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THE

Madras Journal of Co-operation

EACH FOR ALL AND ALL FOR EACH

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

SEPTEMBER 1951

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Thought for the Month

Co-operation is both a system and a spirit ; it is both a method of working and a moral force ; it is a form of organisation with legislative sanction and a method of economic working which enables small units to pool their resources together for their common good. At the same time, it has an inspiring motto "Each for all and all for each." This association and working together of human beings for the common end gives it a moral value above and beyond purely economic considerations of individual gain. It is for this reason that it has found acceptance in all countries and has been approved by all parties. In fact in India every political party has invoked the co-operative method and co-operative organisation for the betterment of the standard of living of the masses. This very universality of its appeal makes it necessary to ensure that co-operation does not align itself with any single political party, whether it is the party in power or not. Co-operative organisation deserves assistance and encouragement from the State, but its aim should be to become self-reliant. It should not in any case be absorbed by the State. It should cover a wide section of the field of economic activity and, in its turn, help the State to carry out some of its economic policies but it should maintain its own power of initiative, its individuality and its independence.

R. G. SARAIYA.

Editorial Notes

Proper Co-operative Consciousness :

At a Press Conference held early this month at the Secretariat, the Hon'ble Sri K. Chandramouli, Minister for Co-operation, it has been reported, stated that "steps were being taken to inculcate in the people the spirit of mutual help and collective action. The idea of Co-operative consciousness must be based on the daily work and achievements of co-operative societies. The Provincial Co-operative Union has taken steps to create a proper consciousness of being a Co-operator."

"Co-operation" is now the magic word for the Indian Nation. The Government of India have declared their objective as the formation of a Co-operative Commonwealth. Now that the General Elections are to be held, every contesting party has mentioned in its respective election manifesto the establishment of a Co-operative Commonwealth as its objective. While "Co-operative Commonwealth" is thus the common slogan the country over, its meaning is understood by few. There is noticeable in the minds of a large section of the general public a mistaken notion that the prospective Co-operative Commonwealth would do away with both private and State enterprise and would fill the entire socio-economic system with co-operative business and organisation.

A Co-operative Commonwealth does not, however, envisage the entire replacement of all other socio-economic systems with the co-operative one. On the other hand, as the Co-operative Advisory Council in one of the Australian States defined, "A Co-operative Commonwealth must be a community of many varied forms of association but with an over all objective of mutual effort." Even in the countries most advanced in co-operative development, it had been found that only a considerable percentage but not all have been covered by the Movement. For instance in Great Britain, U. S. A., and Denmark each of which has been said to have registered much progress in a particular branch of Co-operation like stores, agricultural marketing and dairy farming, the available figures show that the respective percentages of population covered by the Movement are 25, 15, and 30. Speaking over the All India Radio some time back, Sri J. C. Rvan, Registrar of Co-operative Societies, Madras, said, "Co-operation does not pretend that all enterprises on earth

could be brought under its ideology or that any line of business can be done exclusively on the basis of self-help and mutual help. It recognises that it is only one mode of doing business. It is, therefore, tolerant of other ideologies. The individual *entrepreneur* as well as capitalistic organisations can and should flourish beside it. A variety of economic systems make for better progress. Competition between the co-operative system and other economic systems will improve efficiency and confer wider happiness among the masses, and this is what India need at the present juncture."

It is this correct appreciation of Co-operative ideology on the part of the masses that is now urgently called for in our State. The two agencies of co-operative activity in this State are the Co-operative Department and the non-official agency. The former is putting forth considerable effort to drive home to the mind of the masses the co-operative ideology by creating the necessary atmosphere. For instance the ameliorative work for the ex tappers. Efforts are being made to keep the ex-tappers employed by organising jaggery, milk, colonisation and cottage industries societies and the like. Nearly 14,000 *Gramasanghams* have been organised. *Bhajans*, games and sports and tournaments, etc. are being organised to provide them some diversion. Interest-free loans, subsidies, and other financial accommodation are being given to enable them to live by co-operative trade. Godowns and community-halls are being built at a cost partly met by Government. A vigorous attempt is being made to re-organise the rural credit society itself by making it a multipurpose co-operative society and to cover at least 50 per cent of the villages and 30 per cent of the population with the Co-operative Movement. It has been stated that over 65 per cent of the villages and nearly 18 per cent of the population have been served by the Co-operative Movement at present.

All this work has, no doubt, considerably enhanced the numerical strength of the members in the Co-operative fold. But this is mainly due to Government's initiative and agency. This has resulted in Co-operation being understood as an activity of the Government and the work of a State Department instead of as a democratic activity kept alive by the people.

What is urgently needed is the inculcation of the *correct* co-operative ideology so that a *proper* co-operative consciousness may be developed in the minds of the receiving public. The Hon'ble

Minister himself has struck the key note to this in his words: "The idea of co-operative consciousness must be based on the daily work and achievements of the co-operative societies." This ideological propaganda based on practical work and achievements is within the province of non-official institutions like the State Co-operative Union and its affiliated members.

This non-official apex educational and propaganda institution, by its democratic approach, can create a democratic sense among the constituents of its member institutions. By means of mass propaganda it can give a popular appeal which might be effective. It may be repeated here that the Provincial (now State) Co-operative Union has already sent to the Government of Madras a comprehensive scheme for such propaganda at a cost of Rs. 1 lakh to be shared by the Government and the co-operatives.

Another important point which might help promote a co-operative consciousness is the creation of a proper atmosphere even from the early stages. In Argentina, for instance, we learn that a law was passed providing for compulsory instruction in Co-operation as early as 1948 and the Senate of the Nation recommended that Co-operation should be taught in primary and secondary schools and in the Universities.

Will it be too much to ask that if the people are to have a proper co-operative consciousness as a necessary back ground for a Co-operative Commonwealth eventually, the Government should forthwith help to enable the non-official Co-operative Propaganda and Educational body to carry on more intensive work and should also make Co-operation a subject for instruction at schools at primary and secondary levels as well?

The Proposed Rural Credit Survey:

At a Conference of economists and co-operators held under the auspices of the Reserve Bank of India in February this year at Bombay, for the purpose of examining the role of the Reserve Bank in the sphere of rural finance, the need for a rural credit survey was emphasised. Even the Rural Banking Enquiry Committee pointed out that the existing data relating to rural credit were quite inadequate. More over some of the surveys already made during past years had become rather out of date.

The Reserve Bank has therefore decided to appoint a small "Committee of direction" to plan and organise a rural credit survey on an all-India basis. Sri A. D. Gorwala will be the Chairman and Prof. D. R. Gadgil, and the Executive Director and the Economic Adviser of the Bank will be the other members. The Committee will not only collect and arrange the data but will also make recommendations on the basis of its findings.

It is gratifying to note that the proposed survey will be fairly comprehensive and will cover different strata of the agricultural population in representative parts of the country with reference to their credit requirements and the agencies for fulfilling those requirements. The enquiry will also deal with aspects such as the pattern savings and deficits in agricultural economy, the trends towards shifts in income and the problem of capital formation in rural areas.

The agricultural and industrial economy of the country are now undergoing rapid and remarkable changes and a survey of the nature of the one under contemplation will surely go a long way to help formulate comprehensive schemes and policies for agricultural and industrial development. The country looks to its 'national' bank for its financial requirements and a survey and recommendations indicating the way in which the Reserve Bank could help the country financially must have a far-reaching effect on the enterprise of the people in agriculture and industries.

The 29th International Co-operative Day*

Declaration of the International Co-operative Alliance.

The International Co-operative Alliance, in the name of its affiliated Co-operative Organisations, proclaims its belief in those co-operative principles of free, democratic, non-profit-seeking association which a century's experience has proved to be the best and surest foundation for social progress and international peace.

The I. C. A. advocates the diffusion of economic power amongst the many through the co-operative system and its rule of one member, one vote, while opposing the concentration of economic power through cartels and monopolies, in the hands of a few whose activities are not subject to control of any kind.

The I. C. A. urges its affiliated Organisations to fight for the repeal of all unfair legal and fiscal disabilities imposed on Co-operative enterprise, which hamper the common people in safeguarding their welfare through their own voluntary democratic institutions.

The I. C. A. maintains that peace and security depend upon the subordination of national policies to world needs, so that the energies of mankind can be directed to the maximum satisfaction of consumers' wants; the full employment of human capacities in peaceful production; and the equitable use of the world's natural resources. The Alliance, therefore, re-affirms its support of the United Nations Organisation and pledges its whole-hearted collaboration in working for just and peaceful solutions of the economic, social and governmental problems of our time.

The International Co-operative Alliance declares that the conditions under which free and independent Co-operative Movements flourish and bear fruit are indispensable for the preservation of world peace. In order to maintain these conditions it calls upon all its members to—

Exercise ceaseless vigilance in defending and extending human rights and liberties;

Renew their efforts to educate citizens in the full and faithful performance of their democratic duties;

Press upon their National Governments the urgency of every measure of collaboration through the United Nations Organisation designed to banish the fear of war, want and oppression;

Mark the 29th International Co-operative Day by an impressive manifestation of their united will to create a world order in which all peoples may enjoy peace in freedom and fraternal goodwill.

*This declaration will have to be adopted on Saturday the 3rd November 1951 when the All-India Co-operative day will be celebrated.

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(With Special reference to Co-operative Marketing)

By Prof : K. R. KULKARNI, M.A.,

Professor of Co-operation, Co-op. Training College, Poona.

*Introduction by Dr : V. K. R. V. Rao; A Note of Observations by Dr.
T. G. Shirname Agricultural Marketing Adviser to the Government of India
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Pages 512, Cloth Binding, Price Rs. 20.

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Weavers' Societies in Madras

VISWANATHAN TEKUMALLA, M.A., B. Ed.,

Associate Editor, Madras Journal of Co-operation

The first weavers' co-operative society in Madras was organised in 1905 at Conjeevaram. But its progress was far from encouraging for three decades. There were only 21 societies in 1919-20. Their number increased to 63 in 1927-28; but they could do little work. The Economic Depression of the early 'thirties affected them badly and their number fell to 29 in 1934-35. The weavers evinced little interest or faith in co-operation as a means of self-improvement. This lack of interest was partly due to a functional defect in the weavers' societies of the day. The societies were mostly credit organisations. They gave only cash loans and left the members to produce and sell goods on their own account and at their own risk. The members could not undertake such risks readily because of fluctuations in the yarn and cloth market. The progress of the societies was slow, the best society not being able to cover more than 15 per cent of the weavers of the locality. In 1934-35 the annual transactions of all the societies amounted to Rs. 5 lakhs only, while the annual production and sale of handloom cloth in the province was estimated at about Rs. 5 crores. The weavers were still faced with serious problems, viz., (a) indebtedness to master-weavers and *sowears*; (b) difficulty in obtaining yarn at reasonable prices; (c) difficulty in marketing handloom products; (d) low margin of profit and wages; and (e) poor credit-worthiness of the weavers.

Organisation of the Provincial Weavers' Society

In the circumstances there was some agitation for the reorganisation of the industry and for State-aid in some form urgently. The Government of India earmarked Rs. 5 lakhs per annum for affording State-aid. The Industries Conference of 1934 (Simla) decided in favour of developing handloom weaving on co-operative lines. In Madras, the Madras Handloom Weavers' Provincial Co-operative Society was organised in 1935 for the purpose of developing the industry on commercial lines. Soon, some of the primary weavers' societies, which were functioning merely as credit institutions, took up production and sale of cloth as well. On 30-6-1938, there were 97 societies with 2,453 looms.

During the early years, the Provincial Society helped the primaries by giving subsidies and by granting cash credits and loans for the purchase of raw materials and payment of wages to members. The primaries had to buy yarn and dyes at the local market. The Provincial Society had not enough resources to buy yarn in bulk from the mills and supply it to the primaries. It however tried to render some help in marketing goods by opening an emporium in Madras and some depots in the districts. Goods were obtained from the societies for sale on consignment basis. There was much difficulty in disposing of goods, because of poor texture, out-of-date designs and relatively high prices.

The Movement During the War Period

The early years of the war were a period of much hardship for the weavers. Within a few months after the war broke out, yarn prices began to fluctuate violently, showing an upward trend, while the price of cloth did not rise commensurately. With a view to obviate these difficulties, the Provincial Society entered into forward contracts with some mills for yarn. In 1941-42 it procured and distributed yarn valued at Rs. 5,66,393 to 198 societies having 11,604 looms. It undertook to dye some yarn at its own dye factories and supply it to the societies at fair prices. It also endeavoured to dispose of the production of the societies by securing orders from Government for the supply of long cloth, etc., to Government departments and mazri and bandage cloth, etc., to the war supply department. Due to war conditions, there was an acute shortage of yarn at home and the foreign markets for Indian cloth were closed. Consequently hundreds of looms had to be idle. With a view to help them the Provincial Society obtained Government sanction and introduced relief schemes. In 1941-42 about 1,000 looms of some ten societies were given some work and financial accommodation.

