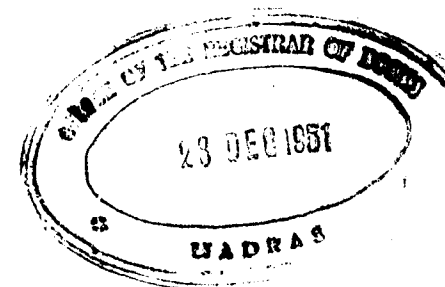


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THE

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EACH FOR ALL AND ALL FOR EACH

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Thought for the Month

There is grave risk that all political liberty may disappear if economic functions are either entirely or to a great extent taken over by State departments, since the party having the majority in parliament and consequently wielding the power, would thus be in a position, should they so desire, to mete out an unenviable fate to any workers who did not belong to these parties. When a person's livelihood and his whole means of existence depend on the good-will of the parties in power, his freedom is seriously threatened.

The co-operative system is the only brand of socialism which would have the immense advantage of keeping separate its economic and its political functions, the latter remaining the prerogative of the public authorities. Thus, the co-operative organisations which are rooted in the mass of consumers would fulfil the commercial and industrial functions, while to the public authorities would fall the political functions. From the moment that control of their economic functions is withdrawn from private firms, the division of functions operating under the co-operative system alone can afford any measure of protection for the citizen's political liberties against the insidious encroachments of the State.

—Prof. Bernard Levergne

Review of International Co-operation, Oct. 1951.

Editorial Notes

The Co-operative Day in Madras State :

The 29th International Co-operative Day and the All India Co-operative Day were celebrated in various parts of the Madras State on Saturday the 3rd November 1951. Readers will find in this issue reports on the celebrations of the Day in Madras City and in the districts.

From the reports it is clear that the Day was celebrated throughout the State with remarkable zeal as well as awareness of the serenity of the occasion. In the districts, the celebrations at Rajahmundry (East Godavari District), Vijayawada (Krishna District) Tiruvannamalai (N. Arcot District), Madura and Anantapur merit special mention for the elaborate manner in which the celebrations were held. At all places where the Day was celebrated, it is noteworthy that various sections of the public—lawyers, merchants, teachers, doctors, Government officials, students and so on—participated in the proceedings of the meetings, indicating clearly the all-embracing nature of the Co-operative Movement.

The celebration of the Day in Madras was particularly remarkable. The meeting held on the occasion was attended by numerous Co-operators representing all sections of the public while the speakers were all seasoned co-operators. They spoke with authority on various aspects of the Co-operative Movement. The Hon'ble Mr. Justice Krishnaswamy Naidu who presided on the occasion spoke about the appreciable progress of the Movement in various directions and emphasised the need for providing proper housing for the poor workers and low paid employees who are at present not deriving much benefit from the movement. Prof. Krishnamurti dealt with the Consumers' Movement and while he related the progress of the Movement in Madras City, drawing an interesting analogy with the progress of the Rochdale Movement in England, he pleaded strongly for earnest efforts at building up the Consumers' Movement in the countryside without which the Movement in the State would be incomplete. Sri J. C. Ryan, Registrar of Co-operative Societies put forth a vigorous plea for internationalism in the Co-operative Movement. He said that one who thinks of Co-operation in terms international is only preserving the essential principles of co-operation which are the property of all nations of the world and "if we get

EDITORIAL NOTES

away from the essential principles, we shall not be running Co-operative institutions but doing something else." He explained clearly how the Co-operative Movement is meant for the promotion of the interests of men of small and limited means but not for capitalistic-minded persons who choose to employ co-operation as a means of exploitation and profiteering. The Hon'ble Sri Kala Venkata Rao, Minister for Health, Madras, explained to the audience the concept of Co-operative Commonwealth, otherwise known as *Rama Rajya*. The Government have set upon the task of creating Co-operative Commonwealth. "We are a poor country," he said, "Government made us heroes out of dust. We have to create gold out of dust." This can be done by increasing our production. The Hon'ble Minister referred to the Five-year Plan of the Government and appealed to the Co-operators to help the Government execute the Plan.

Similar sentiments were expressed at several meetings held in the districts. The great need for active endeavour in the matter of producing more, educating the masses in Co-operative principles and action have been emphasised in the Declaration of the I.C.A. and the messages of the Co-operative Leaders, Prof. Kaji and Sri T.A. Ramalingam Chettiar. These Leaders, have also appealed for a proper outlook on national life and activity as well as vigilance in the various fields of activity.

Co-operation has now definitely risen in status since it is now the definite policy of the Government and the chosen path of the public. It therefore behoves Co-operators to endeavour to stabilize the gains and venture into new fields of activity in the coming year. Good luck and god-speed to Co-operators in their undertakings.

Rural Credit Survey of the Reserve Bank of India :

Our readers are probably aware that recently the Reserve Bank of India appointed a Committee of Direction with Shri Gorwala as Chairman to ascertain the present position of rural credit in the different regions in the Country, so that an appropriate long term policy for rural credit may be framed. The R. B. I. considers such a policy an essential counterpart to the plan for agricultural production and improvement contemplated by the various Governments and by the Planning Commission.

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During recent years there have been several radical changes in the conditions of the agrarian economy in the country—the agrarian legislation, debt legislation, abolition of *Zamindaris*, the launching of multipurpose projects and last but not least in importance, Prohibition. The effects of these changes in the rural economy on the rural credit structure have now to be studied and watched. The socio-economic effects of Prohibition in our State are an instance in point. Recently a sample survey on the subject which covered 8,363 families was conducted by the Economic Adviser, Madras. His survey revealed that rural indebtedness which stood at Rs. 174 crores in 1945 rose to Rs. 326 crores in June 1950—an increase of Rs. 152 crores. The Report adds that Prohibition exercised the salutary effect of thrift and moderation in expenditure and that the debt would have been much larger, but for Prohibition. It therefore follows that while there has been considerable borrowing, there has also been considerable saving in some sections of the population. It is of the utmost importance at the present time to assess the credit needs of the rural borrowers and at the same time assess their saving or repaying capacity; for, after all, people who borrow must also repay. The rural credit survey now undertaken by the Reserve Bank has therefore come none too soon.

It is learnt that out of the 75 districts selected in the country for the survey, fifteen are in the Southern Region and of them seven are in this State. The survey being on random sample basis, 56 villages will be surveyed in our State. A number of officials of the Co-operative Department have been taken as Inspectors and Investigators to work under the guidance of a Regional Controller.

The survey in Madras State commenced early this month and it has been reported that the work is in progress at Tirur a village in Chingleput District where the first co-operative society in India was started in 1904.

There has been for some time past some dissatisfaction in co-operative circles with the policy of the R. B. I. in regard to rural credit on the grounds that the Bank had not done *much* to enable co-operatives to provide cheap credit in the countryside and also that its bank rate had not been effective in the country's credit structure. Whatever the truth or otherwise of these complaints against the Bank, it will be seen that the Bank is now evincing an earnest interest in the study of the rural credit situation in the country.

Considering the facilities available to the R. B. I. for conducting the survey, we honestly feel that the survey would be comprehensive and that it would reveal several important points bearing on rural economy in the country. We hope that the survey would deal not only with the requirements of the rural dwellers and the agencies of credit supply, co-operative and private, but also with the pattern of savings and deficits as well as the trends towards shifts in income and capital formation in the country side.

This survey, coming on the eve of the ushering in of the National Five-year Plan is of vital national interest, for its findings will indicate the feasibility or otherwise of the Plan. It is therefore of great importance that those at it should carry on their investigation in a scientific spirit and the co-operative and other institutions concerned should offer their best co-operation. We therefore appeal to the various individuals and institutions, co-operators and co-operatives in particular, that they may offer their most earnest co-operation to the investigators so that the survey may yield the best results.

Co-operatives and Mill Cloth Distribution :

The question of permitting Co-operative Wholesale Stores in dealing in mill cloth has been before the Government for a pretty long time and as our readers are aware, more than one deputation of representatives of Co-operative Wholesale Stores led by the Madras State Co-operative Union waited on the Hon'ble the Chief Minister and the Hon'ble Ministers concerned with a request to reconsider the matter. Thanks to the sympathetic attitude shown by the Government, the necessary permission has been accorded by the Government to the Co-operative Wholesale Stores to deal in mill cloth. Following this decision of the Government, a Conference of the representatives of Co-operative Wholesale Stores and the T.U.C.S (Madras) was held recently in Madras to finalise the scheme relating to the distribution of mill cloth through co-operatives. The proceedings of this Conference are published elsewhere in this issue.

Three important decisions have been arrived at by the Conference: First, that every wholesale store should have a commission agent at Bombay for procurement of cloth; secondly that the wholesale stores should not do retail business except where there are no primary stores or multipurpose societies dealing in cloth; and

thirdly that the wholesale store should pay sales tax on all transfers of goods from the wholesale depot to their own retail depot.

The first decision relating to the appointing of a commission agent is commendable since it makes for economy. But it is doubtful if the appointment of only one agent out of a panel of only four by every wholesale stores will not handicap the procurement of all the required varieties through only one source. In this connection it may be useful to note that recently the Madras Retail Piece-goods Merchants' Association suggested in their Memorandum to the Director of Controlled Commodities the linking of a group of retailers to a group of wholesale dealers so that they might have a wider range of varieties through a larger number of sources than one. It may be considered by the co-operative wholesale stores if, in this manner, they could profitably have more than one agent, if only to obtain a larger variety of cloth by that method.

The decision forbidding the wholesale stores to deal in mill cloth in retail except in special circumstances and requiring the payment of salestax on tranfer of cloth to retail depots can be expected to induce primary stores to put forth efforts to serve the consumer actively and with greater confidence. It is unfortunate that several primary stores have been pining away under a dangerous notion that they have been stunted in growth due to the over-shadowing of the wholesale store. It cannot be stated with confidence that in some cases such fear was baseless. This tendency to over-shadow was to some extent evident during the discussion at the Conference under reference on the relative position of the wholesale stores and the primaries; and it evoked a comment from Sri J. C. Ryan, Registrar of Co-operative Societies who was conducting the deliberations. The Registrar observed that the tendency among some wholesale stores appeared to be to ignore the primaries in their area. The theory of a big fish swallowing the smaller ones might hold good in other spheres but certainly not in the sphere of co-operation. The wholesale stores have the sacred duty of helping their primaries to play their part creditably under the paternal care of the larger institution. Here, then, is a fundamental principle of Co-operation which some of our consumers' societies must imbibe if the Consumers' Movement is to be successful in our State.

It needs no emphasis that co-operation consists in mutual help. We earnestly appeal to all co-operative stores to adhere strictly to this principle of mutual help so that the Consumers' Movement

which has grown to considerable strength during a boom period may be able to consolidate its position without a set back.

