1949-50 the society purchased milk for Rs. 2,827 and sold it for Rs. 3,297 earning a profit of Rs. 322.

6. *Thrift through hundi boxes* :—95 hundi boxes were distributed in 5 societies. A sum of Rs. 1,290 was saved by the members of these societies.

7. *Social and recreational activities* :—The Andipatti Co-operative Society is maintaining a reading room on a small scale. Nallamaram, Peraiyur, Karikeni, and Kallupatti co-operative societies arranged games like Chadukudi, Kummikolattam, tug of war and fencing.

8. *Contract works* :—T. Kallupatti and Nallamaram co-operative societies are the approved contractors of the P. W. D. The following are the details of the contract work done by them.

	Amount of work done Rs.	Profit. Rs.
Nallamaram co-operative society village tank repairs	3 803	1,033
" " cattle pound repairs	231	—
T. Kallupatti " Construction of building	4,000	The work is in progress.

9. *Cattle welfare* :—At the time of disbursement of loan all the members in T. Nedungulam were persuaded to purchase a heifer for Rs. 20 each. The society made a joint purchase of 60 heifers and distributed them to members in this way.

10. *Kadhi-yarn spinning* :—T. Nedungulam co-operative society issued loans to 8 members for the purchase of khadi spinning implements. The members are encouraged to take to this industry.

11. T. Kallupatti, Veeraperumalpuram, Melakottai and T. Andipatti co-operative societies, purchased useful agricultural implements such as plough, bund farmers etc., for the benefit of members. The P. S. G. paddy sheller was purchased by the Melakottai co-operative society for being used by the members.

(True Copy)

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(REGISTERED IN 1917.)

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Working Capital Exceeds Rs. 2,00,00,000

Monthly News Page

The Government of Madras have permitted District Boards, Municipal Councils and Major Panchayats to contribute in the current official year from their general funds to the Provincial Adult Education Fund, organised by the South Indian Adult Education Association subject to a maximum limit and subject to the condition that they have no deficit in the general funds in the current year. The maximum contribution fixed is Rs. 100 for District Boards, Rs. 50 for Municipal Councils and Rs. 25 for Major Panchayats.

In a Memorandum presented by the Tamil Nad Handloom Weavers' Association on 9th January 1951 to the Hon'ble Mr. Harekrishna Mehtab, Industries Ministers, Government of India, it was urged that Co-operative societies and Corporation of merchants and weavers should be given preference in the export of handloom goods to foreign countries.

Sri A. Palaniyappa Mudaliar, M.A., Deputy Commissioner for Prohibition (Amelioration) recently toured Visakhapatnam District and organised a number of additional palmyra jaggery Co-operatives to provide work for more ex-tappers. It was also arranged to admit more ex-tappers into milk supply Co-operatives and gives them interest free loans for buying milch animals.

When the Hon'ble Sri Sanjeeva Reddy, Minister for Housing, Madras was inspecting a site proposed to be acquired by the Salem fairlands Co-operative building society for building 130 houses, the ryots presented a memorandum objecting to the acquisition for house building. The memorandum pointed that the land proposed to be acquired was first for cultivation and it would be suicidal to convert it into house sites when people were starving for want of food.

Several Deputations of weavers' Co-operatives and other organisations met the Hon'ble Mr. Hare Krishna Mehtab, Industries Minister, Government of India on 7th January 1951 and presented Memoranda requesting early action to relieve the acute shortage of yarn. The Minister said that amendment of the price structure would be one of the steps proposed to relieve the acute shortage of yarn and that this would give the mills a greater incentive to produce more "free yarn". The new price schedule would be announced this month and would take effect in February 1951. He also said that by April the allotment would equal that of 1948.

The Government of Bombay have constituted a State Handloom Board of 18 members, of which 13 will be non-officials to consider and advise the Government on problems relating to the handloom industry. Sri Koshti, President of the Bombay State Handloom Weavers' Sangh who is on the Board said that due to yarn shortage almost all the 1,60,000 handlooms in the State had become idle and 6,00,000 weavers were facing starvation. He also said that the spinning mills in the

country were in a position to produce enough yarn, but the production was kept at a low level as yarn did not yield high profits to mill-owners.

The Chief Minister Travancore-Cochin State, inaugurating the Silver Jubilee of the Karunnaga Mally Taluq Co-operative Bank said that food production could only be increased by Co-operative Farming. The present yield of the State of 3,00,000 tons was inadequate for 85,00,000 people. Co-operation could also help develop Cottage Industries.