Meanwhile the Provincial Society was slowly organising its marketing side. In 1941-42 it had 13 emporia and in the next year 26 emporia besides numerous depots. It also enlisted many co-operative stores and merchants as agents. With a view to ensure a regular supply of cloth to the emporia and the agents and also with a view to enable the societies to find ready money for their goods, the Provincial Society started in 1942-43 the system of outright purchase of goods by which the Society paid cash against goods supplied by the primaries at cost of production plus

6½ per cent. This year (1942-43) was specially hard for the weavers as well as the consumers. The Provincial Society reorganised itself with a view to meet the situation. It also undertook to produce handloom standard cloth and sell it at a fair price to the consumers. Over 20,000 looms of 192 societies were switched on for this line of production. During the year the Society received on the whole goods worth over Rs. 13 lakhs and sold goods to the value of Rs. 9.25 lakhs. The closing of the year was not happy for the Society: The Society had bought a very large quantity of yarn and about the end of the year yarn prices fell. Over 2,000 bales of yarn were left with the Society undisposed. Even in respect of cloth, there were huge stocks of handloom standard cloth left unsold due to a general fall in cloth prices and also the coming of mill-made standard cloth into the market.

The two years that followed were a period of some ease for the weavers' societies. The yarn requirements of the Provincial Society and the primaries were treated as Government demand and the supply was arranged by the Provincial Textile Commissioner. For 1944-45 a district yarn quota scheme was drawn up. The societies were able to obtain some yarn. Coloured yarn was supplied by the Provincial Society to some extent. This Society secured the sole agency for the distribution of hydros so that the consumer might obtain it at a fair price. It also began to expand its production activity by starting some weaving factories and a printing factory. It also obtained as a special case a permit for the export of 10 lakhs of yards of standard cloth to Ceylon. In 1944-45 further progress of the weavers' societies was visible. There were 297 societies with 29,816 looms. They obtained 11,750 bales of yarn and produced goods valued at Rs. 1.69 lakhs and sold goods valued at Rs. 1.99 lakhs. Production consisted chiefly of normal varieties like saris and dhoties. The Provincial Society had also fairly brisk business at its 32 emporia and agencies, the sales at the emporia amounting to Rs. 41.6 lakhs. Central godowns were opened for stocking goods. Though export of cloth was restricted, the Society was able to obtain from the Provincial Textile Commissioner a permit to export one lakh of yards of cloth every month from out of its production. This benefited the Provincial Society and the primaries.

Period of Rapid Expansion

Following the end of the war, the weavers felt some relief and looked for better conditions in the textile sphere. Some bias in favour

of co-operative organisation was noticeable everywhere and weavers were eager to join the societies and benefit by their membership, because regular supply of yarn was assured to co-operative weavers. But due to mill strikes, yarn production fell in 1945-46 and the Provincial Society's indent was reduced from 1,900 bales to 1,300. Yarn had therefore to be rationed out. Due to delays in yarn movements, the weavers were not able to get yarn for more than two weeks' work. Further registration of societies had to be checked. Hence no spectacular expansion was possible in 1945-46. Yet there was some increase in the number of societies and number of looms, about 10,000 more looms having been brought into the co-operative fold. Societies had ready sale for their products. The Provincial Society also expanded its production and marketing activities by starting collective weaving centres, more weaving factories and dye-factories and by opening new emporia and agencies. Large bulk orders were secured for varieties like *lungis* and looms were kept employed to a large extent. Societies were asked to supply 50 per cent of their production to the Provincial Society on out-right purchase basis. The market being brisk, the primaries were rather reluctant to market their goods through the Provincial Society.

Expansion was very rapid during 1946-47. The number of societies and looms rose to 659 and 85,531 respectively. Several factors contributed to this expansion. First, Government lifted the ban on the registration of new societies. Secondly they ordered an increase of 20 per cent in the basic ration to co-operative looms. Thirdly, they enunciated, in December 1946, a policy of bringing as many looms as possible into the co-operative fold.

Though about 1941, it was estimated that there were only 3,40,451 looms in the Madras Province, by 1946-47 the estimate stood at 4,95,943 looms and the co-operative movement covered a fifth of the total loomage in the province. The financial resources of the societies were now stronger than ever before. New features like thrift deposits were also gaining some popularity. The primaries sold their bulk of their production through their depots and the Provincial Society's emporia. The Provincial Society supplied 52,516 bales of yarn to the societies, and itself produced and sold goods worth Rs. 121.74 lakhs and Rs. 120.2 lakhs respectively. In view of the rapid expansion, the Provincial Textile Commissioner made a permanent allotment of yarn from the mills on the basis of

the looms in the movement in November 1946; and supplementary indents were accepted when additional looms came into the societies. The handloom and dye-factories and the printing section worked as usual and goods were supplied to co-operative stores, private dealers and consumers direct. The Provincial Society continued to be the sole distributor of hydros and an approved retailer of art-silk in the Province. The Government rejected the request of the merchants to withdraw the monopoly of the Society in respect of hydros.

This policy of expansion continued till December 1947. The weavers' movement made further progress during the year. There were in 1947-48 as many as 893 societies with 1,33,199 looms and a paid up share capital of Rs. 62.20 lakhs and working capital of Rs. 201.90 lakhs. Their production and sale amounted to Rs. 668.10 lakhs and Rs. 814.15 lakhs respectively. They consumed 41,038 bales of yarn during the year.

The Slump

This policy of expansion received a set-back in the later part of 1947-48. The controls on textiles having been abolished, mill cloth became cheap and the demand for handloom cloth dwindled considerably. Attention was therefore concentrated on consolidating and stabilising the progress already achieved so that the movement might hold its own during a crisis in the textile trade. Supervision over societies was intensified, wage-rates of weavers and the profit margins of societies were reduced. Though production and sale were far higher than in 1946-47, only Rs. 156.28 lakhs was paid as wages during the year. The profit was less and the loss more than in the previous year. Earnest efforts were made to dispose of the accumulating stocks. The Provincial Society appointed three Deputy Registrars as marketing officers to enter into forward contracts with societies for production and regular supply of cloth according to prescribed specifications. There were 59 emporia and 5 central godowns and a number of commission agents to market goods. Emporia were opened in Trivandrum and Colombo also. The Provincial Society also obtained in January 1948 an *ad hoc* export quota of 3,750 bales of handloom cloth for export to foreign countries. Against it a part of the accumulated stocks to the extent of 1,625 bales could be cleared before the end of 1947-48.

In spite of efforts towards consolidation and stabilisation, the condition of the handloom cloth trade deteriorated rapidly; and for nearly an year and a half following July 1948, the slump continued with increasing intensity. In August 1948 cloth exports to Pakistan were banned. The Provincial Society tried to obtain a special permit to export the balance of the *ad hoc* quota and also to secure a permanent export quota. Though later on export to Pakistan was permitted in pursuance of the Indo Pak Agreement, no export was possible since there were no import licences in Pakistan to take the goods. The Business Manager of the Provincial Society visited Burma and Malaya to explore markets there. It was found that export was not possible due to political disturbances there. The Ceylon market also was not accessible since it was flooded with mill cloth. The Society's exports in 1948-49, therefore, amounted only to Rs. 41.78 lakhs and huge stocks of export varieties were held up in the Province. Some efforts were made to tap the Indian market by opening emporia at Calcutta, Hyderabad and Secunderabad. Vigorous efforts were made to improve the sales in the Province. The emporia and central godowns of the Provincial Society were increased to 62 and 8 respectively; and the primaries had 134 depots for disposing of goods. Numerous co-operative stores also undertook to sell handloom cloth. Yet the sales during 1948-49 were less than during the previous years while the production was more. Large stocks of cloth accumulated rapidly.

Several factors contributed to this: First, on account of an abnormal rise in cloth prices, the Government reimposed controls on cloth and yarn and entrusted the sale of mill cloth to co-operatives also. Large stocks of mill cloth flowed into the State and the demand for handloom cloth dwindled. Secondly, plenty of yarn was available for handlooms. The Government entrusted to the Provincial Society the sale of yarn to all the weavers in the State during July to September 1948. About 20,000 bales were supplied monthly, out of which 5,500 were meant for the co-operative looms and the rest for outside looms. The Society distributed the yarn through 63 of its emporia and 44 depots besides 630 primary societies recognised as retail distributors. The Government granted the Society a loan of about Rs. 3 crores for financing the scheme. An additional Government

staff was also sanctioned for assistance in this work. In October 1948 the scheme was modified and half the provincial quota was given to the Provincial Society for distribution. This amounted to 9,256 bales—6,351 for the societies and 2,905 for the non members. The Provincial Society closed some of its retail distribution centres. During 1948-49, 1,49,305 bales were allotted for distribution—67,045 for societies and 82,260 for non-members. Out of them only 1,27,635 bales were lifted. Co operative weavers found yarn to employ them for no less than three weeks in the month.

Due to the glut in the yarn market and the slump in the cloth trade, several weavers and societies did not buy their quotas of yarn. There were heavy stocks at the mills also. The mills began to sell yarn at prices lower than those of the co-operatives. The latter were greatly handicapped by this reduction; they also had to reduce their prices very much. On 30.9.1949 all weavers' societies had unsold stocks of nearly 15,000 bales of yarn. At the request of the Provincial Society the Government relaxed the controls over the distribution of yarn to traders and consumers in and outside the province without restriction. Still the position was not satisfactory until about the end of December 1949.

The societies cut down prices of their goods even below cost price. They also had to reduce the wages of the weavers considerably. The loss incurred had to be met from the reserves and in some cases from their general funds.

This acute depression threw several weavers out of employment. With a view to give relief to the weavers the Government introduced a relief scheme by which the weavers were to be kept engaged by the offer of work and guaranteed wages. The scheme was first introduced in Salem and extended to 18 more districts and worked for a time. Under it every weaver who joined a society was given an interest-free loan of Rs. 25 towards share capital; and Government guaranteed the repayment of the loans and reimbursement of any business losses incurred by the central banks or societies in working the scheme. Five thousand two hundred and sixty seven members were admitted into the societies under the scheme; Rs. 77,835 was advanced towards share capital, and yarn worth Rs. 8.34 lakhs was distributed to them for producing utility varieties. This was not very encouraging to the weavers because of the low wages offered and the meagre monthly

income of about Rs. 17 guaranteed for the family. The scheme has since been wound up in most of the districts.

The position during the post-war expansion and slump is given below:

	1945—46	1946—47	1948—49	1949—50
Number of societies	336	659	953	941
Number of looms	39,452	85,531	1,34,985	1,34,653
	Rs Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Paid up share capital	20.00	38.75	72.60	65.98
Working capital	52.40	107.21	267.56	239.71
Cloth produced	347.69	423.91	699.49	370.38
Cloth sold	373.09	456.54	704.39	489.56
Wages distributed	147.60	238.56	163.31	90.00
Reserve fund	8.76	23.31	—	—

The slump period was characterised by signs of progress in other directions. First, it was decided to start a co-operative spinning mill at Guntakal with 11,000 spindles at a cost of Rs. 30 lakhs, to be found from weavers' co-operatives in the State. The Government would lend Rs. 10 lakhs to the Provincial Society for the purpose. A special committee was constituted to make preliminary arrangements. Secondly, about the end of 1949 the Government of India announced their intention to purchase a third of their requirements in the shape of handloom cloth while the State Government recommended the use of handloom cloth by the local bodies for their employees. It was hoped that it would form the basis for future Government policy. The Madras Government also prohibited sale of mill cloth by the co-operative wholesale stores so that they might concentrate their attention on the sale of handloom cloth. Thirdly, the desire for giving a better finish to handloom cloth was revived with a view to compete with mill cloth and it was proposed to instal calendering, bleaching, printing and dyeing plants at a cost of Rs. 5.60 lakhs, with State aid and co-operative money. Fourthly, a Handloom Standing Committee in New Delhi and a State Handloom Committee in Madras were constituted to advise Government on the steps to be taken to help the handloom industry in all possible ways. Fifthly, considerable attention was devoted by the Government of Madras to encouraging the formation of *Khadi* societies. Facilities for working the societies within the framework of the Co-operative Societies Act and for giving financial and other assistance were afforded by the issue of the Madras *Khadi* (Development) Order, 1949.