A Conference of Housing Societies:

As a result of the great need for providing adequate housing accommodation for the public, there has been during recent years a good deal of co-operative enterprise in the matter of housing. Thanks to the Government there has been considerable State support. There are at present nearly 300 housing societies in the State, with a variety of objects and lines of activities. Many of them, we gather, have common problems as well as local problems which require an early consideration with due regard to the needs of each type of institution. Though there are over infifty rural housing societies in the State, yet the problem is as keen as ever in respect of the rural areas. Even in the urban areas the problem of housing the poor labourers and the low-paid employees is yet to be satisfactorily tackled. Only the other day the Hon'ble Mr. Justice Krishnaswami Naidu observed at the Co-operative Day meeting, already referred to in these pages, that housing of these two classes needs immediate attention. A conference of the housing societies and those interested in Co-operative housing would go a long way towards devising ways and means of providing housing for those who need it most. We understand that a Conference is proposed to be convened under the auspices of the Madras State Co-operative Union. We deeply appreciate the proposal and appeal to the housing societies and others interested in co-operative housing to participate in the Conference so that a workable plan of co-operative housing throughout the State may be evolved.

The Madras State Co-operative Union, Madras SUPERVISORS' EXAMINATION—PRACTICAL TRAINING. SUPPLEMENTAL LIST.

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Agricultural Marketing in India

(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
and a Foreword by Dewan Bahadur Prof. Kaji, President, Indian Co-operative
Union.*

The book is the outcome of a strenuous study and practical experience in the Co-operative Department for several years. The author has explained in detail the theoretical and practical aspects of the subject. The book is divided into 2 parts. Part I contains 14 Chapters and deals with the Economic background, Modern Market Organisation, Market Research, Selling and Advertising, Transportation, Produce Exchanges, Market Risks, Future Trading and Hedging, Agricultural Prices etc. and the Second Part containing 10 Chapters contains Evolution of Markets in India, Fairs, Markets, Defects in the present systems, Co-operative Marketing in the various Indian States, Regulated markets in Bombay, a comparison of Marketing Co-operatives in U.S.A., Denmark and India, the State in relation to Agricultural Marketing. The appendices contain Legislative enactments, Glossary of Technical terms etc.

Pages 512, Cloth Binding, Price Rs. 20.

Published by : **The Co-operators' Book Depot,**
9, Bakehouse Lane, FORT, BOMBAY.

**Marketing Societies in Underdeveloped Countries, their
Trading Prospects***

SRI J. C. RYAN, M.A.,
Registrar of Co-operative Societies, Madras

1. Marketing co-operatives in Asia and the Far East have not developed to any appreciable extent. In most of these countries, co-operative credit societies were the first to be organised and consumer co-operatives came in their wake. Co-operative marketing societies have been organised only here and there; but none of them reached the proportions of some of the marketing societies in developed countries like the United States, Canada or Denmark to be in a position to enter the sphere of international co-operative trade. The need for marketing co-operatives, however, has been recognised in these countries. When their representatives met at the Technical Meeting on Co-operatives held by the Food and Agriculture Organisation of the United Nations at Lucknow (India) in October, 1949, they passed a resolution as follows :—

“Well organised co-operative marketing institutions would confer even greater benefits on the agricultural producer than do the credit institutions. The latter, by supplying cheap credit, may reduce interest charges to the agricultural borrower, but a greater drain on his income than the exorbitant interest that the village money-lender charges is exploitation by the trader who gives the producer an inadequate share of the price of his produce. Moreover, the existence of a chain of middlemen in the marketing of agricultural goods considerably reduces the return to the producer. If such middlemen could be eliminated and a fair share of the price secured to the farmer, the additional income he would receive thereby would be of far greater benefit to him than a reduction of interest. This could be achieved through the organisation of co-operative marketing societies. It is to be borne in mind that the working of marketing societies is not simple as the working of credit societies. The former institutions require men with special knowledge and special training to manage them successfully.

The meeting, therefore recommends :—

(a) That both Governments and non-official co-operators in every member country should endeavour to build up a structure for marketing similar to that for credit beginning with the primary village collecting centres and leading on to central marketing unions and apex marketing federations; and that Governments should help these institutions in the initial stages at least, with subventions, technical service and patronage.

(b) That with a view to implementing the above recommendation Governments should set up a special marketing division in the co-operative department in addition to other marketing staffs maintained separately.”

*Reproduced from *The Review of International Co-operation*—Aug.-Sep., 1951.

THE MADRAS STATE CO-OPERATIVE UNION

THE POSITION IN INDIA.

2. Among the under-developed countries India has probably attempted more in the direction of marketing co-operatives than others. Some progress has been made in individual States like Bombay, Madras and the United Provinces, where marketing societies have been established for suitable areas composed of individual agriculturists and agricultural credit societies. They have all been federated into a provincial marketing society at Bombay, Madras and Lucknow respectively. The marketing societies in the United Provinces mostly relate to sugarcane marketing. In 1947-48, they supplied about 17 lakhs of maunds of improved varieties of sugar-cane, which represents about 86.8 per cent of the total quantity of cane crushed by the factories in that State. In Bombay, these societies have established a reputation in cotton marketing, while in Madras all kinds of agricultural produce, chiefly ground-nuts and cotton, are handled. Madras has developed co-operative marketing under a scheme known as the "Controlled Credit Scheme." Under this scheme, the Central Co-operative Bank provides funds to agriculturists through agricultural credit societies situated in villages for raising crops such as cotton, ground-nuts, turmeric, paddy, potatoes, etc. The loans are given to the members of the credit societies, subject to the condition, that the produce raised with them should be delivered for sale through the nearest co-operative marketing society. One of the committee members of the credit society arranges to collect and transport the produce to the marketing society as soon as it is harvested in return for a small commission. The marketing society conducts periodically auctions of the produce of each member accumulated in its godowns. The highest bidder at the auction is given delivery of the produce after weighment by the society, on payment of cash, which is passed on to the owner of the produce through the agricultural credit society after deducting the cultivation loan advanced by the Central Co-operative Bank. Some of the more advanced marketing societies pool the produce of all the members, grade it according to recognised standards and auction it according to grades. They also maintain processing plants like gins, decorticators and rice-hullers. This system of co-operative marketing flourishes in market centres where the produce is sold out by the co-operatives on behalf of their members to local traders on most advantageous terms. It eliminates the village dealer to whom agriculturists sell their produce normally and the commission agent at the market centre through whom the village dealer usually disposes of the produce to the trader. It does not eliminate the trader himself and sell the produce to the exporter. Still less does it eliminate the exporter and consign the goods to the importer abroad. And yet, the larger gain to the agriculturist will accrue only by the elimination of the exporter who takes the largest margin in the chain of middlemen who handle commodities for export.

MARKETING SOCIETIES IN UNDERDEVELOPED COUNTRIES

BEGINNINGS OF INTERNATIONAL TRADE.

3. In recent years some of marketing societies in Madras, availing themselves of the controls enforced by Government, exported onions, turmeric, potatoes and chillies to consumer co-operatives in Ceylon. The producers in Madras obtained about 15 per cent higher prices for their produce under this system, while the consumers in Ceylon paid about 15 per cent lower prices for the commodities purchased by them. The elimination of the middlemen-exporter and the middlemen-importer accounted for this phenomenon. The traders in both countries protested against this intrusion of co-operatives into their realm. But co-operators of both countries realised the immense possibilities of mutual trade between co-operatives situated on both sides of the Gulf of Mannar. At the conference held at Lucknow by the F.A.O., they urged that this system should be developed by co-operatives and supported by Governments. That conference, therefore, resolved as follows :—

"It is desirable that there should be an effective link between producers' societies and consumers and purchasing societies situated in different countries so as to effect mutual purchases and sales. This will develop mutual international trade between co-operatives to the benefit of both producers and consumers.

The meeting therefore, recommends :—

That encouragement be given to the establishment and development of international trade connections between co-operatives in different countries by (a) promoting the establishment of national or provincial co-operative central marketing and purchasing institutions, (b) giving preference to co-operatives in international trade in the allocation of export and import quotas."

The Technical Conference on Co-operation, held by the International Labour Organisation at Karachi in December, 1950, reiterated this recommendation by resolving as follows :—

"The Governing Body (of the I.L.O.) should draw the attention of the Governments to the importance of facilitating the establishment of economic relations between co-operatives in different countries by all appropriate means. Where possible, co-operatives should be given representation on official advisory bodies concerned with foreign trade."

The pace, has, therefore, been set now to develop international trade between co-operatives situated in different countries, and it is gratifying to observe that efforts are being made already in underdeveloped countries to link up co-operative marketing societies with co-operative consumer societies in other countries. An endeavour was made recently in this direction by the Thai Rice Co., Ltd., at Bangkok, when it made an offer to

export a lakh of tons of rice from Thailand to the co-operative wholesale stores in Madras. The Thai Rice Co. was started in 1939 as a limited liability corporation sponsored and controlled by the Government. The shareholders were the Government and the public, the former holding 73 per cent of the shares. By degrees, the Government transferred all their shares to co-operative societies in the country and reconstituted the management of the Corporation giving large representation to co-operatives. The Company is, therefore, now a co-operative concern exporting about 5,45,000 tons annually, which constitute about 86 per cent of the rice export of that country. About 25 per cent of its business is contributed by the co-operatives and attempts are being made to introduce the "controlled credit scheme" of Madras in the country so as to increase the volume of rice delivered by the co-operatives. The offer of a lakh of tons of rice could not be accepted by the co-operative wholesale stores in Madras, because it was the policy of the Government of India that all foreign imports of rice into the country should be handled only by the Government. Nevertheless, the offer has revealed the possibilities of international trade in rice between the co-operatives in the two countries in normal times and has given co-operators time to think that such trade could also be built up in other commodities which are being exported to different countries through the ordinary channels of trade.

4. Export business by co-operatives in underdeveloped countries to European countries would naturally be of commodities which are already being imported by European countries. Such commodities are at present cotton, ground-nuts and copra. The Bombay State has, as already observed, built up marketing societies which deal in cotton on a pretty firm basis in all the three regions of the province, viz., Gujarat, Karnatak and Maharashtra. There are 23 cotton sale societies in Gujarat which sold, during the year 1948-49, 32.36 lakhs of rupees worth of cotton. In the Karnatak, there are 11 cotton sales societies which sold 95.06 lakhs of rupees of cotton during the same period. The societies in Maharashtra sold 2.01 lakhs of rupees of cotton during the same period and are working a scheme of distributing pure Jarilla seed and the orderly marketing of Jarilla cotton of their members. There are similar marketing societies in Madras which handle cotton and ground nuts. During the year 1949-50, they disposed of 880 lakhs of rupees worth of produce belonging to their members. The business in most of these societies was being done on an agency basis. The societies took no responsibility for profit or loss in the business. The goods were sold on a commission basis on behalf of the members. The All-India Commission on Co-operation recommended in the year 1945 that the societies should also undertake sales on proprietary basis and earmark a certain portion of their capital for this purpose. This recommendation is now being widely adopted with the result that the way is being paved for export business. It may be that, in course of time, the

marketing societies may entrust the export business to their respective provincial marketing societies, or, in the alternative, entrust it to separate exporting federations organised for each commodity. But the progress in this direction is likely to be slow; for, the export policies of Government may have to be altered and active assistance from them on the lines recommended by the two international conferences cited will be necessary.