The Silver Jubilee of the Cochin Central Co-operative Institute was celebrated on 6th January 1951, Sri T. A. Ramalingam Chettiar, presiding. Mr. Joseph Mundassery, Secretary of the Institute, reviewed the history of the Institute since its establishment in 1924. Inaugurating the Silver Jubilee Sri Kunjuraman, Minister for Co-operation, said that though in education other States in India were behind Travancore-Cochin, in regard to Co-operation Travancore-Cochin was behind other States. Sri T. A. Ramalingam Chettiar in his Presidential Address said that the State made no progress with reference to economic equality. The land in the State was not so productive as on the other States of India. Co-operation is a voluntary movement and Co-operatives should have free scope to function. But Government should supervise and see that the finances are not mis-used.

Earlier at a meeting of the representatives of societies in Cochin it was resolved recommending that a membership of 50 should be the minimum instead of the present ten for registering a society and that this should be incorporated in the proposed State Co-operative Societies Act of United State of Travancore and Cochin.

Inaugurating a milk supply society at Kottalapalli in Anantapur District with 21 members and Rs. 1,000 share capital, Sri Rayappa, M.L.A. exhorted the ryots to take to this subsidiary occupation.

During his inspection of the Cudappah Milk supply Union Sri Muthukrishna Naidu, Additional Joint Registrar urged the Union to increase its production to 1,000 measures a day and to open depots at important centres in the town. At a cattle breeding Society at Thippareddipalli, he explained to the ryots the need for selective breeding to ensure more yield of milk.

An Appeal to the Government to grant cash doles at the rate of Rs. 2 per day per loom now idle due to shortage of yarn till the yarn position eased was made in a resolution adopted at the two day Conference of Weavers of Anantapur District held at Dharmavaram. The Union Government was also requested to send a trade delegation to Far Eastern countries to explore new markets for handloom cloth.

At a Conference of the employees and representatives of the Milk Supply co-operatives held on 7th January 1951 at Puthur in Trichy District, it was stressed by all the speakers that the societies should strive hard to

develop milk supply as desired by the Government and that the paid employees also should conduct their day to day work with honesty to achieve the societies objective.

At a meeting of the Andhra Desa Co-operative Union's Executive Committee, held recently at Madras it has been decided that in pursuance of the recommendation of the 17th Andhra Desa Co-operative Conference a Seminar on Co-operation should be held to consider the problems relating to the Andhra and that the Government should be requested to give a subsidys. A sub-committee has been constituted for the purpose.

At a meeting of the Tamil Nad Co-operative Federation's Board held recently at Madras it has been decided to convene a Seminar on Co-operation and to request the Government for a subsidy for the purpose. It has also been resolved to request the Registrar and the Government not to enforce the new service conditions rules upon the employees of Co-operative Institutions who are already in service and who have already put in a service of five years service.

The organisation of a Co-operative spinning Mill at Guntakal has been taken up in earnest and Sri C. Joseph Reddy, Special Deputy Registrar for Weavers' societies has been appointed Special Officer for the collection of share capital from Co-operative Institutions for the purpose.

**THE
Tiruchirapalli District Co-operative Central Bank, Ltd.,
Fort Station Road, Tiruchirapalli.**

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Branch :— KARUR Phone No. 189
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Reserves exceed ... „ 8 „
Transactions exceed ... „ 1.3 crores

Loans are given mainly to rural population through village co-operative credit societies with in the District. Numerous executive staff are maintained to ensure the soundness of the assets. Investments in this Bank help our national industry agriculture.

Interest allowed on Current Account (upto Rs. 25,000 only)

do	Savings Deposits (upto 5,000 only)	1 1/2 % P.A.
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do	Fixed Deposits 6 months	3 % P.A.
do	do 1 Year	3 1/2 % P.A.
do	do 2 Years and above	3 3/4 % P.A.

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The Secretary.

**The Tiruchirapalli District Co-op. Central Bank, Ltd.,
Fort Station Road, Teppakulam Post, Tiruchirapalli.**

T. S. MUTHUKUMARASWAMI PILLAI,
President.

125966
JL
XMM 21/11/51
NSL 427

OFFICE OF
The Madras Provincial Co-operative Union,
Esplanade, Madras.

Dated, 23rd February 1951.

To All Member Societies

Notice of Meeting :

A meeting of the General Body of the Madras Provincial Co-operative Union will be held at 3 p.m. on Sunday the 25th February 1951 in the premises of the Madras Provincial Co-operative Bank.

The Administration Report of the Union from 1st July 1949 to 30th June 1950 together with the Audit Review for the year 1949-50 will be sent in due course.