By far the most important feature was the scheme for reservation of varieties. It was felt that the spheres of handloom and mill

production should be clearly demarcated so as to eliminate competition between both and facilitate harmonious development of the textile industry. A committee of representatives of textile interests was appointed by Government and it was decided to reserve ten items of cloth comprising saris, dhoties, towels and furnishing fabrics exclusively for the handlooms.

Before these measures could help the weaver to build up his position, he was again caught in the grip of a yarn famine. From about the third quarter of 1950 scarcity conditions began to prevail in the yarn market. The quota of yarn for Madras fell from about 22,500 bales to about 11,000 bales per month on an average while the number of looms increased from 4,95,943 in 1945 to 8,41,000 in 1950. There was scarcity of mill cloth also. This increased the demand for handloom cloth and rendered the yarn shortage the more acute. The 1,63,000 co-operative looms also suffered from the yarn famine. Instead of 6,400 bales a month, reckoned at 36 per cent of the allotment for the weavers' societies in the State, only 3,300 bales per month were received on an average. This yarn could feed the looms only for ten days in the month. Wages had to be raised resulting in a further rise in the cost of cloth.

The position has slightly improved during recent months, due to reimposition of controls and adoption of other measures by the State. In consequence weavers' societies are able to get about 4,500 bales a month.

At present there are over 950 societies with about 1,63,000 looms, of them 925 are affiliated to the Provincial Society with 1,53,580 looms.

Among the primary societies, the Yemmiganur Society (Bellary District) deserves special mention. It is the largest primary society in India with about 1,700 looms. Its annual production is of the value of about Rs. 14 lakhs, the varieties produced being chiefly coatings, shirtings and furnishing fabrics. The society has a dye-house, a calendering machine, a weaving factory and a printing section—all well equipped. It proposes to instal automatic looms and also start a garment factory. It is the first in the country to start a housing scheme for its members. Its weavers are being housed in an excellent colony.

During the decade following the outbreak of war in 1939, the weavers' movement expanded rapidly and built up a fairly sound financial position. But no real or earnest endeavour was made to consolidate their position at every stage and to build up a co-operative spirit among the constituents, so that the co-operative weaving industry might be an inspiring force and a decisive factor in directing the handloom trade. The societies and the apex institution, allowed themselves to be drifted away by currents and cross-currents of mill and private weaving interests. The result is that

on the eve of the ushering in of the National Plan of Development, the same problems as in 1934-35 stare even the co-operative weaver in his face. The solution of the problems lies chiefly in the following directions :

Supply of raw materials: About 10,000 bales of yarn per month are required for all the co-operative looms in the State at about three bundles per loom. Government should make this permanent allotment and direct the mills to supply it at a nominal profit. The Provincial Society should arrange for supply of the proper counts required by a particular society so that the members may not be handicapped and obliged to dispose of the yarn to others who need those counts. Care should be taken to maintain some elasticity in the price of yarn so that the co-operatives also may be able to reduce the prices when the yarn market is down. This will avert a difficult situation like the one in 1949 when the market price of yarn was far lower than the Society's price. The Provincial Society should see that the quality of dyeing does not suffer at the dye-factories as well as the approved dye-houses. The weavers' societies should in course of time have some five or six spinning mills on regional basis so that they may not only reduce the dependence of the co-operative looms on the private mills but also act as a standard for calculating costs and fixing fair prices for yarn.

Production: A beginning has just been made by the Provincial Society in respect of standardisation. Production of popular varieties should be strictly standardised like mill goods so that the quality of 'co-optex' goods may be uniform throughout the State. Technical assistance must be made available to the societies and the adoption of good designs and the production of proper varieties from particular counts must be encouraged. This will prevent accumulation of unsaleable varieties. Calendering cloth other than some types of saris and dhoties will help handloom goods to meet mill competition in similar varieties. While the quality is maintained, the cost of production should be reduced by effecting necessary economies so as to enable handloom cloth to compete with mill cloth in price also.

Marketing: The internal and external markets should be carefully studied by more frequent personal contacts with home and foreign consumers. For instance the Indian Trade Delegation reported recently that there was still a vast market for Indian handloom cloth in South-east Asia if only the producers are able to adjust themselves to "the changing requirements in quality, design and packing". In the home market a keener watch to prevent the accumulation of unsaleable varieties over six months will enable the weavers' societies to have a quicker and larger turnover of goods. The State should also patronise handloom goods by placing bul borders for its requirements with the societies.

Ameliorative Work in the Countryside*

SRI A. PALANIAPPA MUDALIAR, M.A.,

Dy. Commissioner of Prohibition (Amelioration) & Joint Registrar of Co-operative Societies, Madras.

I am thankful to the President and members of the Puliamangalam Grama Sangham for having invited me to switch on the community radio receiver set installed in this community centre constructed by the gramasangham. It is pleasing to find that the Gramasangham in this village is engaged in rural uplift work and is rendering useful service to the villagers in varied directions. It is running a night school and a library; and it has constructed a well to provide drinking water to the villagers. Now that it has completed the construction of the community centre, I have every hope that it will widen its range of activities and service to the villagers. As you know, grama sanghams are institutions organised under the amelioration programme of the Prohibition reform. The improvement of the environment of the poorer classes in the village being the ultimate object of Prohibition, full use is made of the opportunity afforded by Prohibition for organising and intensifying rural uplift work. Rural uplift activities if they are to be successful will have to be planned in a manner calculated to evoke a spirit of self reliance and mutual confidence among the villagers and they have to be promoted on a voluntary basis. It is with this view that village Betterment Committees or Gramasanghams have been formed by the Ameliorative staff in the villages. According to the constitution of gramasanghams, village officers and other leading men of the villages such as Presidents of the Panchayat Board, Co-operative Society, Temple trustees, or Headmaster, etc. are associated with the committee of management of the gramasanghams. The institutions undertake village uplift activities such as village health and sanitation, street cleaning, village communication, rural recreation. Introduction of cottage industries, promotion of thrift, running of schools, reading rooms and libraries, construction of latrines, digging and repairing of wells, installation of radio sets, etc. They also attend to settlement of disputes amicably. To enable them to have legal status, Government have permitted them to be registered under Societies Registration Act XXI of 1860 at a concessional fee of Rs. 5 on the recommendation of the Registrar of Co-operative Societies. According to the Rules adopted by the gramasanghams, they have to maintain the registers prescribed by the Registrar of Co-operative Societies and their accounts are audited by the audit staff of the Co-operative Department. The calendar year has been fixed as the year of Gramasanghams for purposes of audit. No fee is, however, levied

*Speech delivered at the Community Centre at Puliamangalam (N. Arcot) when the Centre was opened by the Hon'ble Minister for Co-operation.

for the audit of the accounts of the Gramasanghams. On 31-3-51 there were 18,768 Gramasanghams in the State. Of these, 4798 gramasanghams are active, 1973 Gramasanghamas provided counter attraction to drink, 641 attended to public health activities, 843 to village sanitation, 202 to the improvement of village communication, 986 to educating village children as well as illiterate adults, 78 to improvement of agriculture and 28 to uplift of women. To facilitate the conduct of the activities by the gramasanghams and to provide facilities for the villagers to meet together there should be a common centre in each village. Gramasanghams are therefore encouraged to put up buildings which will serve as community centres. These buildings are intended to be not only the centres of social and recreational activities in the villages but also serve as a common meeting place for the villagers. For construction of such buildings, Government grant a subsidy of 50 per cent of the cost of construction subject to a maximum of Rs. 3,000 and the balance has to be met by local donations. Government sanctioned a subsidy of Rs. 3,000 to the Puliamangalam Gramasangham for the construction of a community centre. Besides Government subsidy, the Gramasangham was given a free grant of Rs. 1,000 from the North Arcot District Amelioration Fund. Four community centres have been constructed so far by gramasangham in the districts of Chittoor, North Arcot, South Kanara, Bellary and seven more centres are under construction. The subsidy provided by Government to Gramasanghams for construction of community centres was Rs. 16,500 during 1949-50 and Rs. 3000 during 1950-51. With the liberal financial assistance provided by Government it is hoped that more gramasanghams will undertake construction of community centres and contribute to the improvement of the countryside. Rural credit societies which are playing an increasing part in rural uplift activities have been permitted by Government to put up village hall-cum-godowns and Government sanction loans and subsidies to the societies in this behalf.

One of the ways in which community centres can bring about rural uplift is by the installation of community radio receiver sets. The radio is a powerful medium for providing entertainment, news and knowledge to the people in the villages. Community radio receiver set was first installed in a village in the Salem District 12 years ago under the first popular ministry and today more than 1,800 radio sets have been installed for community listening in the villages in Madras State. In a vast country like India where the majority of the people live in villages, the radio is a powerful factor contributing to national regeneration. Through the use of the radio, the people in the remotest village of the State are now able to get knowledge of world events and matters of general interest. The special programmes for villages arranged and broadcast by the different stations of the A.I.R. give useful information for a better way of life for the village folk. Government have constituted a

separate department among the State Broadcasting Department for the supply of high quality community radio receiver sets at low cost and for the intallation and maintenance of these sets by Panchayat Boards, District Board Schools, gramasanghams, Co-operatives Societies, etc. Madras was one of the earliest States in India to recognise the importance of radio as an instrument of rural progress and today it leads the rest of India in the matter of development of community listening.

One of the ameliorative measures introduced in the wake of Prohibition in the Madras State, is the provision of rural recreation and amusements as part of the programme to provide counter-attraction to drink in the villages. Government ordered that the radio sets belonging to the late Publicity Department should be transferred to the Ameliorative Department and installed in the Prohibition districts. Out of the 84 radio sets thus made available 81 sets have been installed in the villages under the ameliorative programme. The radio set installed by the Puliamangalam Gramasangham is one such set. This set will be maintained by State Broadcasting Department and the maintenance charges will be borne by the Co-operative Department. Besides gramasanghams, Co-operative Societies have also been encouraged to purchase and instal radio sets. Wherever village halls are built by rural credit societies radio sets can be installed with profit to the villages. The cost of a battery operated radio set with installation materials is Rs. 750, while that of a mains operated set is Rs. 390. The sets are maintained by the State Broadcasting Department and the maintenance charges are collected in advance from the custodians at Rs. 90 for battery or mains sets in the case of Panchayat Boards and District Board Schools and Rs. 240 for battery set and Rs. 280 for mains sets in the case of Co-operative Societies, Gramaseva sanghams and other private bodies. A sum of Rs. 10 being the Postal licence fee is also collected in addition to the maintenance charges. It will be a great encouragement to co-operative societies and gramasanghams to own radio sets if they also treated on a par with the Panchayat boards and District Board schools in regard to the rate of maintenance charges in respect of the sets installed by them. The matter is already under the consideration of Government and when this concession is sanctioned by Government, gramasanghams and co-operative societies can be expected to come forward to purchase and instal radio sets. Gentlemen, I dare say this radio receiver set installed by the Puliamangalam Gramasangham will bring light, life and happiness to the village and that it will provide an opportunity to the people not only to meet and improve their social relationship but also to take an enlightened interest in matters relating to rural welfare and progress. I have great pleasure in switchching on this radio receiver set.

Consumers' Co-operation—A Plea for Better Effort*

SRI R. RAMANATHAN CHETTIAR,

Mayor of Madras

The Triplicane Urban Co-operative Society is one of the premier co-operative institutions in the City organised for the common benefit of the community. The Corporation of Madras cannot be more proud of an institution of this City than of the T.U.C.S. Ltd., and as Mayor of Madras I come in for my share of joy and pride today.

In this distracted world, the one supreme movement which is beyond all controversy is co-operation and co-operation only. It is generally admitted that co-operation in India has not registered the same progress as in western and in some eastern countries. The over-whelming illiteracy of the masses, the narrow ambit within which the Co-operative movement was permitted or rather forced to function, the absence of the right type of leaders to man the co-operative institutions and perhaps the lack of appreciation of the benefit and good to the community and society that this movement can bring may be some of the important reasons that contributed to the chequered growth of the movement in our country. If its growth has been attended by frequent interruptions, big and small, failures and discomfitures here and there, it is not a denial of the inherent virtues of the movement but only an admission or rather a confession of the inadequacy of the material, of the untrained nature of the personnel that was employed and engaged for the running of the machinery. Since 1912 we have also made rapid strides in the field of co-operation a great extent of which progress in our State we owe to stalwart leaders like Sri T. A. Ramalingam Chettiar, Sri Ramachandra Rao, Sri Ramdas Pantulu, Sri C. Gopala Menon and others like your President Sri P. Marthandam Pillai and if its progress in the earlier years was rather in the sector of credit, urban or rural, and not so much in the field of production or distribution or other business, it was entirely due to the lack of trained personnel and not to any inborn vices of the movement. The T.U.C.S. has by its high and lofty ideals as well as practical work, upheld the honour and prestige of co-operative stores and has won universal appreciation.