5. Ceylon has a third commodity fit for export on a co-operative basis, viz., desiccated coconuts. There are 89 co-operative coconut societies in all in that country, with 6,181 members covering an acreage of 88,039. Some of them have established their own mills for desiccating coconuts and expelling oil. During the year ended April 30th, 1950, their sales amounted to 132 lakhs of rupees, of which 80 lakhs were of desiccated coconut, 6.88 lakhs were of coconut oil, 18.79 lakhs were copra, 5.19 lakhs of fresh nuts and 21.11 lakhs of by-products. These coconut societies have been federated together under the Ceylon Coconut Producers' Co-operative Union which is expected to build up the export trade in coconut. The Union has recently appointed an experienced European manager with long service in a milling firm.

6. There is another line of co-operative marketing which has been developed on an extensive scale in India and for which a new market could be opened up in Europe with the aid of consumer co-operatives there. This consists of handloom cloth produced by the weavers' co-operative societies. In the State of Madras alone, there are 900 such societies which have federated together under the Madras Handloom Weavers' Provincial Co-operative Society, Limited. They command 1.5 lakhs of looms and produce about 600 lakhs of rupees-worth of hand-loom cloth per annum. Most of it (chiefly saris and dhotis) is sold through the one hundred and more Emporia maintained by the provincial society in all parts of India. Some of it (chiefly sarongs) is sold in Malaya and Ceylon. The "Madras handkerchiefs," produced by these societies, have a good market in West Africa. Their furnishing fabrics have attracted the attention of the United States of America, whence enquires have come for their bed sheets, table cloths, curtains, cushion covers, &c. Their check pattern sarongs make good material for ladies' dresses. Their designers are capable of producing different varieties according to samples given. The specially about hand-loom cloth is its durability and elegance. A trial order will reveal the potentialities of co-operative trade in this line between India and Europe.

7. Vested interests in international trade will be a formidable obstacle in the way of promoting the co-operative export of raw materials from under-developed countries to consumer co-operatives in Europe. But co-operators in Europe and the under-developed countries of Asia and the Far East subscribe to the principle that on the elimination of the middlemen who stand between the consumer and the producer depends the prosperity of the producer on the one hand and the well-being of the consumer on the other. There need, therefore, be no doubt that they will have no stone unturned to attain this co-operative ideal. Their efforts will, in the long run, also help to demolish national barriers and promote an exchange of commodities on the principle of self-help and mutual help. This will be one of the most efficacious ways of promoting international amity.

A Plea for Improved Banking Service*

Sri C. R. K. CHETTY, B.A., C.A.I.B.,

Secretary, Madras Provincial Co-operative Bank Ltd.,

Gentlemen,

The Co-operative Movement has in many parts of the world established itself as an important social and economic factor in raising the standards of the people. In India also, it has played a very useful role. But considering its vast potentialities, on which incidentally the Planning Commission has relied a good deal, it is a matter of doubt whether such expected benefits have been derived from this agency. As a matter of fact, a perusal of the statistical statements relating to the Co-operative Movement in India for the year 1949-1950, reveals no spectacular improvement either on the qualitative or quantitative side. On the other hand, there is a rather disquieting feature in the report. There has been a fall of 2.8 in the percentage of deposits to working capital during the past four years. It is stated that this is due to an inadequate emphasis being bestowed on thrift. I believe that a similar disparity does not exist in the case of Commercial Banks. I entreat my brother-Secretaries to give this aspect of the situation every attention if our interests are to be bettered in the long run.

For the immediate present, I would request you to concentrate on affording improved banking service. By doing so, Co-operative Banks would be attracting more customers and thereby improve their deposits. In asking you to do so, I would like to lay particular emphasis on the following banking services which need radical improvements.

A. Issue of Demand Drafts:

At present, very few co-operative banks make arrangements for the honouring of their demand drafts immediately on presentation. In most cases, as arrangements stand, drafts are honoured by drawee banks only on receipt of advices from the Provincial Bank that their accounts have been reimbursed by the drawer banks. There is necessarily a time lag between the presentation of drafts and the receipt of relative advices. The beneficiaries of the drafts are naturally annoyed over these delays. Such features are not noticeable in respect of drafts issued by Commercial Banks. This is because drafts are never issued by reputable Commercial Banks if prior arrangements had not been made for their payment immediately *on presentation*. I do not see why similar arrangements should not be made at least in 90 per cent of the cases by Co-operative Banks. I commend to my brother-Secretaries,

* Presidential Address delivered at the Third Central Banks Secretaries Conference held on 30-9-51 in Madras.

A PLEA FOR IMPROVED BANKING SERVICE

very strongly, the need to enter into an agreement with the Provincial Bank whereby the latter would be in a position to guarantee the encashment at par at certain specified places, of cheques drawn on the Provincial Bank by Central Banks. Since cash credit limits are being enjoyed by the Central Banks at the Provincial, a part of these limits can be made to be ear-marked for the "at par encashment".

Further more, because cash credits are granted against Co-operative Paper by the Provincial Bank, even the fluid resources of the Central Banks will not be materially affected by appropriating part of the limits allowed against such collaterals.

B. Collection of Bills:

It is observed that many Urban Banks are not prompt in handling bills or cheques sent to them for collection. I wish the Central Banks of the respective districts would impress upon them the necessity of either presenting or transmitting bills, as the case may be, not later than the day following their receipt. Not only will the Secretaries of the Central Banks save the co-operative banks from the inherent risks attendant on such delays but they will help to remove the present prejudices which appear to prevail with the banking public. In this connection, I feel it incumbent on me to bring to the notice of my brother-Secretaries, that the Madras Clearing House does not meet on Saturdays. The Provincial Bank is therefore not able to clear till the next Monday any of the cheques received by Registered Post on Fridays. This is because cheques sent by registered post are received after the Clearing House is over. To facilitate quick collection, I would recommend such cheques being sent by ordinary post provided such cheques are specially crossed for collection by the Provincial Bank.

Coming now to the role which the Provincial Bank plays as Financing Institution, I am sorry to state that many of the Central Banks do not yet appear to have realised the importance of submitting the various statements required of them, in time. Even to this day, there are quite a few Central Banks to whom reminders have to be sent more than once. If my brother-Secretaries can remember that the Provincial is required to furnish periodical statements to the Government in accordance with guarantee arrangements made with them and that the Provincial Bank cannot do so if the Central Banks fail to submit their returns in time, the Provincial Bank will not be in that vexatious position it has been placed in the past. I would therefore request you, Gentlemen, to impress upon your subordinates not only the need for a punctilious compilation of stock statements etc., but also an expeditious despatch of the same.

During the short period of my service in the Provincial Bank, I have been painfully forced to return many applications for loans for

want of fuller details in them. When advances for primaries and Stores are required one is not able to ascertain from the application, whether the normal borrowing power or the bank permits such an advance. In some cases, pertinent data are not furnished on the plea that the passing Committee was due to meet the following day and there was not enough time to gather details. Such submissions, I am afraid, are apt to reflect on the Secretaries as not being able to gauge their requirements sufficiently in advance. The members of the Committee are also unable to arrive at a decision with the particulars as supplied. Hence on the whole, considerable time and energy are wasted not only by the Central and the Provincial Banks, but by the members of the Committee as well.

Again in regard to hundies sent to Provincial Bank for re-discount at the Reserve Bank of India, I find that in several cases hundies had to be returned to the Central Banks because they were either irregularly drawn or incompletely made out. If a meticulous examination of these documents is made before they are dispatched to the Provincial Bank, the Provincial Bank would be in a position to reimburse itself without any delay and utilize the released funds elsewhere to the benefit of the Movement.

Until I entered the services of the Provincial Bank I was not aware that so many share-brokers were averse to handling the sale of Government Promissory Notes or M.C.C.L.M. Bank debentures on behalf of co-operative institutions. I now find that I cannot blame them. From the correspondence which has come to my knowledge, I find that some defects in Securities which have been sold have not been removed even after a period of six months. The Provincial Bank is compiling a list of objections which have been raised by the Public Debt Office on various occasions and it is proposed to circulate them to all institutions in the near future.

In the meanwhile to avoid inconvenience to purchasers all references to the sale or otherwise of G. P. Notes or M.C.C.L.M. Debentures may be directed to the Provincial Bank where arrangements have been made for immediate attention being paid and prompt service being rendered. Incidentally if all enquiries are directed to the Provincial Bank, there is every possibility of business being done within the movement itself and without payment of brokerage. There is also the possibility that while such securities like Madras C.C.L.M. Bank debentures may not find a ready market for small lots, interest may be got evinced by institutional investors if all the small lots are pooled at the Provincial Bank.

The I. L. O. and the Co-operative Movement

MR. G. N. LAMMING

Chief of the Co-operative and Handicrafts Service, I. L. O. Geneva.

Over a long period—in fact ever since the foundation of the International Labour Organisation thirty years ago—the same community of ideals has brought the co-operative movement into practical association with the I. L. O. Not infrequently, co-operators are to be found among the delegates or technical advisers of national delegations to the International Labour Conference.

The I. L. O. maintains an Advisory Committee on Co-operation consisting of prominent experts from different branches of the Co-operative Movement; the scope of this committee is at present being extended in order to make it still more representative of co-operative activity in various parts of the world, and its working methods are being remodelled in order to give greater flexibility in its studies.

The International Co-operative Alliance enjoys consultative status with the International Labour Organisation, and is thus able to participate directly in the various conferences, committees, and Governing Body meetings of the I. L. O.

The fields in which the I. C. A. can collaborate with the I. L. O. are many and varied. I might mention, in addition to co-operative questions as such, the problems of productivity, housing, manpower, social problems in agriculture, conditions of work, the protection of women and young workers, social security, manpower and migration. In the field of manpower, as you are undoubtedly aware, the I. L. O. is applying a very comprehensive programme, while as regards migration a conference in Naples next month will consider a vast project to be conducted under I. L. O. auspices.

With respect to co-operative questions proper, I need scarcely recall that since its very inception the International Labour Office has maintained a special service to follow the development of the Co-operative Movement in all its forms. In the past few years, this activity has been intensified and has assumed an increasingly operational character in response to the wishes of member States. Broadly speaking, the I. L. O. deals with the legislative, administrative, organisational, and educational questions of all types of co-operative institutions in the course of its regular work in the co-operative field.

THE MADRAS JOURNAL OF CO-OPERATION

Since your last congress three years ago, various aspects of such questions have been taken up for thorough examination by the Advisory Committee on Co-operation, in 1949; the Asian Regional Conference of the I. L. O. in 1950; and the Asian Technical Conference on Co-operation of the I. L. O. in 1951. Preparations are being made for similar regional studies of co-operative matters under I. L. O. auspices in other parts of the world.