Societies which have not paid their annual contribution, both arrears and current, are requested to pay the contribution before the meeting of the General Body.

Societies which have not so far communicated the names of their delegates are also requested to send the names immediately.

The Administration Report together with the Audit Review which will be sent to the member societies in due course may kindly be handed over to their respective representatives with a request to attend the meeting. Since extra copies will not be available due to shortage of paper, this request has been made.

The Agenda for the meeting is given below.

All members are requested to be present.

P. NATESAN,
General Secretary.

A G E N D A

1. Consideration of the Administration Report and Audit Review of the Provincial Co-operative Union for the year 1949-50, (will be sent in due course.)
2. By-laws—special by-laws relating to service conditions of non-official Co-op. Employees—institution of service conditions for the employees (will be sent along with the Administration Report.)
3. Amendment to By-laws Nos. I and II (c)

Existing by-law :

By-law No. I.

The name of the society shall be "The Madras Provincial Co-operative Union." It shall be registered as a Co-op. Society under Act II of 1912. Its registered Office shall be in Madras. Its operation may extend to any part of the province of Madras.

Proposed change :

The name of the society shall be "The Madras State Co-operative Union." It shall be registered as a Co-op. Society under Act II of 1912. Its registered Office shall be in Madras. Its operation may extend to any part of the Madras State.

OFFICE OF THE MADRAS PROVINCIAL CO-OPERATIVE UNION

By-law No. II (c)

"The Union" means the Madras Provincial Co-op. Union ; "The Union" means the Madras State Co-op. Union ;

3. *General* : Wherever the term "Province of Madras" occurs in the by-laws it shall be substituted by the term "Madras State."
- *4. Other amendments to by-laws if any of which due notice is given.
- *5. Resolutions, if any, of which due notice is given.
6. Election of 15 Honorary Members, as per by-law No. IV (b).
7. Election of Office-bearers as per by-law No. XVIII (i) (a) to (e)
8. Election of the Board of Management by the different types of societies as per by-law No. XX (1) (g).

NEW BOARD

The newly constituted Board as per by-law will meet on 25-2-51 at 5 p.m. to transact the following business :

1. Co-option of five members as per by-law No. 20 (i)
2. Election of Chairman to each of the Committees as per by-law No. XXI (i).
3. Election of 3 members by the Board of Management to the Executive Committee as per by-law No. XXII (2) (i).
4. Any other subject.

NEW EXECUTIVE COMMITTEE

1. Appointing of Editor of the Madras Journal of Co-operation as per by-law No. XXII (2) (f).
2. Members of the Editorial Committee—nominating of.

*Notice of resolutions to be moved at the meeting should reach the Office of the Union on or before 17-2-1951 as per by-law No. XXX given below :

By-law No. XXX : "Notice of amendments to by-laws and subsidiary rules and of resolutions to be brought up before the General Body should be sent so as to reach the Union not less than 7 clear days before the date fixed for the meeting of the General Body. Notice of amendments or resolutions sent by the representatives of member societies shall be accompanied by a resolution of the Executive Committee of the Society concerned approving of such amendments or resolutions.

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Working Capital	" 35 "
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Rates of Interest :—	
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B. S. VIJAYAGOPAL, B.A., B. COM.	
Secretary.	

JUST OUT.

The Bombay Co-operative Societies Act.

(As last amended up to 30th June 1950.)

(With critical Notes, Exhaustive Commentary & Case Law upto date

Dewan Bahadur C. M. Gandhi, B.A. LL.B., Advocate, (O.S.)

Principal (Retd.) Law College, Surat, and

Chairman, Surat District Co-operative Bank Ltd.

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Secretary.

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K. A. NACHIAPPA GOUNDER,
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Paid up Capital ... Rs. 14,32,300.

Reserves ... Rs. 25,82,845.

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Summary of Balance Sheet as on 30-6-'50.

Liabilities.		Assets.	
	Rs.		Rs.
Paid up Share capital.	14,32,300	Cash on hand & balance with Banks.	17,251
Reserve and other Funds	... 25,82,845	Loans to Primary Banks	... 3,88,82,224
Debentures	... 4,39,31,700	Sinking Fund Investments	... 83,48,530
Deposits, Loans and Overdrafts	... 81,97,937	Other Investments	... 42,07,098
Sundry Liabilities	... 5,89,516	Sundry Assets	... 6,78,457
Profit	... 3,49,262		
Total Rs.	... 5,20,83,560	Total Rs.	... 5,20,83,560

M. DATTATRAYULU, B.A., C.A.I.I.B.,

Secretary.