The Co-operative movement has several distinct advantages over other agencies. Firstly it is the people's own movement and the profit motive does not find a prominent place in its aims. Then the Co-operative societies are democratic institutions and they work on the principle of self help and mutual help. They pool the small resources of several people and on their joint strength raise the standard of the community. Moreover every member has a voice in the general management of the society.

*Speech delivered while opening a branch of the T.U.C.S. Ltd., at Perambur, Madras.

CONSUMERS' CO-OPERATION—A PLEA FOR BETTER EFFORT

Thus the social and economic standing of the poorest member in a society is raised.

Consumers' co-operation has come more or less to stay in the country. In procurement and distribution co-operative stores are doing yeoman service. Our Government have also recognised the co-operative organisation as the most suitable agency for the effective distribution of all the essential needs of the community. At a time when Government were baffled with soaring prices and uneven distribution, the T.U.C.S. came to their relief, ready to take up any distribution at fair prices and in good quality, whether of food-grains or of cloth, or of sugar, or of infant foods, or of fire wood or or anything else.

Now no longer can a co-operative society be content with distribution of daily necessities or providing facilities for purchase of the daily requirements of the members of the society. In the rapidly changing social and economic conditions of the country, the co-operative movement should try to embrace every aspect of the life of an individual and of the nation. Co-operative farming and co-operative housing have been a success in all the civilised countries of the world though we have not made even an attempt in these spheres in our parts. Co-operative farming should have been the cry of the day to meet the present food crisis of the country and if our administrators had directed their attention to collective farming in right time and in right earnest much of the food scarcity of the country would have been over.

True, a start has been given for the co-operative housing but it is a pity that the activities are confined to the upper and upper middle class society only. Housing is a social problem of the first magnitude in almost all the countries of the world today. In India housing conditions are very bad both in the urban and rural areas and it is idle to shut one's eyes to those hard realities. No systematic and nation-wide effort has so far been made to examine this question and to tackle it on a well considered plan. Rural housing has been completely relegated to the back-ground. It is in these fields that co-operative societies should play a vital part.

In western countries the co-operative movement has not only improved the economic life of its members but it has also permeated into their social, cultural and educational fields as well. Societies in our parts are concerned with their annual dividends and do not bestow sufficient attention on the improvement of the community life which is the most important factor that they have to fulfil. They can be, if they so desire, of immense help to the community at large. From their common good fund they can give liberal financial aid to charitable and public service institutions. The profits of the co-operative institutions should not be made beneficial to the members only as dividends but it should be utilised for the larger interests of the country after allowing a due share to the

members. Only if these methods are adopted the co-operative movement can gain the required acceleration and all the more so in the country side.]

I feel the main reason for the recent drift and influx of population from the villages to the cities and over-crowding them is mainly the lack of agricultural co-operation and rural credit in our countryside. Unless the countryside can offer to the young men and women some satisfactory food for the soul and the body, it will fail to attract or hold its population and they will naturally migrate to the already over-crowded towns resulting in the lessening of the rural production which will in its turn affect the production in the cities and factories as well. The usual urge of men and women is to perfect life and where the best men and women are, there the great city stands, though it is only a village. Unless we try to bring about this condition in our lakhs of villages the problem of over-crowding in the cities is bound to be more and more acute. The best and perhaps the only machinery to tackle this vital problem of the country is the co-operative movement. The Madras State Government has fortunately, though a bit late, realised this position and has opened a large number of village credit societies in the State but this has touched only a fringe of the problem. It is neither the Government nor any other high-powered machinery that would be able to make the movement a success; the success of the movement lies in the people and in the society and in their co-operation. Let us hope that conditions will improve and that every village will have a co-operative society.

It is gratifying to note that the Triplicane Urban Co-operative Society has already established 32 branches and over 50 depots in the several parts of the city. The fact that its membership today stands over 20,000 shows the solidarity and soundness of the enterprise. With the huge reserve and building funds at its disposal the T.U.C.S. can still further extend its activities to other spheres and wider circles. It can enrich the community still further by starting depots and branches in poorer localities and then starting night and elementary schools, reading rooms etc., in those areas to embrace all other fields of the social life of the people living there.

Not all the control measures may succeed in weeding out black market but you can by your own good example. You require thoroughly honest, faithful and trained men for it and I have no doubt that you are taking steps to build up a cadre of competent officers and subordinates which will be like steel frames for the whole co-operative movement in Madras and a breeding ground for the personnel required for other consumer, producer and wholesale societies. Look at the small beginning of the Rochdale Pioneers; think of the dizzy heights reached by some of the wholesale societies of England and Scotland in the fields of industry and plantation. If you persist in the right spirit of service to the public, there

is nothing that you cannot achieve even in the spheres of industry and transport.

Let it be remembered that the public are mostly responsible, whether by their passive consent or by their tempting offers, for the present aggressive state of dishonesty, both among officials and non-officials, to which the recent Gorwala Report has drawn our pointed attention. If we do not retrace our steps immediately and restore our time-honoured moral standards, integrity and universal love in our daily life, we shall be doomed as a nation and a thousand Mahatmajis cannot reclaim us later. Let us make up our mind here and now that we shall not practise dishonesty nor tolerate dishonesty in our society and let your new building be a standing example of this promise.

I have now great pleasure in declaring open the new Building of the Perambur Branch of the T.U.C.S. Ltd.

Telegrams :—'JILLABANK' CALICUT.		Telephone No. 208
The Malabar District Co-operative Bank, Limited. CHALAPURAM (KOZHIKODE)		
(REGISTERED IN 1917.)		
Branch :—PALGHAT		Pay Office :—CANNANORE
A BANK FOR ONE & ALL		
Working Capital Exceeds Rs. 2,00,00,000		

Urban Banking in Madras*

SRI A. PALANIAPPA MUDALIAR, M.A.,
*Deputy Commissioner of Prohibition (Amelioration) and
 Joint Registrar of Co-operative Societies, Madras.*

The Silver Jubilee of any bank is indeed a mile stone in its history and it is proper that it should be celebrated in a fitting manner. You are indeed fortunate in having secured the presence of the Hon'ble Sri K. Chandramouli, Minister for Local Administration and Co-operation to preside over the function. The Co-operative Movement in Madras had made rapid strides of progress in recent years under his able guidance and the Co-operators assembled here and elsewhere can taken legitimate pride in the fact that Madras is the foremost among the States in the Indian Union which has demonstrated the immense possibilities of the co-operative method. Madras to-day is a shining example of what co operation can contribute to the solution of the various economic problems confronting the country. On an occasion like this our thoughts can naturally go back to these pioneers who laboured to bring the bank into existence and to these workers in the earlier years who with diligence, care and devotion nurtured this institution and enabled it to attain its present dimensions.

Started in the year 1912 as a credit society on limited liability basis with 19 members and a paid-up share capital of Rs. 125, it converted itself into an Urban Bank in 1928 and its transactions have been steadily increasing since then. And, to-day your bank occupies a foremost place not only in the district but in the whole of the Madras State. It is one of the well-managed institutions, which has played a notable part in improving the economic condition of the middle classes in the town. It should be a matter of pride that the Bank has completed nearly 40 years of its working and it has been making steady progress year after year. To-day there are about 1260 A-Class members and 1025 B-Class members with a paid-up share capital of about Rs. 68,500. The working capital of the Bank to-day is Rs. 9.27 lakhs which is nearly four times what it was in 1936. It is also pleasing to note that the Bank is commanding local resources to carry on its transactions without outside help. It is still more pleasing to find that out of the total deposits of Rs. 7 lakhs, Rs. 1.25 lakhs has been contributed by the members and Rs. 5.8 lakhs by non-members. The jewel loans in the bank are popular and the bank has done well in extending its area of operations to 42 villages surrounding Gobi town within a radius of 10 miles to provide credit facilities especially to grant jewel loans to the B-Class members. It is encouraging to find that the jewel loan business has attracted the village-folk in large numbers. Your business under jewel loans is appreciable constituting a little over 1/3rd of the total loans outstanding (Rs. 1.5 lakhs under jewel loans against Rs. 4.28 lakhs outstanding). From the point of view of overdues also, the position of the bank is satisfactory, the overdue amount being only Rs. 475 against an outstanding of Rs. 8.14

*Address delivered at the Silver Jubilee of the Gobichettipalayam Urban Bank on 22-4-1951.

URBAN BANKING IN MADRAS

lakhs on 30-6-50. Your bank is placed in A-Class which is a proof to the efficient management of the institution. Above all, the bank has a building of its own. It has recently purchased the building at a cost of about Rs. 33,000 from its general funds and effected improvements to it at a cost of Rs. 12,000. The possession of a building certainly adds prestige and dignity to the activities of an Urban Bank of this type and I am sure you have lost no time in having a building of your own. Your bank is also acting as transmitting agent to the Coimbatore Co-operative Central Bank and helping the sister co-operative institutions by providing cheap transmitting facilities. It has opened current accounts with the Co-operative Banks at Coimbatore and Madras. It also provides facilities to its customers for transmission of money and also undertakes collection of bills and discounting of cheques. In short, it has been playing an effective role in the social and economic life of the constituents and the Board of Directors, past and present, deserve to be congratulated on the results achieved.

I should now like to take a passing reference to the part played by Urban Credit co-operatives in the Madras State. As you are aware, they form an integral part of the structure of the co-operative credit and discharge a very useful function. The need for cheap credit is felt as keenly in the towns as in the villages. Just as ryots in the villages are exploited by money-lenders and sowcars, the urban population constituting of artisans, shop keepers, traders, industrial workers, etc., are equally under the baneful influence of the local money lenders. Hence, Co-operative credit societies in urban areas are no less important than credit societies in rural areas. Today we have 219 urban banks maintaining fluid resources, 688 employees credit societies and 339 other urban credit societies. On the 30th June, 1950, they had a membership of 4.88 lakhs with a paid up share capital of nearly Rs. 200 lakhs and a working capital of Rs. 1011.96 lakhs. The deposits raised by them amounted to Rs. 295.36 lakhs from members and Rs. 332.18 lakhs from non-members at the end of the last year. It is significant that a substantial portion of the deposits raised by them is from the members.

Madras has sound system of urban co-operative banking serving all the important centres. Still there is scope for their further expansion, Urban Banks should be started in all towns and major panchayat areas to arrest the exploitation of the poorer class of the people by the middle men and sowcars and to elevate their material and moral condition. The target should be to have one urban bank for every town and every major panchayat area. It should be the aim of the urban banks to tackle this class of population and uplift the condition of the labourers and artisans particularly the traders by inculcating co-operative habits among them. The Rural Banking Enquiry Committee considered that urban banks situated in Municipalities and major panchayat areas would be the most suitable agency for tapping savings in the urban and semi-urban areas.

Recently, a proposal was made to Government that financial assistance might be given to these banks for 5 years towards the cost of establishment charges subject to a maximum of Rs. 300 per mensem to enable them to appoint qualified paid Secretaries (on Rs. 200) and Accountants (on Rs. 100). It was also proposed that they should be given loans and subsidies to enable them to put up buildings of their own. These measures are intended to tap rural and semi urban savings through urban banks. The proposals have however been deferred on financial grounds. When these proposals are given effect to, the State would be covered with a net work of urban banks which would not only meet the credit requirements of the people but serve as effective instruments for tapping rural savings and making it available for productive purposes. It is hoped that this scheme for the establishment of urban banks in all the big towns and major panchayats with the subsidies that may be provided by Government will materialise very soon.

Gentlemen, I may now venture to make one or two suggestions with regard to the future working of your bank. First, may I suggest that your bank can lend at a lower rate of interest? If it does, so, it will be helping the poorer sections of the community. Secondly, your bank should encourage savings among people of small means and promote the thrift habit in a larger measure. Some time back, your bank was accepting daily deposits which has been discontinued now. May I suggest that this kind of deposits may be reopened in the Bank to encourage the poorer class of people especially artisans and wage earners in the towns and in the neighbouring villages to save? The system of daily deposits, hundi boxes, recurring deposits, savings deposits and chit funds should be popularised to a greater extent than now. Though the labour involved in collecting daily deposits and hundi box collections from artisans and wage earners may be considerable and may not be remunerative, the Bank will be helping the poor by making them save something regularly. Recently it was suggested that the levy of penalty for failure to pay recurring deposits regularly should be removed. This has been done. Thirdly, the Bank is situated in a rural atmosphere. It may help to increase agricultural production by giving loans to agriculturists for purchase and installation of pump sets and thus improve the irrigation facilities in the area. The conditions under which loans for installation of engines and pump sets for irrigation purposes have recently been suggested by the Registrar and I am sure that your Bank will lose no time to encourage as many agriculturists in the area as possible to provide themselves with pump sets so as to improve the irrigation sources and add to the food production efforts of the State. Lastly, I need hardly emphasise that the urban bank should devote itself to the cause of the poor and needy, the exploited and oppressed, by giving them financial assistance and by helping them to pursue industries and the like. It should come to the help not only of the well-to-do members but the large class of working men, small traders and artisans in the area. I am sure that the Gobichettipalayam Co-operative Urban Bank under the guidance of its able President, will continue to render greater service to a wider section of the people. I am sure that the working of this Bank will be emulated by others and that in the years to come the Bank will grow from strength to strength.