Assistance to Governments

At the request of Governments, or of governmental institutions, the I. L. O. is habitually supplying information on co-operative matters, while officials of the I. L. O. Co-operation Service have in the past two years visited a large number of countries in Asia, the Near and Middle East, and Latin America, to provide advice or to render service on questions of co-operative development in those countries.

Furthermore, under the Expanded Programme of Technical Assistance, the I. L. O. has still more extended its practical action in the field of Co-operation.

To judge by the number of requests received by the I. L. O., the importance of co-operative organisation and of the development of small scale industries is inferior only to that of manpower among the problems encountered by Governments of underdeveloped countries.

Today the I. L. O. is servicing over thirty technical assistance projects on co-operative and handicrafts in more than a score of countries throughout Asia, the Near and Middle East, Africa, and Latin America, and week by week it receives from Member States fresh demands for assistance in these fields. These projects aim at the development of co-operation in all its forms: supply, banking and credit, production, distribution and so on.

At the present time it is the duty of the international organisations, both governmental and non-governmental, to re-emphasise that the attainment of the objective of a lasting world peace is more than ever dependent on vigorous action directed at laying the foundations of social and economic well-being. There must be no diminishing of the international effort in which these organisations are engaged.

(From the I. L. O. News Service)

Our Problems and Our Duties*

SRI A. RAMACHANDRAM PILLAI,

*President, Ramnad District Co-operative Central Bank, Ltd.
and Ramnad District Wholesale Co-operative Stores.*

Hon'ble Chief Minister, Registrar, Brother Co-operators and Sisters!

I am highly thankful to the Reception Committee for having given me the opportunity to Preside over the 8th Tamilnad Co-operative Conference.

The presence of Sri T. A. Ramalingam Chettiar here on this occasion infuses in us a sense of enthusiasm and zeal. It is the strong belief of the Co-operators that under his leadership, the Co-operative Movement will grow from strength to strength.

It is 47 years since the Co-operative Movement came into existence. Within this period the people had to face two World Wars. Though it is six years since the World War II came to an end, people who are affected by the War are not able to improve their conditions. At this stage War is going on in Korea. It is our misfortune that the peace move has proved futile. It is 5 years since our country has become independent. The conditions have not improved as much as we expected. The Government have to strain much due to the after effects of the war and also on account of the bifurcation of India. In our country we have to face scarcity of food and clothing. Foremost of all, progress of agriculture has been hampered much by the failure of the monsoon. Taking advantage of the situation, a certain class of people exploit the public by increasing the prices of commodities rapidly by trading in the black market, and adopting all tactics of adulteration, thus inconveniencing the poor masses. To eradicate these troubles, our State and Central Governments are trying their best. Our country cannot prosper unless our people have unity, selflessness and integrity. It is only by co-operation that our country can prosper. We should look forward for the days when we could have co-operation in its true sense.

Most of us are agriculturists. Formerly people used to borrow money from money lenders for agricultural purposes and repay their debts after harvest by selling the produce at low prices to the merchants. They used to repeat the same process of seeking the help of the Money lenders season after season. By this selling of the produce at low rates and paying heavy interests to the money lenders, the position of the agriculturists deteriorated. After the advent of the Co-operative Movement the rate of interest in the case of the money lenders has fallen. Still the agriculturists continued

*Presidential Address delivered at the VIII Tamilnad Co-operative Conference, held at Madras on 29-9-1951.

their practice of borrowing from the money lenders. The Co-operative institutions which were started with a view to fix a fair price for the produce were not fully utilised by the agriculturists. In many places, the merchants themselves derive the maximum benefit from such institutions. We assure the agriculturists of loans at low rates of interest and sale of their commodities through the co-operative marketing societies for fair prices. The agriculturists should consider well the high esteem in which they are held by the Co-operative Department and should take steps to raise their financial status. Instead of passing numerous resolutions at Conferences, it will be better if one or two resolutions to raise the status of the agriculturists are passed and translated into action and if at the next Conference the plans executed and their results are discussed. Suitable modifications of the measures may be made so that the agriculturists may be better placed in life. Every year in each district co-operative consciousness should be created in groups of villages; and this will be a real service done to the public. I am of opinion that instead of expanding the Co-operative Movement still wider it would be better if steps are taken to improve the existing institutions thus affording all facilities to the villagers to have everything done by Co-operation.

The Annual Administration Report of 1949-50 of the Registrar of Co-operative Societies states that there were 22,784 Co-operative Societies with 31,22,021 members. It further relates that 64.6 per cent of the total number of villages have got co-operative institutions. Out of these societies there are 15,348 agricultural credit societies with a total number of 12 lakhs of members. 6,444 societies are working as multipurpose societies. Out of the total population of the Madras State 17 per cent are served by the Co-operative Movement. It is really a pleasure for those working for the expansion of Co-operative Movement to know that our State leads the other States in the Co-operative Movement. Apart from the numerical growth of societies they work in different directions serving the public. There are, agriculturist societies, handloom weavers societies, house building societies, colonisation societies, fishermen's societies, ex-servicemen's transport societies, potters societies, metal societies, leather societies, coir societies, jaggery societies (to help the ex-toddy tappers) and women cottage industries societies. In this way the movement has served us in numerous directions and it has expanded very much. There is also a proposal to run a sugar factory on Co-operative basis at Visakhapatnam and also to establish a co-operative spinning mill to supply adequate quantity of yarn to the poor weavers. We can say that our objective has been achieved, only when we are able to get our daily needs without any difficulty through the Co-operative Movement. Only then there will be self sufficiency in our country. As mentioned by our President, people must become members of the co-operative societies of their own accord and only people who have

got faith in the movement should start the co-operative societies. If the number of societies increases the Central Banks will not be in a position to advance monies. Already all the Banks received huge deposits. The Provincial Co-operative Bank is offering monetary help as far as possible. Further the Co-operative Banks are advancing monies for procurement of food stuffs, sale of manure etc. The Reserve Bank should come forward to help the societies which are prepared to finance for the agricultural purposes and to the agriculturists. We should be grateful to the Reserve Bank who have come forward to assist the stable co-operative banks with loans at low rate of interest. This improvement denotes that their ideas about Co-operative Institutions have become stronger than before. Still our leader, Sri T. A. Ramalingam Chettiar and the Registrar should take adequate steps to get more help from the Reserve Bank for the co-operative institutions. This is my humble request to them. According to the present Reserve Bank Act they are unable to offer assistance to the agriculturists for improvement of agriculture, for purchase of cattle etc. by advancing long-term loans as there is no provision in this behalf. So also in the case of cottage industries, the Reserve Bank Act should be amended suitably, so that financial help may be got from the State Bank. Such assistance will surely strengthen the Co-operative Movement very much. We should say that even the help rendered by the Government is not quite adequate at present. Procurement of food stuffs, distribution of yarn to weavers, sale of agricultural implements and manures are very important to agriculturists and artisans. All these are mainly done only by the co-operative institutions. As long as the co-operative institutions undertake such responsibilities and work, the Government should come forward to render all financial assistance through the State Bank without any hesitation. Apart from this the Provincial Co-operative Bank should advance loans to such of the landlords who derive a fairly good income from land and own huge properties. In addition to this the Reserve Bank and Government should come forward to meet all other requirements of the agriculturists. Since the share capital and Reserve fund of the Co-operative institutions are huge, the Government or the Reserve Bank need not hesitate to offer financial help to them.

In our country, the problem which affects mostly the middle and poor classes is the food problem. Despite many plans for the production of food stuffs, and huge expenditure in this behalf, the position has not improved appreciably. Though the control and distribution are in force, the majority of the people have not been benefited. In our country where rice is the main item in our menu, some of us get 6 ozs. of rice where as many get only 2 ozs. Rice that is mostly required for the people is sold at a very high cost. At this stage the Co-operative societies and Co-operators should think of some useful plans to tide over the crisis. This is the most important service to be rendered to the people. At present, under the *Grow More Food Campaign* with the assistance of the co-operative

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societies in seven districts, the scheme for increasing production of food articles is being worked out. Such of the societies which are sound and worthy of rendering service must be annexed to this scheme. If, in each district a particular place is chosen for an ideal co-operative farming and the production scheme is worked out methodically, it will be helpful to improve the production in other parts of the country as well on that model. Supply of manure useful to agriculturists is being made by the co-operative societies. Though there was more than the requisite quantity of manure during the last year we are unable to get an adequate quantity this year. We must request the Government to take necessary steps in this regard.

The next subject to be taken up is the problem of the weavers. When the war was in progress, the status of the weavers was very high and they were getting a large income. Afterwards, the prices of handloom cloth fell and the weavers were put to difficulties on account of inadequate income. As a result of a change in the export system of the Government again the financial status of the weavers has improved. At present due to scarcity of yarn the weavers are unable keep themselves engaged. Due to the unsteady principles of the Government and their ever changing nature, those who take to weaving as their profession, are affected very much. As there is good patronage for handloom cloth in our country they should be given adequate quantity of yarn and the balance of the yarn should be utilised for manufacture of mill goods and for export. Such a plan should be implemented. Only then the situation could be better. Production of cotton should also be accelerated. The proposal to open spinning mills on Co-operative basis is also one which should be welcomed. Opening a number of mills in Tamil Nad for manufacture of a large quantity of yarn to meet the requirements of handloom weavers is my great desire.

The scarcity of cloth is mainly due to the change in the export policy of the Government. When distribution of cloth was made through Co-operative institutions people did not feel any cloth difficulty. They were able to get cloth at fair prices and according to their wants. Afterwards the mode of distribution was changed and the same was entrusted to the individual dealers as a result of which the cloth situation deteriorated. There is a long queue of buyers opposite every cloth shop. Some of the buyers black market cloth to the genuine consumers. This situation forces the distribution of mill cloth to be made only through co-operative institutions. In a short period, the controlled price of mill cloth sold in the piece goods shops sky-rocketed. The Government should take proper measures to find out the reasons for such great rises in prices of the cloth. The Government must necessarily be compelled to feel that any equidistribution of cloth can be made only if the sale of mill goods is entrusted to co-operative institutions.

For a long time it has been spoken at length that the agriculturists and others should supplement their income by taking up cottage industries and for these purposes some indigenous materials which are available in our country should be used. In this direction work is being carried on only to a small extent. People have no appreciable enthusiasm and pleasure for this. The scheme by which the Government should supply materials and implements at cost price to the villagers to increase production is really worthy of praise. If the villagers patronize this scheme whole heartedly, cottage industry is sure to flourish.

OUR PROBLEMS AND OUR DUTIES

To give good accommodation to the people, co-operative house construction societies are in existence and they are lending a helping hand in the construction of houses. But the benefit goes only to the rich and some middle class people who are well placed in life. The majority of the people who are poor must be provided with suitable houses by chalking out suitable plans and translating them into action expeditiously.