The XXVII Madras Prov. Co-op. Conference

Government's action on the Resolutions.

[The XXVII Madras Prov. Co-op. Conference held on 31-12-'49 and 1-1-'50 passed several resolutions and communicated them to various Co-operatives and to the Government for necessary action. Action was taken by the Government on many of them. The particulars are published here for the information of the Co-operative institutions. The Resolutions under reference were published in the January 1950 issue of this Journal.

Editors.]

Rc. 149129/49-Q.

Dated 13-3-1951.

Sub:—Conference—XXVII Madras Provincial Co-operative Conference held in January 1950.

Ref:—Letter dated 14-3-50 from General Secretary, Madras Provincial Co-operative Union.

The resolutions passed by the XXVII Madras Provincial Co-operative Conference held in the Christmas week of 1949 were considered by me and Government and the following action was taken on them.

Resolution 5:—The Madras Government commended the resolution to Government of India and the latter observed as follows:—

'There are already two International Organisations viz., Food and Agriculture Organisation, and the International Labour Organisation who convene co-operative conferences specially for South East Asia. A technical meeting on co-operatives under the auspices of Food and Agriculture Organisation was held at Lucknow from the 24th October to 3rd November 1949 at which a resolution regarding convening a future meeting was also passed. Necessary action to this effect will be taken by the Food and Agriculture Organisation itself.

Similarly, the Ceylon conference which included the subject of co-operatives also was held in January 50, under the auspices of the International Labour Organisation. The International Labour Organisation again convened an Asian Technical Conference of Experts on Co-operation at Karachi from the 26th December 1950 to 2nd January 1951.'

In the circumstances stated above, no action on the part of Government of India on the resolution is called for.'

Resolution 6:—In Government Memorandum Public (Miscellaneous I) Department No. 122/49-1, dated 7-11-49 Government stated that they did not consider it necessary to declare the All India Co-operators' Day as

a Public Holiday. Government have also communicated their decision to the Provincial Co-operative Union.

Resolution 7 :—Steps are being taken to implement this resolution.

Resolution 8 :—Deputy Registrars and Special Development Officers have been asked to advise rural credit societies, urban banks and central banks to institute a vigorous and sustained drive to attract more deposits.

Resolution 9 :—Government consider that the complaint made in the report is too vague and that it is scarcely just to other departments of Government which have been doing their best to help co-operative institutions.

Resolution 10 :—The question is under consideration. The Madras Provincial Co-operative Bank has been consulted and their reply is awaited.

Resolution 11 :—This question was considered by the Rural Banking Enquiry Committee and a definite recommendation was made by it in its Recommendation No. 57. Government held the following view on this recommendation and communicated it to the Government of India.

'This scheme presents difficulties in the matter of providing trained and qualified staff and pucca buildings for co-operative banks. There are in all 94 municipalities and 445 major panchayats in this State and the cost to Government by way of financial aid to co-operative banks in these areas will work out to about Rs. 20 lakhs per year on staff and over Rs. 1 crore as grant and loans for buildings. Further, the scheme of limited liability will lead to the existing societies renouncing unlimited liability and thereby endangering the position of central banks. While this Government generally accept the recommendations of the Committee, the scheme put forward by the Registrar of Co-operative Societies, Madras and referred to in paragraph 47 of the Report requires careful and detailed examination in regard to its financial implications as also the principle of limited liability.'

Government have later informed the Registrar that the proposal cannot be taken up for consideration now as it is beyond the scope of their resources.

Resolution 12 :—The XV Registrars' conference passed a similar resolution and it was accepted by Government in G.O. No. 570 Development dated 7-2-1949.

Resolution 13 :—A copy of this resolution was communicated to the Reserve Bank of India and the fact was communicated to you in my letter Rc. 149129/49-Q. dated 30-8-50.

Resolution 14 :—As far as possible, Government are following the policy of preference to co-operative institutions in this respect.

Resolution 15 :—Government have stated that they cannot make good losses sustained by co-operatives in procurement and distribution of food-stuffs, textiles and other controlled articles as the profits earned by the societies in the business are not made over to them.

Resolution 16 :—Government have ordered that a separate Deputy Registrar for Pudukottai area is not necessary. Proposals for the bifurcation of the Tiruchirapalli District are being considered by Government as part II scheme for 1951-52. The employees of the Co-operative Department in Pudukottai State have already been absorbed in the regular line.

Resolution 17 :—Attention is invited to G.O. No. 942 Development, dated 10-3-50, a copy of which was communicated to the Provincial Co-operative Union in Registrar's endorsement No. 186187/49-X. 5, dated 29-3-50. At a recent meeting of the State Co-operative Advisory Council, it was considered that the scheme for the expansion and reorganisation of rural credit societies should be extended for a period of three years. The question is under the consideration of Government.

Resolution 18 :—In G.O. 1664 Local Administration dated 4-9-48 Government permitted Municipal councils to sell large blocks of land belonging to them to co-operative housing societies dispensing with sale by public auction. Government direct that no further orders are necessary on the subject.

Resolution 19 :—A similar subject was considered by the State Co-operative Advisory Council at its meeting on 21-6-1950 and the proposal was accepted as a general proposition. Official audit of co-operative societies has been the policy of Government. Private audit is permitted in exceptional cases. It is considered that it will not be opportune for a wholesale departure from the existing policy in view of the fact that the co-operatives have undertaken several activities.

Resolution 20 :—The principle behind the levy of audit fees is that the fees collected should cover the actual cost of the staff employed. The whole question of scale of audit fees was examined in the light of this principle and orders have been passed by Government revising the scale of fees in G.O. No. 4371 Development dated 31-10-50.

Resolution 21 :—The question of separation of audit from administration was deferred by Government on financial grounds. Government consider that the question should wait for better times.

Resolution 22 :—There is no provision under which the Registrar can exempt Co-operative societies from the prescribed qualification in regard to promotion. The question of promotion is governed by special bylaws relating to service conditions adopted by institutions concerned. If in any case, an exemption is necessary in favour of a particular employee, it is open to the society to make necessary amendments to the special bylaws.

The Registrar will consider the merits of each case and register the bylaws wherever necessary.

Resolution 23 :—The standards of security to be furnished by the employees of land mortgage bank under Rule XXVII (B) was prescribed in the Registrar's proceedings No. 29864/49-J. dated 21-9-1949. The time limit for furnishing security which was fixed as 31-12-49 was extended to 31-3-1950. The relaxation of the standards is made by the Registrar in deserving cases.

Resolution 24 :—In G.O. 2180, Development, dated 31st May 1950 Government have ordered that no general exemption can be given or co-operative societies from the scope of Shops and Establishments Act. They have however agreed to consider individual cases for special exemption from the specific provision of Shops and Establishments Act.

Resolution 25 :—Orders of Government (Revenue Department) are awaited and will be communicated in due course.

Registrar's Rc. 149129/49 Q. Dated 4-9-51 since received says, "Government have now informed me that the request contained in the resolution for exempting from the production of accounts of Co-operative Societies before the officers of the Commercial Taxes Department and for the acceptance by the latter of the Statements of accounts furnished by the Societies cannot be complied with."

Resolution 26 :—Government have been addressed in the matter.

Resolution 27 :—Government have been addressed in the matter.

Resolution 28 :—The question of giving relief to the handloom industry from the levy of sales tax has been engaging the attention of Government. The subject was discussed in the meeting of the Commercial Taxes Advisory Committee held on 25-10-1950. It was published in the dailies that Government had decided to reduce by 50 per cent of the rates of sales tax on handloom cloth, and that they would give effect to the decision as early as possible. Orders of Government are awaited.

Resolution 29 :—Government have been addressed in the matter.

Resolution 30 :—Government have been addressed in the matter.

Resolution 31 :—Weavers societies have been exempted under Rule XI of the Rules from payment of audit fees if they have not completed 6 years since the commencement of their business or if the total value of their production is less than Rs. 10,000. They need not contribute to audit fund under Rule XII if they work at a loss.

Resolution 32 :—The resolutions of the first meeting of the Standing Handloom Committee were examined and remarks offered to Government. The action since taken on some of the resolutions is indicated below :—

Resolution 6 :—The Committee recommended the establishment of spinning mills by State Government or by the Provincial Weavers' Co-operative Societies. The Government of India have allotted 11,000 spindles to

the Madras Handloom Weavers' Society for the starting of a Spinning Mill. The scheme formulated by it for the starting of a mill at Guntakal in Anantapur district on co-operative basis, has been approved by the State Government. Action is being pursued to bring the Mill into existence.

Resolutions 11 (b) and 14 :—The Committee suggested demarcation of spheres of production between the handloom and mill industries. The Textile Commissioner, Bombay has reserved 10 varieties of handloom cloth for production by handlooms only.

Resolution 36 :—The committee suggested that grants from the Handloom Development Fund should be given for specific schemes (sponsored by the State Governments) relating to any aspect of the development of the handloom industry including the establishment of printing, dyeing, sizing and calendering plants. The Government of India have since sanctioned from this fund Rs. 2,15,700 for the establishment of calendering sizing, dyeing and printing plants under the auspices of the Madras Handloom Weavers' Provincial Co-operative Society at an estimated cost of Rs. 5.6 lakhs. The State Government have agreed to meet 25 per cent of the cost. The Madras Handloom Weavers' Provincial Co-operative Society will meet the balance.

Resolution 38 :—The Committee recommended to State Governments to establish State Handloom Committees. In pursuance of this resolution, the Madras Government have set up a Handloom Committee for this State."

Resolution 33 :—It is not possible to give subsidy to primary Weavers' societies for loss sustained in external yarn distribution as the work was undertaken by them of their own free will. As regards the Provincial Society, however, the matter is under correspondence with the Society.

Resolution 34 :—A copy of this resolution was communicated to the Madras Provincial Co-operative Bank and Central Banks for necessary action.

Resolution 35 :—No amendment to the rule is necessary. The Provincial Bank has been refraining as a matter of policy from granting medium term and long term loans to central banks.

Resolution 36 :—Necessary amendments have been included in the Draft Bill to amend the Madras Co-operative Societies Act VI of 1932.

Resolution 37 :—As regards the raising of the maximum limit, there is at present no restriction. The amount of free grant sanctioned depends upon the circumstances of each case. At present only two types of societies—rural credit societies and marketing societies—are eligible for free grant upto 50 per cent of the estimated cost of the godown. In the case of other types of societies the need for free grants is not justified by their functions as laid down in their bylaws. Rural credit societies put up godowns partly with their own funds and partly with Government grant, or Government loan or both and hence there is no need for the Central Bank to put up

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godown for being taken over by the primary societies on payment of cost. The need for funds has been increasing in view of the varied activities of co-operative societies and it is not proper for the Central Banks to invest money on buildings under present conditions and endanger the fluidity of their funds. Government consider that the Madras Warehouse Bill when passed into law will help co-operative institutions.

Resolution 38:—Necessary amendments have been included in the Draft Consolidated Bill to amend the Madras Co-operative Societies Act VI of 1932.

Resolution 39:—Instructions were issued on the subject in the Registrar's Circular 42315/50-B, dated 28-8-50, copy sent to the Provincial Co-operative Union for publication in the Madras Journal of Co-operation.

Resolution 40:—Necessary amendments have been passed to the Land Mortgage Banks Act of 1934 by insertion of new section 23-A.

Resolution 41:—The Registrar and the Central Land Mortgage Bank have been receiving representations that the present methods of valuation should be revised in view of the rise in prices of agricultural land. The Board of Directors of the Central Land Mortgage Bank constituted a sub-committee to go into the whole question of valuation of lands, how much should be advanced on wet and dry lands, how much in Ceded districts, etc., and in the rest of the province. The Sub Committee has made its recommendations in regard to the basis of valuation of hypotheca, and other cognate matters and the orders of Government are awaited.

Resolution 42:—A land mortgage bank for the Pudukottai area has already been started and is functioning.

Resolution 43:—It is considered that it will not be desirable for land mortgage banks to take up the work as they have enough work on hand and it is necessary that they should address themselves to the carrying out of their principal objects.

Resolution 44 A:—Fifty per cent of Government allotment have been allotted to co-operative societies and the remaining 50 per cent have been left to tender firms. As regards iron and steel, the entire work has been entrusted to co-operatives. Entrustment of distribution of groundnut cake does not arise as it has been decontrolled.

Resolution 44 B:—It is considered that it would be enough if the societies are provided with finance for increased production and for under taking procurement and distribution of food-stuffs and yarn already under taken by them. Government have stated that the cement position is much easier and that in view of this no action is necessary on the recommendation.

Resolution 45:—It is considered that the licence fee is not high and that no exemption is called for.

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Resolution 46:—The resolution is that marketing societies should not be asked to take out agency licences when they deal in goods consigned. This is not possible.

Resolution 47:—The Provincial Co-operative Marketing Society was addressed. Reference is invited to Registrar's letter Rc. 149127/49-Q, dated 30-8-50.

Resolution 49:—This question was taken up with Government several times and Government have declined to waive the levy of supervision fees on stores and weavers societies.

Resolution 50:—This is a matter concerning not only co-operatives but also private dealers, doing procurement work. Specific instances of inadequate margins are taken to the notice of Government for suitable action.

Resolution 51:—Government have observed that where there is no surplus, the question of export does not arise. The Board of Revenue has stated that generally locally-procured stocks are used for local distribution and that only surplus quantities are exported. They have added that in times of emergency, it will not be possible to adhere to this rule strictly and locally procured stocks which are temporarily in surplus, may have to be exported to meet immediate demand in scarcity areas in the absence of any other alternative.

Resolution 52:—Government have given effect to this resolution to the extent necessary and possible.

Resolution 53:—Government consider that what has been done now to co-operative societies is enough and that nothing more need be done.

Resolution 54:—The question is under the consideration of Government.

Resolution 55:—It is considered that it is not necessary to give subsidy to all newly started milk supply unions and societies—and that it will be enough if individual cases are considered on their merits.

Resolution 56:—Government are of the opinion that the amount of taxes and fees payable by milk supply societies is small. Societies should not find it difficult to pay and the local bodies should not be asked to forgo the small fee in return for their work in connection with the licensing.

Resolution 57:—This is under consideration.

Resolution 58:—Necessary amendment has been included in the Draft Bill to amend the Madras Co-operative Societies Act providing for compulsory levy of 7½ per cent of net profit of societies other than rural credit societies to a Common Good Fund, a part of which would be diverted for co-operative propaganda and education.

J. C. RYAN,
Registrar.

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 Nadim Tiruvur Co-operative Credit Society (Krishna Dt.)

The society was started on its work on 13-11-1939. The area of operations of this society is confined to Tiruvur village comprising Nadim Tiruvur, Pata Tiruvur and Rajupeta with a population of 11,500.

There are at present 273 members with a paid up share capital of Rs. 6,176. The value of net assets of the members is Rs. 15,729.81. The Maximum Borrowing Power and Individual Maximum Borrowing Power are Rs. 50,000 and Rs. 1,500 respectively. The society owes to Central Bank as on 30-6-1951 Rs. 45,300 as against the 318 S. T. loans due from members for Rs. 48,760. The society financed its members mainly for agricultural and domestic expenses. There were no overdues to Central Bank at the end of the previous year. The society was sanctioned a cash credit of Rs. 2,000 for non-credit activities. It has adopted enbloc model by-laws and obtained licence to deal in chemical manures.

Besides the credit activities, the society has undertaken non-credit activities by way of purchase and sale of better seed, chemical manures and agricultural implements. During the previous year the society sold goods worth about Rs. 26,309 to 273 members and non-members. As there is a Store functioning at this place, this society could not take up supply of agricultural and domestic necessities of its members. The society has introduced Home safe Deposits System through Hundi tins. Deposits are being made by 126 members and an amount of Rs. 1403 was collected so far.

The village is situated in Firka Development area and as such, it is hoped that the membership of the society will be increased and that the society will extent its activities in many directions.

2. The Kilwani Multipurpose Co-operative Credit Society (Coimbatore Dt.)

This Society was registered on 29-6-1928 and started on 5-7-1928 as an ordinary co-operative credit society. It has recently undertaken a number of extra credit activities. Thanks to the loyalty of the members, there is a steady development in its activities and it caters to the existing needs of the members.

On the date of starting there were only 23 members with a share capital of Rs. 97. There are now 379 Urban Banks and their paid up share capital amounts to Rs. 5163. In the early stages, the maximum borrowing power of the society was fixed at Rs. 10,000. As this limit was found inadequate it was raised to Rs. 60,000. The outstandings under members' deposits and loans due to the Central Bank are Rs. 1,050 and Rs. 27,239 respectively. The society has been punctual in the repayment of its dues to the Central Bank.

The society has all along been working at profit and the total reserve fund invested in the Central Bank is Rs. 4,906. The controlled credit scheme is worked in close conjunction with the Gobi Co-operative sale Society and the activities are supervised by a Special Supervisor. The society has so far issued loans to the tune of Rs. 51,900 under the scheme and it has sanctioned further loans amounting to Rs. 18,900. The total value of produce marketed through the Gobi Sale Society under the scheme by the members of the society exceeds Rs. 1.66 lakhs. Under Scheme of Intensive Cultivation the society applied to the Deputy Registrar for the lease of poromboke lands and arranged for cultivation. The crop grow was white cholam. The yield was 3 bags on an extent of nearly 5 acres. The poor yield is attributed to the failure of monsoons.

The Co-operative Society celebrated "the Manure Week" and did intensive propaganda on the value of the "compost" and dug as many as 100 pits. 108 bags of Russian sulphate and 172 bags of I.C.I Sulphate and 80 bags of supersulphate were sold for Rs. 5,763-10-0, 302 cart tyres were sold for Rs. 4,642.

The society owns a turmeric polisher which is let out to the members for polishing their turmeric. It subscribes to important Tamil Dailies from its Common Good Fund, and renders medical aid for simple disease by keeping a set of common medicines.

The Society has proposed to construct a godown at an estimated cost of Rs. 10,000. It has applied for a loan of Rs. 2,500 from the Government repayable in 20 years and a subsidy of Rs. 5,000 the balance of the amount required will be met out of the general funds.

3. The Pullur Multipurpose Rural Credit Society (South Kanara Dt.)

This Society is one of the good working societies in this Circle. The Society was registered on 21-3-1917 and started on 23-6-1917 with a limited number of members, and its area of operation is extended to a compact village of Pullur. It has a membership of 618 and serves 1/8 of the population and 70 per cent of the families of the village.

The financial requirement of the society is mainly met by means of deposits from members and non-members. In the calendar year 1950 it collected a sum of Rs. 8,175 by way of fixed deposits. It has borrowed

as well as lendings, continuously for the past several years, and has been awarded the prize instituted by the Trichirapalli Dt., Co-op. Central Bank for the best working society in Karur Union area. The one outstanding feature of the society is that not even a single loan has been, during its career of nearly four decades, referred for arbitration, or outside help required for collection work.

On the side of multi-purpose activities, the society had undertaken the supply of foodgrains and mill cloth during the year. Consequent upon the abolition of rural rationing and withdrawal of the preferences shown to co-operatives in the matter of allotment of mill cloth, by the Government, the non-credit business activities had to be stopped. The society has resolved to construct a village godown at Panchamdevi at a cost of Rs. 10,000 and has applied the Government for a grant of 50 per cent proposed cost and to meet the other half from out of the general funds of the society and by way of collecting public donations.

The society celebrated its silver jubilee in the year 1941, when it had the honoured privilege of the then registrar of Co-op. Societies Madras, Sri S. A. Venkataraman, I. C. S., presiding over the function. The society feels proud in having in its records the appreciation of the Registrar of the worthy and legitimate services rendered by the society to the public.

The society has to its credit a Reserve fund of Rs. 9,422-15-0 which has been fully invested with the central bank. The other reserves of the society amount to Rs. 545-7-0. Investments in the shares of other co-op. institutions are as follows: Central bank Rs. 300, Central stores Rs. 500, Karur co-op. marketing society Rs. 1,000, Karur stores Rs. 5. The transactions during 1950-51 resulted in a net profit of Rs. 666-5-0.

The George Town Co-operative Credit Society, Ltd., No. 8512
 29, Krishnappa Naicken Agraharam Street, G. T. Madras.
 (REGISTERED IN 1928.)

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.

A short note on the working of the Melur Co-operative Urban Bank Ltd., (Mathurai District)

The Bank was registered on 31-10-1918 and on date it is running smoothly its 33rd year of age.

It has turned out a business of Rs. 15.94 lakhs as against 10.64 last year. As on 30-6-51 its assets amount to Rs. 3.35 lakhs and liabilities 8.24, leaving a book profit of Rs. 10,993.

Its authorised share capital is Rs. 1,00,000, the value of each share being Rs. 5. During 1950-51, 77 members were admitted and 122 discharged the number of members on roll at the end of the year leaving 641 with a share capital of Rs. 53,870 as against 683 last year with Rs. 49,418. The fall in the number of members is due to eliminating indifferent and habitual defaulters, and the rise in the value of share capital is due to having restricted the issue of loans on mortgage of immovable at 5 times the paid up share capital instead of ten times, last year, inspite of the Maximum Borrowing Power being safely 8 times the sum of paid up share capital and Reserve Fund as per bylaw 18. B class members with share capital of 0-4-0 each, are also admitted for obtaining loans on the pledge of jewels, produce of finished goods. (They cannot exercise any other privileges of membership) As on 30-6-51 there are 726 B. class members with share capital Rs. 181-8-0.

Deposits from non members are larger in number and greater in value than from members, emphasising the confidence of the general public. The authorities of the M.D.C.C. Bank Ltd, Madras granted unhesitatingly grant-in-aid of cash credits and loans to meet the banks demands. The Bank owed them on 30-6-51 about Rs. 42,892 forming part of its working capital of Rs. 3.09 lakhs as against a working capital of Rs. 2.61 lakhs last year. The Reserve Fund (due by Society) as per Audit order for 49-50 is Rs. 19,279.

Daily and weekly repayment loans are a speciality with the Bank: Poor wage earners like menials of Panchayat Boards etc. and petty traders are helped at best; and yet large sums and long term loans are performed well secured with mortgage of immovables as per bylaws.

Its loan transactions are detailed in the following Table.

Head of A/c.	Balance 30-6-50.	No. of loans issued.	Issue 50-51	Total	Re paid 50-51	Number of loans on 30.6.51	Balance 30-6-51
Individual							
Cash Credit	500	5	18,832	14,332	14,030	5	302
Jewel Loans	26,194	678	1,08,032	1,34,226	85,130	311	49,096
Short Term							
ordy.	47,902	859	65,051	1,12,958	70,429	858	42,524
Medium Term.	1,36,148	178	1,17,496	2,53,644	1,12,191	275	1,41,453
Long Term	5,753	Nil	Nil	5,753	5,111	1	642
Total	2,16,497	1,230	8,04,411	5,20,908	2,86,891	941	2,34,017

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N.B.—The Bank does not generally issue loans repayable in over three years. Almost all suretyship loans are of short term only. The need for applying Debt Relief Act too has never arisen inspite of over dues in the usual course and stringent action there on

As agents for the District Central Bank in collecting from and disbursing fund to Rural Societies, and as agents for collection of Cheques and Drafts on Madurai, the Bank has transacted through the C/A with the Central Bank a business of Rs. 2.9 lakhs during the year. Similarly it has transacted through the Apex Bank at Madras Rs. 1.16 lakhs by issuing cheques on them and drafts on other Co-operative Institutions in the Province. No discounting of bills is under taken though the bylaws permit.

Attempts are made to encourage thrift and home safe deposits, though not to a very appreciable extent. Canvassing for P.F.A/Cs. is however responded to satisfactorily

General. (A) The Bank owns a building. Its Reserve Fund is invested only in the District Central Bank of which it is a member with a share capital of Rs. 7,000. It has invested in the shares of the District Central Stores Rs. 2,000 and has contributed Rs. 1,000 towards the proposed Co-operative Printing Press for the District. It has taken 6 shares in the Madras Handloom Weavers' Provincial Co-operative Society too. In Postal National Savings Certificates again, we have invested Rs. 8,750. Bylaw 20 regarding Election of Directors by rotation has been suitably ammended as per Registrar's Circular. Staff Members also have furnished the prescribed standard of Cash security etc. on 30-6-51.

(B) The Bank's income for 1950-51 was Rs. 21,098 and expenses paid and due were Rs. 18,076. It has thus earned a net profit of about Rs. 8,017.