In our State there were 1,792 primary co-operative stores as on 30-12-'50. Their subscribed share capital amounted to Rs. 92,86,000 and their total number of members was 5,40,000. They have distributed commodities worth Rs. 25½ crores during 1949-50. They have saved the people from the evils of black marketing, profiteering and hoarding by supplying adequate quantities of food stuffs to consumers. These co-operative stores have made no difference between members and non-members and the distribution is carried on equitably which is worth appreciating. In our State there should be close co-operation between the primary co-operative stores and the wholesale marketing stores which are intended to supply all commodities to the Stores. It is also the duty of the marketing stores to co-operate with the primary stores meeting their demands. This kind of reciprocal relationship is quite essential for the uplift of the co-operative movement.

The Co-operative Movement was initiated by the Government in our country for the good of the public. This was actually fostered and nourished by the Government. The Reserve Bank also is of opinion that the co-operative movement must be conducted on a democratic basis. They have also published communiques from time to time stating that there should not be any interference by the Government or the officials appointed by them. No individual concern should interfere in the administration. Whatever schemes are formulated, they should be done with the consultation of the co-operators and they must be worked out according to their suggestions. For instance, the scheme worked out for the sake of places which have proper irrigational facilities cannot be applied to places which cannot command such facilities. So in order to ensure the advancement of a democratic co-operative movement in the future, it is incumbent on the co-operators to take proper steps. There should be representatives in the House of Parliament to support co-operative movement, interpret their needs, point out the yeoman services such institutions render to the public and convey the suggestions of the co-operators for improvements to the Government suggesting at the same time ways of implementing them. It is the desire of many that in the coming elections, co-operators also should be elected.

Friends, there are many things in the co-operative movement on which one can speak at length. Selfless, honest and upright men should join the movement and take an active part. Better service cannot be rendered to humanity than that rendered by the Co-operative Movement. We have assembled here at the opportune time. I have a strong belief that the resolutions passed at this conference consisting of best co-operators will serve the interests of the Co-operative Movement in the years to come and will also aid the proper growth of the movement.

Progress of Co-operative Movement in India (With special reference to Madras.)

V. KAMARAJU, M. A., F. R. E. S. (LOND.),
Asst. Accountant, Madras State Co-op. Bank, Ltd.

"Co-operation is both a system and a spirit; it is both a method of working and a moral source; 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 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 State to carry out some of its economic policies, but it should maintain its power of initiative and its independence." (Co-operation and the State—R. G. Saraiya.)

The theory of Co-operation is very briefly that an isolated and powerless individual can, by association with others and by moral development and mutual support, obtain, in his own degree, the material advantages available to wealthy or powerful persons and thereby develop himself to the fullest extent of his natural abilities. By the union of forces material advancement is secured and by united action self-reliance is fostered and it is from the interaction of these influences that it is hoped to attain the effective realisation of the higher and more prosperous standard of life which has been characterised as "better business, better farming and better living."

The Co-operative Movement in India owes its origin to the Government initiative and not spontaneous action taken by the people themselves. The Co-operative societies came into existence by legislative enactment by the Government of Co-operative Credit Societies Act, 1904. Prior to that, though the Government recognised that cheap and easy credit is the 'sine qua non' of prosperous agriculture, the Government were not able to take a bold step and come to the aid of agriculturists, due to the inherent nature of the industry—agriculture. Uncertainty,

PROGRESS OF CO-OPERATIVE MOVEMENT IN INDIA

insecuredness, and the gambling nature of agriculture on monsoon, conspired to make the then Government of India not to pay any considered attention to the credit needs of the agriculturists. Most of the agricultural population is part time labourers who have no security as assets. To them agriculture is not so much as a profession as a mode of living. They do not save and utilise for future living. Agricultural finance is linked up to improvement of agriculture. Before credit facilities are provided to him, he must be credit-worthy. Agency to lend credit and to supervise its utilisation is only through co-operative societies. Hence the Act of 1904 was passed for the formation of credit societies only and the other various forms of co-operative societies were postponed. Prior to 1904, the State helped the cultivator by means of Lands Improvement Loans Act, 1893 and Agriculturists Loan Act, 1884. As early as 1882, Sir Frederick Nicholson, a Madras Civilian, was appointed by the Provincial Government to require and report about the possibility of the establishment of Rural Banks. Hence we find his solution "Find Reiffeisen." The Indian Famine Commission, 1901, urged the Government to start Credit Associations to come to the rescue of the agriculturists who formed the backbone of the nation's progress and property, and this resulted in the enactment of Co-operative Credit Societies (Act X, 1904.) This Act aimed only to provide credit to agriculturists through Co-operatives to relieve rural indebtedness. Under this Act, the first society to be registered was the Tirur Co-op. Credit Society, registered in Madras State on 30th August 1904. Gradually the credit movement developed to Himalayan heights. As days passed, the Government recognised the need of non-credit forms of Co-operation and passed the Co-operative Societies Act of 1912 which covered, purchase, sale, production, distribution, housing, insurance. In 1915, McLagan Committee was appointed to report on the growth of the Movement and the Committee declared in unequivocal terms that the future of Co-operation in India was secure and firm. The Government of India Act, 1919 made the subject Co-operation, a provincial item and placed it under the control of a Minister. By this Co-operation from a central subject became a provincial subject, thereby resulting in the enactment of various types by various states to meet their respective needs. This led to the passing of the Co-operative Societies Act, of 1932. On the recommendations of the Townsend Committee of 1927, new enactments were made which led to the rapid growth of Movement in Madras. Due to the economic depression, there was a serious set back in the credit sector the of movement, while the non-credit sector developed rapidly. In 1939, a Special Committee was appointed with Sir T. Vijayaraghavachariar as Chairman to make their observations.

In the period of four decades from 1908-1909 to 1947-48, the number of societies have increased from 180 to 18,356, by 30th June '50,

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the total number of societies rose to 22,784 co-operatives in the State. The number of members has risen from 15,597 to 25.88 lakhs in 1947-48.

Progress of Co-operative Movement.

	1908-09	1947-48	1948-49	1949-50
Societies No.	180	18,356	20,796	22,784
Membership	15,597	25,38,000	28,60,000	31,22,000
Share Capital (Rs.)	18.19 lakhs	5,660.33 lakhs		7,111 lakhs
Reserve Fund „	0.53 lakhs	434.33 lakhs		944 lakhs

Figures at a glance show that the Co-operative Movement in India has progressed beyond all expectations and Madras take a proud place in the Co-operative Map of India. This shows the usefulness of Co-operatives in different spheres of co-operative life which led to the rapid expansion of the Movement.

India.

	1938-39	1948-49	1949-50	per cent
No. of Societies (ooo's)	122	163.9	173.09	85
Membership (in lakhs)	53.7	127.1	125.61	125.7
Working capital (in crores)	106.7	219.49	233.10	107

(to be continued.)

Notice to Non-Members.

Sub: Madras Journal of Co-operation—Subscription Rate—Increase of

This is to inform the Non-members of this Union, in view of high cost of printing and paper, the Executive Committee of this Union has been obliged to increase the rate of annual subscription of the **Madras Journal of Co-operation** from Rs. 6 to Rs. 8. This will take effect from Vol. XLIV of the Madras Journal of Co-operation, i. e., from July 1952 onwards. Hence the Non-members are requested to remit the revised rate of subscription from Volume XLIV (1951 July to 1952 June) onwards.

MADRAS,
15th Oct. 1951.

P. NATESAN, M.B., B.S.,
General Secretary and Hony. Editor,
The Madras State Co-op. Union, Madras.

A Note on the working of Kunnathur Ex-tappers Weavers' Co-op. Production & Sale Society.

The Kunnathur Ex-tappers Weavers' Co-operative Society in Sriperumbudur Taluk in Chingleput District was registered on 1-6-49 and started on work on 9-6-49 to find employment for the ex-toddy tappers thrown out of employment in Chingleput District. Kunnathur is situated about 4 miles from Poonamallee on the Poonamallee—Porur—Kanjee-puram Road. There are already three weavers' societies working in the area which is a weaving centre producing mostly lungies. The ex-toddy tappers had some knowledge of weaving and it was therefore thought fit to organise a weavers' society there exclusively for their benefit. The object of the society is to supply yarn to the members, pay them wages for conversion into finished goods and arrange for the marketing of the goods, to the best advantage of the society. For this purpose the society is competent to borrow from the Central Bank of the District.

2. There were 20 members with a paid up share capital of Rs. 1000 at the time of starting. Soon the society became popular and at the end of the year, 1950-51 i. e., on 30-6-'51, there were 98 members with a paid up share capital of Rs. 5,085. The society borrowed Rs. 2,000 from the Co-operative Central Bank, Kancheepuram on 2-9-'49 as a short term loan and was able to repay it before 9-4-'51. It has invested Rs. 1,000 as shares in the Central Bank, Rs. 500 in the Madras Co-operative Spinnig Mills, Guntakal and Rs. 50 in the Madras State Co-operative Bank Limited, Madras.

3. There was appreciable growth also in the business of the society. The ex-toddy tappers evinced keen interest in weaving and competed successfully with the professional weavers in the area in the production of fine lunghi pieces. On the date of starting, 50 looms were admitted in the society and the number of looms increased with the increase in membership. Thus there were 111 looms working in the society on 30-6-51. The society was given a month allotment of 30 bundles of 80's yarn for the 50 looms by the Madras State Handloom Weavers' Co-operative Society to start with. Soon its permanent allotment increased to 83 bundles of 80's and 26 bundles of 60s with the increase in looms. The members weave different patterns of lungies of 4½ yards in length and 29" in width for which a weaver is paid a wage of Rs. 4-8-0. A weaver can weave this in two days. On this basis he gets, Rs. 2-4-0 per day. Due to the slump in the lunghi market and shortage of yarn, a weaver member gets work only for 12 to 15 days a month. The quality of the goods produced by the ex-tapper weavers is now good and they are exported by the merchants to Burma, Ceylon, Indonesia

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and other foreign markets. The business done by the society in the Co-operative year 1950-51 was as follows (1-7-'50 to 30-6-'51).

	Rs.
The value of opening stock of yarn ...	1,694
The value of yarn purchased ...	29,778
Dyeing charges paid ...	2,745
Incidental charges incurred ...	93
Value of goods at the beginning of the year ...	166
Value of stock sold ...	74,100
The value of closing stock ...	4,220
Wages paid to members ...	33,023

4. The society maintained three clerks and one watchman and incurred Rs. 2,370 during the year by way of establishment and contingent charges. It earned a net profit of Rs. 10,368 during the year. The profit of the society is not yet distributed. It has provision in its bylaws to set apart 40 per cent of net profits to Reserve Fund; to pay not exceeding 6½ per cent as dividend on the paid up share capital of members; to pay such amount as may be decided by the General body of members as bonus to members based either on wages paid or value of goods supplied and honorarium to directors not exceeding 20 per cent of the profits and to allocate sums to such funds as Wages Equalisation Fund, Common Good Fund, Building Fund, etc., as approved by the General body of members, out of its profits.

5. During the short period of 2 years of its existence, the society has done useful work in ameliorating the condition of the ex-tappers. Besides providing employment and a living wage to the members it has enabled them to put by in the Thrift fund of the society a sum of Rs. 1,986 upto 30-6-'51, out of the wages earned. The society has a bright future.

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

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

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

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

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

Books in Brief.

A Consumers' Democracy—compiled and published by the Publications and Market Research Departments of the C.W.S. Manchester pp. 160.

This attractive volume which is an account of the origin and growth of the Co-operative Wholesale Society, Ltd. as well as a survey of its present structure and its major activities is presented as an appropriate contribution of co-operatives to the Festival of Britain (1951) to impress the readers at home and friends from overseas about the substantial economic benefits that the co-operative system of trading now an integral part of British national life confers on more than half the families of Britain.

This book recounts, very highly the circumstances leading to the formation of and the foundation landmarks in the development of the C.W.S., the shaping of its structure, its expansion, its adjustment to changing environments, the growth of its production activities etc.

It narrates how giant structure is managed by the representatives of the retail stores through the quarterly meetings which "are no rubber stamp" occasions, but gatherings which exercise a real and considerable influence," how its directors are elected, how it is financed etc. leading to the conclusion that "no other great business whether under public or private ownership is subjected to so regular, careful, informed and frequent a survey by its customers as is the C.W.S." Under the heading "How Britain's biggest business is run," the work of the Board of Directors and its sub-committees, the trading policy the work of the various overseas buying depots, the various production activities and consumers' services under taken by the C.W.S. are explained. The special feature of the market to which the C.W.S. is to cater and its position as an employer have also been surveyed. A perusal of this book will convince the busy, lay reader that the C.W.S. is a consumers' democracy always at the service of the community and that the co-operative system of trading offers all peoples of the world a way of life based on sound democratic principles and their practical application for the common good.

This volume designed by the C.W.S. Publicity Department and printed by the C.W.S. on excellent art paper, contains 160 pages and about as many pleasing and instructive illustrations, diagrams—many of them full page, tastefully coloured, often multi-coloured—and is a testimony to the high standards of efficiency of the two departments. This lavishly produced brilliant work makes a high interesting and instructive study; not

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even a few of those that catch a glimpse of it from a distance will fail to eagerly turn through each and every page of the book. We commend this book to Indian Co-operators not only for study and admiration but also for emulation.

S.V.S.

Guide on Co-operative Law and Principles by Sri O. Bapineedu, B.A., Superintendent, The Ramadas Co-operative Training Institute. Ltd. Rajahmundry—Published by the Ramadas Co-operative Training Institute, Ltd., Rajahmundry—Foreword by Sri B. Venkataratnam, M.L.A., President of the Madras State Co-operative Union—1951. pp. 185, Crown size, Price Rs. 3.

With the growing importance of the Co-operative Movement in the country and the variety and vastness of the fields of Co-operative activity, the need for a proper understanding of the Co-operative Societies Act has become quite essential on the part of the office-bearers of the co-operative institutions, the students of co-operation, and even legal practitioners. This book has been written with a view to providing the public a hand book which can be readily referred to whenever needed. It contains a useful introduction, exhaustive explanatory notes, examples, comparative study tables and a commentary on the Madras Act VI of 1932 and the rules framed there under. The book also gives the Central Land Mortgage Bank Act X of 1934 and the Multi-unit Co-operative Societies Act VI of 1942.

The book is divided into four parts. In part I—Introduction—the author has given the history of Co-operative credit and the history of co-operative legislation in an interesting manner. Part II contains explanatory notes on the various sections of the Madras Act VI of 1932 and the Rules. Part III gives the explanatory notes of the Central Land Mortgage Bank Act of 1934 and the last part the notes on the Multi-unit co-operative Societies Act.

The book is an interesting and useful reading for students and others who desire to understand the provisions of the Co-operative Societies Acts in Madras.

V. N. T.

The VIII Tamil Nadu Co-op. Conference Resolutions.

The following resolutions were passed at the 8th Tamilnadu Co-operative Conference held at Madras on 29th and 30th September 1951.

1. This Conference conveys its condolences on the demise of Messrs. K.A. Nachiappa Gounder, S.K. Yegnanarayana Iyer, and S.K. Sadagopa Mudaliar, who, as veteran Co-operators, took prominent part in the development of the movement.

2. This conference requests the Government to permit the investing of the security deposits of Local Board contractors in Co-operative Urban Banks. It is further resolved that the deposits so received by the Urban Banks be invested in the Central Co-operative Banks retaining a margin of $\frac{1}{2}$ per cent interest per annum.

3. This conference resolves to request the Government to exempt all Co-operative Institutions from the operations of the Madras Shops and Establishments Act.

4. It is hereby resolved to request the Government to permit the investment of the funds of Trusts, Religious Endowments, Village Panchayats and other Local Boards in Co-operative Urban Banks and that these institutions be also permitted to open current accounts in the Urban Banks.

5. Though the Co-operative Societies are exempt from payment of Income Tax, on certain items such as interest or other income derived on business arising out of the subsidiary rules of the societies Government assess income tax as they treat such income as not part of their regular income. This conference therefore resolves to request the Government to modify such a procedure in the matter of co-operative institutions.

6. It is resolved to request the Government to permit the appointment of private auditors from the panel of auditors approved by the Registrar for Urban Banks and Central Banks, and as for the other societies it is resolved that the Departmental Audit may continue, but, that the scale of audit fees be reduced by 25 per cent from the existing fees.

7. It is resolved to request the Government to remove the restriction of the maximum limit for the obtaining of drafts on the Reserve Bank or Imperial Bank through Taluk Sub-Treasuries by co-operative institutions and that the Co-operative Institutions be permitted to obtain drafts according to their requirements from time to time.

8. Resolved to request Government to adopt the same procedure as in other joint stock banks in the matter of issue of drafts to co-operative societies upon Government treasuries so that the present practice of Treasuries refusing payment for such drafts if they contain more than one endorsement or have *allonges* to them with endorsements, may be avoided.

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9. This conference resolves to request the Registrar to frame rules for prohibiting defaulters from obtaining new loans in societies or taking part in General Body meetings.

10. This conference recommends to the Government to grant exemption to co-operative societies in Pudukottai area in the matter of recovery of debts from the salaries of debtors on loans issued or decrees made before 1-4-49 waiving the present limit of monthly salary Rs. 100 below which attachment should not be made ordinarily.

11. Resolved to request the concerned officers to withhold moneys from salaries of their staff members in the matter of their debts to Co-operative societies as per the undertakings given by them, when obtaining loans from the societies.

12. This conference requests Government to amend Rule 27 of the Rules framed under the Co-operative Societies Act to prohibit persons who carry on business on their own which is in competition with the objects and business of societies from being office bearers of such societies.

13. Resolved to request the Registrar to permit Central Banks to sanction the Pumpset loans to agriculturists as in the case of other loans, as the procedure now laid down in bylaw No. 42 of primary credit societies that such loans be approved and recommended by Deputy Registrar causes much delay.

14. (a) This Conference resolves to request the Registrar and the Madras Handloom Weavers' State Co-operative Society to take action for the starting of a Co-operative Spinning Mill in Tamil Nad at an early date.

(b) Resolved to request the State Government to press the Union Government to guarantee that the yarn produced by co-operative textile mills in the State be distributed only to co-operative weaver societies and that the balance, only if any, be exported outside the State.

15. Resolved to request the Government to amend Reserve Bank Act and thereby facilitate the issue of loans to co-operative Banks for distribution of foodstuffs, clothing etc., and for the rendering of financial help for the improvement of Cottage Industries and it is further resolved that Government also should sanction loans for the above purposes from out of their funds.

16. This conference resolves to request Central Stores and Marketing societies to purchase bulldozers and boring sets for leaseing on hire to the agriculturists, and it is further resolved that Government be requested to sanction financial subsidies to the societies undertaking such work.

17. This conference impresses upon Government the urgency of the separation of Audit from Administration and request that the separation be given effect to immediately.

THE VIII TAMILNADU CO-OP. CONFERENCE RESOLUTIONS

18. Resolved to request the Government to arrange for the distribution of galvanised pipes, manure, iron tyres and other agricultural requirements of the ryots through Co-operative societies.

19. This conference calls upon all the co-operative societies to collect local deposits at the rate of at least Rs. 1,000 each and deposit the same in Central Co-operative Banks before the end of January 1952, and it is resolved to request the Central Bank to award shields to the best of such societies in their respective areas which has taken efforts in the matter, such prizes being arranged to be distributed at the next conference.

20. Resolved to request the Government to appoint all the co-operative institutions as agents of Government in the matter of procurement and sale of foodstuffs.

21. Resolved to request the Government to pass orders that Local Boards should keep all their transactions with the co-operative Central Banks.

22. This conference resolves to request the Government to give priority to the Grow More Food Schemes of Co-operative societies and alienate lands to them.

23. This conference resolves to request the Government to amend Section 40 of the Co-operative Societies Act so as to grant similar powers as in Section 38 A to Secretaries of Central Banks for the inspection of cash balance in societies.

24. It is resolved to request the Government to arrange for the distribution of mill cloth through co-operative societies and issue necessary orders in the matter as such a procedure would avoid scarcity of cloth among the public and enable equitable distribution of cloth to all and it is further resolved to request the Government for allotment of special cloth quota to scheduled caste societies.

25. Resolved to request the Government to arrange to run the ration shops through co-operative societies and help them by necessary facilities in the matter; and it is further resolved that the Government be requested to offer special concessions in the matter in the case of scheduled caste societies.

26. Resolved to request the Registrar to start separate building societies for the poor especially the scheduled class people, and for grant of long-term loans for construction of houses.

27. Resolved to request Government to permit issue of licence for selling of Buckingham and Carnatic Mills' and other varieties of cloth to co-operative societies irrespective of the fact whether they were dealing in mill cloth in pre-control period, so that they may obtain them at wholesale rates for distribution to their members.

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Conference of the Co-op. Wholesale Stores.

A Conference of the representatives of the Co-operative Wholesale Stores and the T.U.C.S. was held on 1-11-1951 at Chepauk, Madras, to finalise the scheme relating to the distribution of mill cloth through co-operatives and to consider some matters relating to the procurement of food grains. A number of non-official co-operators and officers of the co-operative department were present. Sri J. C. Ryan, Registrar of Co-op. Societies, Madras, presided.

The following are the resolutions passed by the Conference:

This Conference places on record its deep sense of sorrow on the sudden demise of Sri K. A. Nachiappa Gounder, M.L.A., President of the Salem Co-operative Wholesale Stores Limited, Salem and conveys its sincere condolences to his bereaved family.

I. Distribution of mill cloth through Co-operatives:

(a) Subject: Working of the scheme of procurement and distribution of mill cloth as sanctioned in G. O. Ms. No. 4575 Development Department dated 17-10-1951.

Resolution: Resolved that the scheme of procurement and distribution of mill cloth as sanctioned in G. O. Ms. No. 4575 Development Department dated 17-10-'51 be worked by the Co-operatives and that Government be requested to implement the promise contained in paragraph 5 of the said G. O.

(b) Subject: Procurement of mill cloth from Bombay and the Ahmedabad Centres:

Resolution: Resolved (1) that each Co-operative Wholesale Stores might make its own arrangements for the procurement of mill cloth by appointing local commission agents at the Bombay and the Ahmedabad Centres.