The Madras District Co-operative Central Bank, Ltd.

52-53, Thambu Chetty Street, Madras 1.

ESTD. 1980 TELEPHONE NO. 2884.

Authorised Capital	...	Rs. 5 lakhs.
Working Capital	...	" 35 "

All kinds of deposits accepted.

Rates of Interest :—

Current Deposit	½ %	Savings Deposits	2 %
Fixed Deposits :—For 1 year and above 3½ %			

Further particulars can be had from the undersigned :

B. S. VIJAYAGOPAL, B.A., B. COM.
Secretary.

G.O.'s and Circulars

Copy of G.O. Ms. 3519 dated 30th July 1951.

Sub :—Acts—Madras Shops and Establishment Act 1947—Provident Fund of Employees in Co-operative Societies registered under the Madras Cooperative Societies Act—Approval under Section 84 (2) (i) of the Act Orders issued.

Read the following :—

From the Commissioner of Labour, No. D. Dis. F1, 78497/50 dated 10-1-1951.

From the Registrar of Co-operative Societies No. 129547/50-A dated 28-3-51.

ORDER

Under section 84 (2) (i) of the Madras Shops and Establishments Act 1947 (Madras Act XXXVI of 1947) His Excellency the Governor of Madras hereby approves the Provident Fund of Employees of Co-operative Societies registered under the Madras Co-operative Societies Act 1932, as Provident Funds for payments to which deductions from the wages of persons employed in the societies may be made subject to the following conditions being incorporated in the Model Provident Fund Rules of Co-operative Societies :—

1. The employer's contribution may be withheld from a subscriber if he is dismissed from his employment or if he resigns his employment within five years of the commencement of such employment.

2. The investments of the Fund should be restricted to trustee securities or in the Co-operative Central Banks.

3. A copy of the Rules certified by the Registrar should be with the Co-operative institutions in the same manner as the societies' bylaws are kept. A copy of the Provident Fund Rules of each society and the amendments passed to them from time to time shall be sent to the Commissioner of Labour, if he so desires.

End. No. 129547/50 V.I.

OFFICE OF THE REGISTRAR OF
CO-OPERATIVE SOCIETIES, MADRAS,
Dated, 18-8-1951.

J. C. RYAN,
Registrar.

APPENDIX. NOTIFICATION.

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

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AMENDMENTS.

In rule XVIII.A of the said rules—

(1) In sub Rule (1), after clause (b), the following shall be added, namely:—

OR

(c) is a paid employee of the society or of its financing bank or of any society for which it is the financing bank, provided that this restriction shall not apply to Co-operative Motor Transport Societies and Co-operative Workshops for ex-servicemen."

(ii) in sub-rule (2), after clause (b) the following shall be added, namely:—

OR

(c) becomes a paid employee of the society or its financing bank or of any society for which it is the financing bank, provided that this restriction shall not apply to Co-operative Motor Transport Societies and Co-operative Workshops for ex-servicemen; and

(iii) after sub rule (3), the following shall be added, namely:—

"(4) No society shall retain as member any of its paid employees or any paid employee of its financing bank or of the Society for which it is the financing bank, provided that this restriction shall not apply to Co-operative Motor Transport Societies and Co-operative Workshops for ex-servicemen."

Copy of G.O. Ms. No. 3654 Development Department dated the 9th August 51.

ACTS AND RULES—Madras Co-operative Societies Act, 1932—
Rules—Rule XVIII-A Amendments—Confirmed.

Read the following:—

G. O. Ms. No. 2060, Development Dated 7-5-1951.

From the Registrar of Co-operative Societies Rc No. 57304/50 S.I. dated 27-7-1951.

ORDER

In the notification published at page 179 of the Rules Supplement to Part I of the Fort St. George Gazette dated the 15th May 1951, the Government of Madras published under sub sections (1) and (2) of section 65 of the Madras Co-operative Societies Act, 1932 (Madras Act VI of 1932) certain draft amendments to rule XVIII.A of the rules issued under the Act. The Government have considered the objections or suggestions received and are of the view that the amendments published should be confirmed without any modification. The appended notification will be published in the Fort St. George Gazette.

OFFICE OF THE REGISTRAR OF
CO-OPERATIVE SOCIETIES MADRAS.
Dated, 21-8-1951.

Mrs. M. VISWANATHAM.

For Registrar.

End Rc 57304/51 S. I.

(Forwarded by order)

Copy Communicated

List of Societies Registered in July 1951.

S.No.	Name of the Society with full postal address.	District.
1	The Palakonda Co-operative Marketing Society, Ltd. Palakonda.	Srikakulam
2	The Baruva Date Jaggery Producers' Multipurpose Co-operative Society, Baruva. Sompeta Tq.	Do.
3	Sri Ramalingeswara Weavers Co-operative Production and Sale Society, Boddam, Palakonda Tq.	Do.
4	The Talapanur Co-operative Multipurpose Rural Credit Society, Talapanur. Payasampalle. P.O. Kamalapuram Tq.	Cuddapah
5	The Navabupeta Co-operative Multipurpose Rural Credit Society, Navabupeta, Chinnakomerla. P.O. Jammalamadugu.	Do.
6	The Satyavada Field Labourers Multipurpose Rural Co-operative Credit, Braksharama P.O. Ramachandrapuram Tq.	E. Godavari
7	Sri Bhavanarajia Weavers Co-operative Production and Sale Society, Ltd., D.T. Rajapuram. Rajanagaram. P.O. Peddapuram Tq.	Do.
8	Alur Firka Cottage Industries Co-operative Federation, Ltd., Alur.	Bellary
9	Urukunda Multipurpose Co-operative Society. Urukunda, Adoni Tq.	Do
10	Goverhalli Multipurpose Co-operative Credit Society, Goverhalli, Harpanahalli Tq.	Do.
11	Kothapalli Multipurpose Rural Co-operative Credit Society, Kothapalli, Athmakur. P.O.	Anantapur
12	Itikalapalli Multipurpose Rural Credit Society, Itikalapalli, Kandukur, P.O.	Do.
13	The Bandlamitta Blacksmiths Co-operative Production and Sale Society, Ltd., Bandlamitta. Ongole P.O. Ongole Tq.	Guntur
14	The Ulchi Weavers Co-operative Production and Sale Society, Ltd., Ulchi. Ongole Tq.	Do.
15	The Pedakonduru Janardhana Rural Co-operative Housing Society, Ltd., Pedakonduru. Tenali Tq.	Do.
16	Tenali Rajakapeta Co-operative Credit Society. Tenali.	Do.
17	Virapandi Firka Cottage Industries Co-operative Federation, Ltd., Anyanoor P.O. Salem Tq.	Salem
18	The Kumbala Firka Cottage Industries Co-operative Society, Ltd; Kumbala Firka, Cumbala. Kasaragod Tq.	S. Kanara
19	The Belthangady Local Co-operative Union, Ltd., Belthangady. Belthangady Sub Tq. Puttur Tq.	Do.
20	The Udipi Co-operative Milk Supply Society. Ltd	

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S.No.	Name of the Society with full postal address.	District.
21	The Hermundi Multipurpose Co-operative Society, Ajkar, P.O.	S. Kanara.
22	The Serupalakadu Multipurpose Co-operative Credit Society, Ottangadu, P.O. Pattukottai Tq.	Tanjore
23	Koviladi Multipurpose Co-operative Credit Society, Koviladi, Tanjore Tq.	Do.
24	The Sengipatty Multipurpose Co-operative Credit Society, Sengipatty, Tanjore Tq.	Do.
25	The Pattukkottai Co-operative Milk Supply Union, Ltd., Pattukkottai.	Do.
26	The Akkaraikottah Multipurpose Co-operative Credit Society, Akkaraikottah Village, Neduvakalappal, P.O. Managudi Tq.	Do.
27	Irumani Fishermen Co-operative Society Uchipuli, P.O.	Ramnad
28	Kaliyanagri Co-operative Multipurpose Society, Kaliyanagri.	Do.
29	Mallankinar Co-operative Rural House Building Society, Mallankinar.	Do.
30	Melakanniseri Co-operative Multipurpose Society, Abiramam, P.O.	Do.
31	Guduvancheri Co-operative Milk Supply Society, Guduvancheri.	Chingleput Dt.
32	Visoor Weavers' Co-operative Production and Sale Society, Ltd., Manambathy, P.O.	Do.
33	Kalikapuram Sri Narasimhaswami Weavers Co-operative Production and Sale Society, Ltd., Kalikapuram, Ramakrishnarajupeta P.O. Tituttani Tq.	Chittoor Dt.
34	Krishnasamudram Multipurpose Co-operative Rural Credit Society, Krishnasamudram Vepagunta, P.O. Puttur Tq.	Do.
35	Thamballapalle Multipurpose Co-operative Rural Credit Society, Tamballapalli, Madanapalli Tq.	Do.
36	Beedithireddipalle Multipurpose Co-operative Rural Credit Society, Beedithireddipalli, Nogitirevata-giril P.O. Chittoor Tq.	Do.
37	Poonimamgadu Multipurpose Co-operative Rural Credit Society, Poonimamgadu, Tiruttani Tq.	Do.
38	Kailasapuram Co-op. Milk Supply Society, Savarimangalam, P.O. Koilpatti Tq.	Tinnevely Dt.
39	Muppidariamman Weavers Co-operative Production and Sale Society, Ettayapuram Naduvirpatti P.O. Koilpatti Tq.	Do.
40	Aneri Multipurpose Co-operative Society, Tirupattur, P.O. Tirupattur Tq.	N. Arcot Dt.
41	Kalasapakkam Firka Cottage Industries Co-operative Federation, Kalasapakkam, Polur Tq.	Do.

LIST OF SOCIETIES REGISTERED IN JULY 1951

S.No.	Name of the Society with full postal address.	District.
42	Kayanad Multipurpose Co-operative Society, Kayanod, Arkonam Tq.	North Arcot Dt.
43	Narasingapuram Multipurpose Co-operative Society, Munnal, P.O. Arkonam Tq.	Do.
44	Vettangulam Multipurpose Co-operative Society, Neonili P.O. Arkonam Tq.	Do.
45	Guruvarajapet Multipurpose Co-operative Society, Guruvarajapet, Arkonam Tq.	Do.
46	Tambaram Town Milk Supply Co-operative Society, Ltd., Tambaram Saidapet Tq.	Chingleput Dt.
47	Tiruvellore Firka Cottage Industries Co-operative Federation, Ltd., Tiruvellore Tq.	Do.
48	Sri Neelakanteswaraswami Weavers' Co-operative Society, Gudur.	Kurnool Dt.
49	Kurnool Firka Cottage Industries Co-operative Federation, Kurnool.	Do.
50	Bhimavaram Weavers Co-operative Production and Sale Society, Ltd., Bhimavaram, Nandigama Tq.	Krishna Dt.
51	Gottumukkla Weavers Co-operative Production and Sale Society, Ltd., Gottumukkala, Nandigama Tq.	Do.
52	Munagalapalli Weavers Co-operative Production and Sales Society, Ltd., Muppala, P.O. Nandigama Tq.	Do.
53	Kalasumalapalli Harijan Field Labourers Co-operative Society, Thotavallur, P.O. Vijayawada.	Do.
54	Bogole Purajana Multipurpose Rural Co-operative Credit Society, Bogole (Via) Bitragunta, Kavali Tq.	Nellore Dt.
55	Kakutur Multipurpose Rural Co-operative Credit Society, Kakutur, Kondamudusupalem, P.O.	Do.
56	Hanumanthunipadu Palmyrah Jaggery Production and Sale Society, Hanumanthunipadu, P.O. Kanigiri Tq.	Do.
57	Ramakrishna High School Staff Co-operative Credit Society, Ltd., Allur.	Do.
58	Lingaraju Agraharam Multipurpose Rural Co-operative Credit Society, Kavali, P.O.	Do.
59	Pazhabalacode Weavers Co-operative Production and Sale Society, Ltd., Pazhabalacode Tarur, P.O. Palghat Tq.	Malabar Dt.

Monthly News Page

The Rayalaseema Co-operative Training Institute Students' Association, Anantapur celebrated the Independence Day on 15-8-'51. Sir P. S. Gurava Reddy, Secretary, Andhra Desa Co-op. Union and Joint Secretary Madras State Co-op. Union presided over the meeting held on the occasion and spoke about the part which students can play in establishing a co-operative commonwealth in the country.

The Tanjore Co-op. Land Mortgage Bank celebrated its Silver Jubilee on 9-9-'51. Inaugurating the Silver Jubilee, the Hon'ble Sri K. Chandramouli, Minister for Co-operation said that while the land mortgage banks did good work, they may also extend their activities to both long and short term credit. Regarding a request for the reduction of interest on loans, he said that there were difficulties in the way; Government would help in deserving cases, but people should take note of the basic principles of the movement.