(2) that for this purpose, each Co-operative Wholesale Stores might select two agents from out of a panel of 4 names to be furnished by the Registrar—one agent to procure cloth from the Bombay Centre and the other from the Ahmedabad Centre and

(3) that each Co-operative Wholesale Stores might get an agreement executed by the agents appointed by them, specifying clearly the terms and the conditions under which the agents are to work in procuring the mill cloth from the respective centres.

(c) Subject: Retail distribution of Mill cloth:

Resolution: Resolved (1) that the retail distribution of mill cloth be entrusted to the primary Co-operative Stores, Multipurpose Societies, Employees Societies and others whose bylaws provide for such retail sales.

THE CO-OPERATIVE WHOLESALE STORES CONFERENCE IN MADRAS
1st November 1951



Photo shows Sri J. C. Ryan, (Registrar); Joint Registrars; representatives of C.W.S.; and two visitors from Thailand.

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28. This conference resolves to request Government through the Registrar to assign poramboke lands in the District to Harijans through Co-operative societies.

29. Resolved to request the Central Land Mortgage Bank and the Registrar that the Rs. 15,000 limit which is the maximum limit which an individual can borrow from the Land Mortgage Banks should not be reduced and that the share capital of the borrower be fixed at not exceeding 5 per cent of the loan from the Land Mortgage Bank.

30. This conference requests Government to rescind the order of the Revenue Board No. L. Dis. 010823-99/49, dated 8-9-49 prohibiting village officers from holding offices of Presidents or Secretaries of societies running Ration shops.

31. It is resolved to request the Government to exempt Co-operative Milk Production societies from the levy of Sales Tax permanently.

32. Resolved to request the Registrar to establish and run co-operative societies for the breeding and sale of cattle in each District so that members may be able to obtain cattle required by them directly without the intervention of the middlemen.

33. This conference resolves to request Government to give free assignment of poramboke lands to co-operative milk supply societies for growing of fodder crops.

34. This Conference resolves to request the Government to pass orders that Railway refreshment rooms, jails and institutions such as Government Hospitals should obtain their milk requirements through milk supply societies only without insisting on tenders.

35. Resolved to request the Government to supply stud bulls free to co-operative Milk Supply Societies established at taluk head-quarters so as to enable them to create interest among the members in the matter of milk production.

36. This conference resolves to request Government to allot cloth quota to the wholesale stores from the quota allotted to the State, just as the yarn quota allotted to the State is allotted to Co-operative Weavers' Societies, so that wholesale stores may distribute the cloth through the primary stores.

37. As the Government has failed to provide the required yarn to the weavers this conference resolves to request the State and Union Governments to provide the necessary yarn to them at least hereafter.

38. This conference resolves to request the Registrar to make the necessary propaganda and start weavers' co-operatives in all the villages having at least 250 looms.

39. This conference resolves to request the Government to give first preference to Co-operative Societies in the matter of distribution of controlled articles.

THE VIII TAMILNADU CO-OP. CONFERENCE RESOLUTIONS

40. Resolved to request Government to allow adequate margin to Co-operative Wholesale Stores to cover up shortage and other incidental charges and it is further resolved, that in case Government are not pleased to give any such allowance, the passing on of the value of such things to consumers may be permitted.

41. This conference resolves to request Government to exempt all co-operative stores from the operations of Sales Tax Act.

42. This conference resolves to request Government to supply super phosphate to Co-operative stores at subsidised rates.

43. Resolved to request Registrar to permit bylaw amendment by Central Co-operative Stores for plying their lorries on hire for outsiders.

44. Resolved to request Government to reduce yarn prices to 1948-49 level and allow export of yarn only after meeting the local requirements and it is further resolved to request Government to encourage traders, who purchase goods produced by co-operative weavers' societies, by giving them first preference in the matter of issue of permits and licences.

45. This conference calls upon all the political parties to elect only co-operators in the coming elections.

46. Resolved to request Government to take drastic steps to prevent handloom weavers from being oppressed by competition of Textile Mills.

47. This conference resolves to request the Central Banks to grant pay, Dearness allowance, Travelling allowance and House rent allowance to their Supervisors and other employees as per Government scale.

48. Resolved to request all the Co-operative Stores, Urban Banks and Emporiums in the Tamil Nad to give appointments to suitable candidates from among the Supervisors of Co-operative Central Banks for the vacancies of Secretaries, Managers and Executive Officers in them.

49. Resolved to request Government to declare employees of co-operative institutions in the category of essential services and issue rations to them as in the case of Government servants.

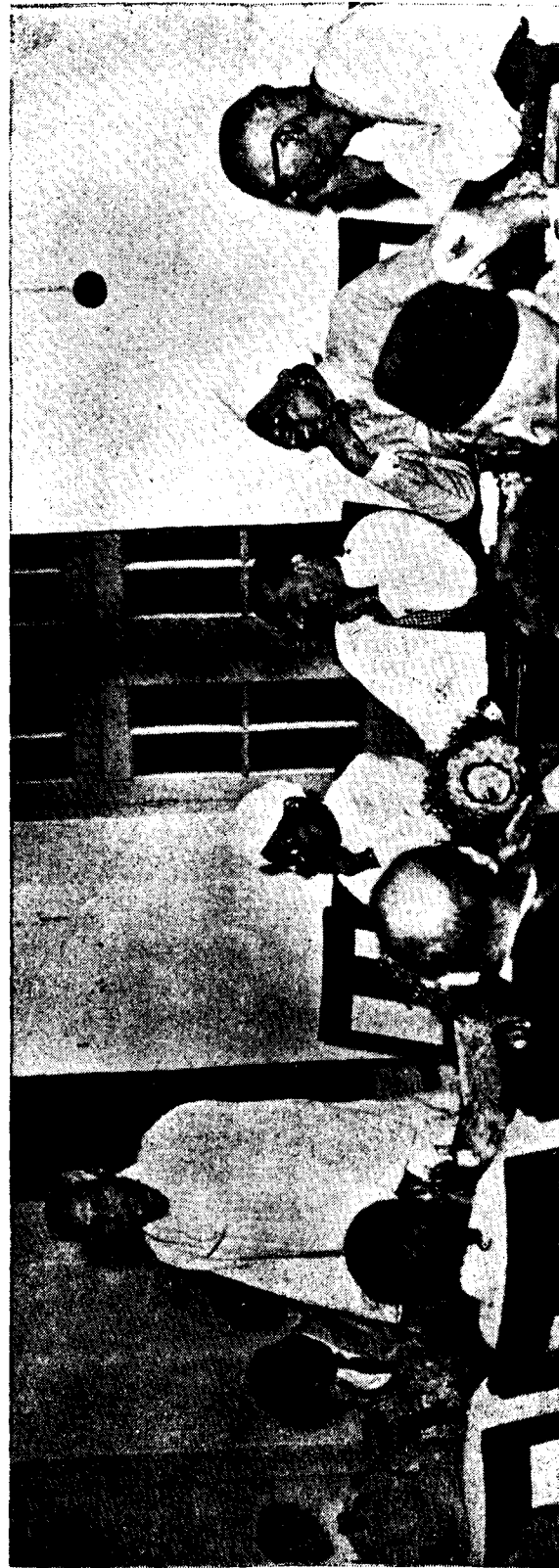
50. Resolved to request the Registrar to frame suitable rules for giving representation for co-operative institutions without making any distinction such as credit or other institutions in the Provincial, District and Central societies.

51. This Conference requests the multipurpose societies, urban banks, stores societies and other co-operative institutions to encourage the goods of weavers societies and cottage industries societies and help mutually in the marketing of such goods.

52. This conference requests the Co-operative institutions, especially the Central Banks and primary societies, to popularise the Debentures of Land Mortgage Banks in the villages and towns and take it as their duty, to see that the public subscribe for them in large numbers, as a matter of mutual help.

53. Resolved to request all the co-operative institutions to popularise co-operative life insurance scheme of the South India Co-operative Insurance Society in their respective areas, especially in the villages by propaganda, and thus help the co-operative effort.

ALL-INDIA CO-OPERATIVE DAY IN MADRAS
Saturday, the 3rd November 1951



The Hon'ble Sri Kala Venkata Rao, addressing a gathering of Co-operators. Seated to his left are The Hon'ble Mr. Justice W. Krishnaswamy Naidu ; Sri J.C. Ryan (Registrar) ; Prof. R. Krishnamurthy ; and Sri N. Satyanarayana.

CONFERENCE OF CO-OP. WHOLESALE STORES

(2) that the Marketing Societies should not, as a general policy, be entrusted with mill-cloth business as they are intended to promote the producers' interests and not the interests of consumers.

(3) that the Co-operative Wholesale Stores should not sell mill cloth in retail where primary co-operative stores or Multipurpose Co-operative Societies are functioning ; and,

(4) that the retail sale of mill cloth by the Co-operative Wholesale Stores through its depots be permitted only at such centres where there are no primary stores or Multipurpose Co-operative Societies functioning.

(a) Subject: *Retail sale of Millcloth by Co-operative Wholesale Stores:*

Resolution : Under G. O. 3408 Development dated 24-7-'51, the Co-operative Wholesale Stores, as Wholesale dealers, cannot undertake retail sale of mill cloth by transfer of its stock from its wholesale to the retail depot except by getting itself linked to another wholesaler for retail business. The reason advanced for the above prohibition is that the Government will be losing revenue by way of sales tax, as transfer of stocks from the wholesale to the retail godown of Co-operative Wholesale Stores is not considered as a sale.

Resolved that Government be requested to permit retail sale of mill cloth by Co-operative Wholesale Stores by transfer of its stocks from the Wholesale Depot to its retail depot and that, if necessary, the Co-operative Wholesale Stores might pay sales tax to Government in respect of such transfer of stocks from its wholesale depot to its retail depot, treating it as a sale by the former to the latter for purposes of sale-tax.

(e) Subject: *Distribution of Margins between the Co-operative Wholesale Stores and the Primaries in the sale of mill cloth :—*

Resolution : Resolved that the orders of the Textile Commissioner regarding the allocation of the margin between the Wholesaler and retailer in the ordinary channels of trade shall apply to co-operative Wholesale Stores and the primary co-operatives also and that the Co-operative Wholesale Stores, as wholesalers, may take a lesser margin than that prescribed in the Textile order in the sale of mill cloth to the primaries, if they so desire.

(f) Subject: *General Agency Fund Reading and Recording of the Quarterly Audit Reports for the periods ended 30-6-1951 to 30-9-1951.*

Resolution : Read and Approved.

Co-operative Stores.

Subject 2. (a) Policy regarding the acceptance of imported food-grains particularly wheat and Milo for distribution in view of G. O. 1488 Development dated 24-7-1951.

Resolution : The Conference resolves to appoint a committee of the following five gentlemen to scrutinise the agreement form at present

executed by Co-operative Wholesale Stores for the acceptance of imported foodgrains on agency basis and suggest suitable amendments to it.