Sri Pakkiriswami Pillai read the Jubilee Address in which he stated that the Bank had helped 474 members during the past 25 years by lending Rs. 7,78,180. He also requested that the rate of interest on loans may be reduced to 4 per cent.

Sri V. L. Munuswami Pillai, M. L. A., who presided, traced the Bank's steady progress during the quarter century. He also said that agriculture occupied a very important place in the Government's Five Year plan and that intensive efforts may make it possible to achieve success earlier than five years.

Sri J. C. Ryan Registrar of Co-op Societies, in his Jubilee Address, congratulated the bank on its work. Referring to the request for reduction in interest rate, he pointed out that if all the eleven mortgage banks in the State helped to provide for the debenture loans at 8 per cent, then it would be possible to reduce the interest rate.

The Hon'ble Sri K. Chandramouli, Minister for Co-operation, presided over the prize distribution of the Milk Recording Scheme of the Tanjore Co-op. Milk Supply Union on 9-9-'51. On behalf of the Union, Sri D. Rajarajeswaran requested that the Union might be exempted from payment of sales tax as it was now tried both at the production and distribution centres and as the concern was a non-profit making co-operative institution.

The Hon'ble Minister commended the progress of the institution. But on the question of sales tax he said that the Government needed money and that the people should not grudge paying the tax.

Co-operative Notes

Presiding over the inaugural meeting of the Reserve Bank of India's Standing Advisory Committee on Agricultural Credit on 22-8-'51, Sir B. Rama Rau, Governor of the Bank, said that there were three types of questions for which answers would have to be found in due course:

Firstly, the question of a long term policy, something approaching a national plan of agricultural credit ancillary to national plan of agricultural production. The Bank had recently appointed a small committee to plan, direct and interpret an all-India survey of the condition of agricultural credit.

Secondly, the question of the various steps that could be taken by the Bank early—for instance on the measures recommended by the recent informal conference on rural finance.

Thirdly the measure regarding organisational development and reform. Sir Rama Rao also said that the absence of adequate trained personnel to man the co-operative banks, or other agriculture credit organisations which would need to be expanded or newly established was a serious problem which had to be tackled without delay.

It has been reported that the Indian Coffee Board has sold in pool auctions and allotted to co-operative societies for the 8 months ended August 1951, a total quantity of 12,160 tons of coffee. The allotments to the co-operative societies and the propaganda department are made at fixed basic rates on condition that they retail them to the public at stipulated fair prices with a view to checking speculative operations in the open market. The coffee beans sold through co-operative societies are Rs. 1 to Rs. 1-8-0 per viss cheaper than the prevailing open market prices.

In Switzerland, attempts have been made to introduce a co-operative book service which deserves to be brought to the notice of the co-operators.

There has existed in Zurich since 1933 a publishing house which produces books and also distributes them as a co-operative society. This publishing house is the 'Buchergilde' (book-guild) Gutenberg', whose purpose and aim are to produce good books which are politically and religiously neutral and to sell them at prices enabling every body to form his own library.

The book club has at present about 100,000 subscribers who have to buy at least four books yearly. Due to efficient sales method, fixing reasonable prices on co-operative principles and the exclusion of any middle man, the society has been able to sell books at half the price of the corresponding book trade editions.

There is also another institution in the French-speaking area, the 'Gilde du Livre'. It has 40,000 regular customers.

Nearly a quarter of the total books published are accounted for by these two institutions.

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

NOTICE.

To All Member Societies.

All member societies are earnestly requested to remit at as early date as possible the Annual Contribution due to this Union, either by Money Order or by Cheques drawn on the Madras clearing Banks. If they choose to send cheques on mofussil Banks, they will please add the minimum bank commission of annas four to the amount of the cheque.

[Sub.: Payment of Annual Contribution to S. C. U.—request of:]

The concerned by-laws of our Union regarding the subscriptions payable to this Union by member societies are given below for information:—

VI (1) Member societies shall pay annual subscriptions as provided below:

- (a) Every Provincial Society shall pay Rs. 100.
- (b) „ Language Federation shall pay Rs. 10.
- (c) „ Local Union shall pay Rs. 5.
- (d) „ Central Bank shall pay Rs. 50.
- (e) „ Central or Dt. Wholesale Stores shall pay Rs. 50.
- (f) „ Primary Land Mortgage Bank, House Building Society and House Mortgage Bank shall pay Rs. 10.
- (g) „ Co-operative Training Institute shall pay Rs. 10.
- (h) „ Urban Bank, Primary Store, Loan and Sale Society shall pay Rs. 5 on its working capital, if below Rs. 1 lakh and Rs. 10, if working capital is below 2 lakhs; and Rs. 15, if working capital is more than 2 lakhs as on the 30th June of the previous year.
- (i) „ Weaver Societies, other Producer Societies and other non-credit societies—as in the case of class (h).

- (2) * * *
- (3) * * *

- (4) The annual subscriptions from member societies shall fall due at the commencement of each co-operative year and be payable not later than the 31st October of the year. They shall be recoverable as debts due to the Union.

In this connection the Union brings to your notice that, as per the by-laws, membership in this Union shall cease by failure to pay the annual contribution for a period of *two years consecutively*, unless the Executive committee otherwise directs. Hence it is requested that this notice may be treated as *urgent* and a very early remittance made.

P. NATESAN, M.B., B.S.
General Secretary

Telephone: 34519.

Telegram: SAHYOG.

The Provincial Industrial Co-operative Association, Ltd.

9, Bakehouse Lane, Fort, BOMBAY 1.

For the Producer Societies arranges supplies of:—

Yarn, Chemicals, Dyestuffs, Raw Hydes, Raw Skins, Tanning materials, Tanned Leather etc., Machines, Tools, Equipment etc.

Offers facilities for Marketing:—

Handloom Textiles (Cotton & Woollen), Metal work, Sandalwood, Rosewood, Pure Honey, Ivory and Horn Arts and Crafts, Silk, Jari, Leathers and Leather goods, Edible-Oils, and Charcoal etc.

THE FREE INDIA CO-OPERATORS' AGENCY,
Book-Sellers & Publishers,
MYLAPORE : MADRAS-4.

Suppliers of Books on:

Politics, Economics, Co-operation, Agriculture, Banking, Book-keeping, Auditing, and Accountancy, Rural Reconstruction, Cottage Industries and other Religious and Social subjects. All the publications of the Reserve Bank of India and complete works by Gandhiji and on Gandhiji are also available. For Catalogue, please write to the above address.

THE TINNEVELLY DISTRICT CO-OPERATIVE CENTRAL BANK, LTD.,
VANNARPET : TINNEVELLY

(Estd. 1918)

Authorised Capital Rs. 4,50,000
Working Capital Exceeds Rs. 50,00,000
Reserve Fund Rs. 2,75,000

ALL KINDS OF DEPOSITS ACCEPTED

Rates of Interest : Current Deposit $\frac{1}{2}\%$ Savings Deposit $1\frac{1}{2}\%$
Fixed Deposits : For 6 months $1\frac{1}{2}\%$: For one year $2\frac{1}{2}\%$
For 2 years and above $2\frac{1}{2}\%$

RECURRING AND PROVIDENT DEPOSITS ARE ALSO ACCEPTED

Apply for further particulars:

Medai Dalavoi Kumaraswami Mudaltar, M.L.C.
President.

The Chandrasekarapuram Co-operative Stores, Ltd.,

THE PREMIER RURAL PRIMARY STORES IN INDIA TODAY
ALL THE NECESSARIES OF LIFE ARE SUPPLIED. SUPPLIERS
OF EVERY ITEM OF PROVISIONS, CLOTH (HANDLOOM
& MILL MADE) BICYCLES AND ACCESSORIES,
CONSUMER GOODS & STATIONERY, UTENSILS
AGRICULTURAL IMPLEMENTS, ELECTRICAL
GOODS, CHEMICAL FERTILISERS AND
IRON AND STEEL.

WHOLESALE FOR SUGAR AND WHEAT
FOR PAPANASAM TALUK

BRANCHES :
VALANGAMAN, PAPANASAM AND
SUNDARAPERUMALKOIL.

Annual Turnover Exceeds Rs. 9 Lakhs.

Entirely managed by the members without outside help.

THE RAMNAD DISTRICT CO-OPERATIVE CENTRAL BANK, LTD.,

16, North Veli Street, Madurai.

Branch : Karaikudi.

Share Capital Rs. 8,56,000

Working Capital Exceeds one Crore

Deposits are accepted at the following rates.

Fixed deposits for six months 2½%

Fixed deposits for 1 year 2½%

Fixed deposits for 2 years and above 3% and 3½%

Savings deposits 1½%

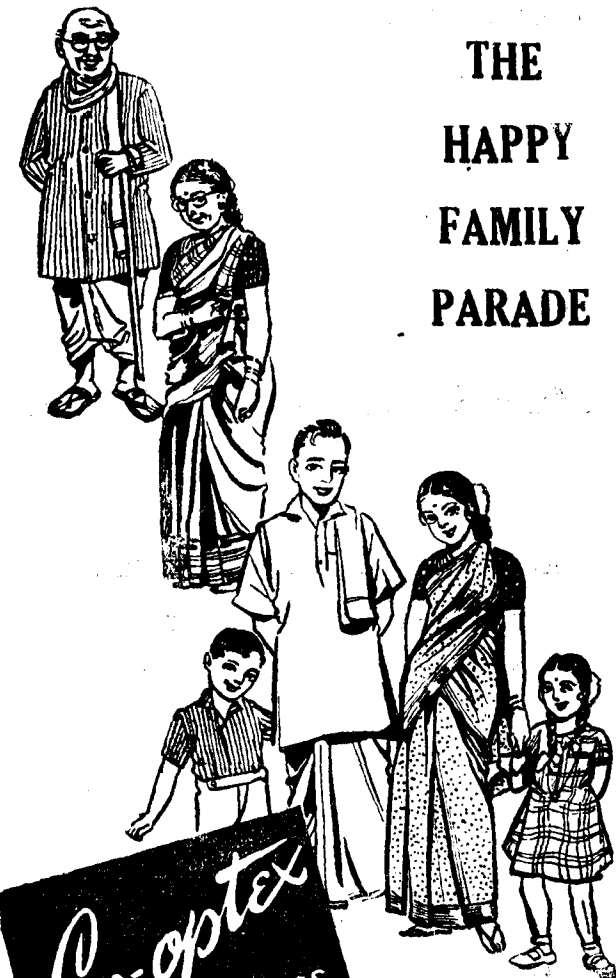
Current deposits ½% rate upto 5,000

Provident fund deposits 3½%

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

D. N. Doraisamy,
Secretary.

A. Ramachandran, B.A., B.L.
President.



THE
HAPPY
FAMILY
PARADE

THE MADRAS HANDLOOM WEAVERS'
PROVINCIAL CO-OPERATIVE SOCIETY LTD.
EGMORE :: MADRAS

*For Life Insurance and to plan
for your future
Let your choice be*

**The South India Co-operative
Insurance Society, Ltd.,**

82-B, Mount Road, Teynampet P.O., Madras 18

—
An Ideal Co-operative Institution
which enjoys several Unique
Features in its Constitution
and Management

A Purely Policy-holders' Concern
with

SERVICE AS ITS MOTTO.

Stability, Soundness and Economy
are the guiding factors of its
Administration and Management

—
Supervision and Control by the
Registrar of Co-operative Societies, MADRAS.

Telegrams "COOPFIRE"

Telephone 4361.

**The Co-operative Fire & General
Insurance Society, Ltd.,**

MADRAS 1.

—
President:

SRI T. M. CHINNAYYA PILLAI, M.A., B.L.

Transacts Fire Insurance of all
Descriptions and Motor
Vehicle Insurance

—
Insure with us and Banish Worry.

For particulars apply to:

P. SHANMUGAM, B.A.,
Secretary.

Post Box No. 1249.

Madras 1.

TELEGRAMS: "CENMORBANK"

TELEPHONE: 8230

The Madras Co-operative Central Land Mortgage Bank, Limited.

LUZ, MYLAPORE, MADRAS.

President:

SRI BHOGARAJU VENKATARATNAM,

Authorised Capital	...	Rs. 20 Lakhs.
Paid up Capital	...	Rs. 14,32,300.
Reserves	...	Rs. 25,82,845.

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

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

Summary of Balance Sheet as on 30—6—'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	... 3,88,32,224
Debentures	... 4,39,81,700	Sinking Fund Investments	... 88,48,530
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