1. Sri A. C. Subba Reddi, President, Nellore Co-operative Wholesale Stores.
2. „ S. Narasappayya, Vice-President, South Kanara Co-operative Wholesale Stores
3. „ K. V. Ramanayya Naidu, President, Bandar Co-operative Stores.
4. „ L. N. Paramasivam Pillai, President, Trichy Central Stores.
5. „ B. Ranganatham, Vice-President, Anantapur Co-operative Wholesale Stores.

The members of the committee are requested to meet at 9 A. M. on 2-11-'51 in the Registrar's Office and suggest suitable amendments to the agreement and then wait on deputation on the Commissioner of Civil Supplies.

Subject 2: (b) Desirability of continuing Central Banks as members of Central Stores and their representatives as members of the Board of Management.

Resolution: Resolved that membership of the Central Bank in the Central Stores and its representation on the Board of Management of the Co-operative Wholesale Stores is not necessary and that the by-laws of the Co-operative Wholesale Stores should be amended accordingly.

Subject 2: (c) Acceptance of fidelity guarantee as Security under Rule XXVII-B in the place of personal security or security on the mortgage of immovable properties.

Resolution: Resolved that Fidelity guarantee bond be accepted as security under Rule XXVII-B in the place of personal security or security on the mortgage of immovable properties from employees of co-operative Stores.

Subject 3: Primary Co-operative Stores—Voting power of members—Restriction of

Resolution: Resolved that only those members who have made purchases from the primary stores for a certain specified amount during the preceding year, shall be eligible to vote at general meetings of the primary stores and that only those members who have made purchases from the stores for the amount specified in the bylaw, shall be eligible to stand for election as Directors. The by-laws of the primary stores should be amended accordingly.

Subject 4: Procedure to be adopted by Central Banks for financing Central Co-operative Stores for procurement and other items of work. Draft circular on the subject for consideration of the Conference.

Resolution: Resolved that the principle (contained in the Circular) is accepted; but it is requested that loans may be issued up to three times the paid up share capital plus Reserve Fund and other reserves.

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 reorganisation 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 Mallasamudram Co-op. Credit Society, (Salem Dt.)

This society was registered on 1-11-1919 and it commenced work on 10-12-1919. Its jurisdiction extends to the village of Mallasamudram East and West, Kolankondai and Mangalam. It is affiliated to the Tiruchengode Co-op. Supervising Union and the Salem Co-operative Central Bank.

2. There are 1141 members with a share capital of Rs. 15,418. The society has no borrowings from the Central Bank. The Panchayatdars by their efficient management of the society, have been able to top local deposits for all the funds which they require. The deposits from members and non-members are respectively Rs. 25,195 and Rs. 61,270. In addition to fixed deposits, the society has received savings deposits and home safe deposits. It now holds Rs. 6,500 under the former and Rs. 2,497 under the latter. It has also been running chit funds under the auction system, for members for the past 15 years. Loans are issued for members up to a maximum limit of Rs. 200 to each individual. The chit funds are very popular. They are now 12 series of chits. The loans outstanding against members amount to Rs. 74,460. The overdues from members are Rs. 9,920 under principal and Rs. 1,045 under interest. It has a reserve fund of Rs. 13,630 invested in the Salem Co-op. Central Bank and Rs. 1,500 in Government securities. It holds shares to the value of 4,050 in the Central Bank and other co-operatives.

3. It owns a decent godown cum reading room constructed at a cost of about Rs. 7000 in year 1939. The Government gave a free grant of Rs. 875. Loans are issued to members on the pledge of their produce secured in this godown. It charges a rent of half an anna per bag per month on all stocks stored in the godown. During the year ending 30th June 51 it realised Rs. 276 by way of rent.

4. The society has also undertaken other extra credit activities which are beneficial to the ryots. It distributed to ryots chemical fertilisers worth Rs. 3,560. It has undertaken the distribution of iron and steel also. It owns a sugar cane crusher worked by oil engine, a circular spring balance and four couper Iron Ploughs for the benefit of members. The iron ploughs are given free of charge for the use of members so as to give an impetus to the Grow More Food campaign and popularise the use of iron ploughs. The spring balance and the sugarcane crusher are let out on hire for a small charge. It is also maintaining a small veterinary first aid centre for treatment of minor ailments of the cattle. It is in the charge of a teacher who had his training in the matter. The centre is popular and about 100 animals are treated by the centre every year.

5. The library and reading room by the society may be maintained under its social activities. It has about 1,600 books in Tamil and English. The reading room which provides a few dailies and periodicals and the library are very popular and the average attendance per day is 80.

6. The society has done much to inculcate the habit of thrift in the public. Apart from fixed deposits and savings deposits which it has been able to tap to carry on its credit activities without borrowings from the Central Bank, the homesafe deposits in the society deserve special mention. The savings through hundi boxes amount to Rs. 2,497.

7. The society maintains a clerk on Rs. 80 and a peon on Rs. 45 per month. The management of the society is in the hands of a good team of five panchayatdars. The Secretary of the society who is associated with it from its inception is a very popular figure in the society and the village and has to his credit an un-broken record of continuous service to the society ever since it commenced work on the pial of his house over thirty years back.

2. The Poranki Multipurpose Co-operative Credit Society, (Krishna District.)

Six miles away from Vijayawada on Masulipatam—Hyderabad Road in Kankipadu Firka is the village Poranki. It has a population of about 4,000. A Co-operative society was established there in 1916. The society is now working with a membership of 209 and paid up Share Capital of Rs. 9,573 as on 30-6-'51. Thus, the society is serving 26 per cent of the total population of the village. It is affiliated to the Vijayavada Co-operative Central Bank, Ltd., Vijayawada.

The society has got Maximum Borrowing Power and Individual Maximum Borrowing Power of Rs. 1,00,000 and Rs. 2,000 respectively. The amount due to the Central Bank under loan as on 30-6-1951 was Rs. 1,20,550 of which nothing was overdue. The amount due includes Rs. 36,000 borrowed under special produce loans on pledge of turmeric produce of members. An amount of Rs. 1,27,612 under 195 loans is due to Society from its members. The society financed its members to an extent of Rs. 36,000, for better marketing of their produce. The society has got Rs. 4,082 and Rs. 4,081 under Reserve Fund and Common Good Fund respectively. The society is affiliated to the Kistna District Co-operative Central Stores also and has invested Rs. 150 towards 8 shares.

Under the scheme of reorganisation, the society adopted multipurpose enbloc amendments and has taken up multipurpose activities. The society obtained manures Licence and is dealing in chemical manures. For this purpose the society is enjoying a cash credit of Rs. 7,500 from the Central Bank. Under the intensive food production scheme, this is one of the societies selected for the distribution of chemical fertilizers and iron and steel. The society collected Rs. 81-7-0 under home-sale deposits from 27 members. It is getting a daily News Paper for the benefit of its members and non-members. There is a co-operative stores working in the village successfully and there is no need to attend to the supply of domestic requirements of the members through the society. The local Marketing Society has got pucca godowns in this village.

The society has extensive plan of work for the current year to develop its transactions by serving a large number of people, by attracting more deposits and take up extensive multipurpose activities within the frame work of its bylaws.

3. The Tiruvandipuram Co-operative Multipurpose Rural Credit Society— (South Arcot District.)

The village, Tiruvandipuram is at a distance of five miles from Cuddalore. A credit society was started here in the year 1918.

On 10-6-'51 there were 101 members with a paid-up share capital of Rs. 2,068.

The name of the society was changed into multipurpose rural credit society last year and the various bylaws enabling the society to do multipurpose activities were introduced.

This society was one of the rural credit societies selected for distribution of chemical fertilisers. During the year 5 tons of ammonium sulphate and super phosphate valued at Rs. 1,127 were purchased by the society. Out of this, fertilisers worth Rs. 989 have been sold to members. The balance of stock on hand is valued at Rs. 138.

The society also undertook the supply of milk as a second multipurpose activity. It has distributed loans to the extent of Rs. 8,000 for 50 members for purchase of milch animals. These members supply about 35 to 40 M.M. of milk daily to the society. The milk is supplied to the Cuddalore Milk Supply Union. The Milk Supply Union has opened a milking yard. It is in charge of a yard clerk who supervises and tests the quality of the milk supplied by the members. Thus the society helps a good deal in the supply of milk to meet the requirements of the urban areas. As a result of these multipurpose activities the society earned a net profit of Rs. 154 in the year '50-51.

The third multipurpose activity undertaken by the society is the advance of loans for purchase and installation of oil engines and pumping sets for agricultural purposes under the grow more food scheme. The society has advanced 2 loans for Rs. 5,000 for purchase of oil engines and pumping sets. The borrowers have fixed the engines in a plot of 5 to 6 acres each.

4. The Ravikampadu Ramakrishna Co-operative Credit Society (Guntur District.)

This Society was registered on 2-1-1948. It was started on its work on 25-1-48 with 57 members with a paid up share capital of Rs. 1,000. Its area of operations are confined to Ravikampadu and its hamlets namely Mosalipadu, Thadigiripadu, Abbanagudavalli and loans will be given on the immovable property of members belonging, to Kollur, Vemuru, Boddulurupadu, Bhattiprole, Abbanagudavalli.

On date there are 184 members on rolls with a paid up share capital of Rs. 2,415. As per the bylaws the maximum credit limit of the society is Rs. 8,000. There were loans outstanding against members to the extent of Rs. 200 on 30-6-1951. It has taken up multipurpose activities for the benefit of its members and non members. Distribution of sugar, jaggery, wheat, manures and cloth was made to the extent of the details furnished below during the year 1950-51 :

		Rs.	A	P.
Cloth	...	10,719	4	4
Sugar	..	1,686	11	2
Wheat	..	227	6	0
Manures	..	4,877	4	0
Jaggery	..	956	5	4

**List of Societies Registered
July 1951.**

S. No.	Name of the Society with full postal address.	District.
1.	Pothavaram Weavers Co-op. Production and Sale Society, Ltd., Pothavaram ...	Guntur
2.	Rajapeta Weavers Co-op. Production and Sale Society, Ltd., Rajapeta. ...	"
3.	Thummalacheruvu Weavers Co-op. Production and Sale Society, Ltd., Thummalacheruru...	"
4.	Thulluru Weavers Co-op. Production and Sale Society, Ltd., Thulluru ...	"
5.	Chinthapallipadu Multipurpose Co-op. Society, Chinthapallipadu ...	"
6.	Pathasanthamagulur Multipurpose Co-op. Society, Pathasanthamagulur ...	"
7.	Rayapalem Multipurpose Co-op. Society, Rayapalem ...	"
8.	Narasaraopet Cattle Breeding and Marketing Co-op. Society, Ltd., Narasaropet ...	"
9.	Sri Paravastudasu Adi Andhra Xian Multipurpose Co-op. Society, Velpuru ..	"
10.	Chilakaluripet Weavers Co-op. Production and Sale Society, Ltd., Chilakaluripet ...	"
11.	Sattenapalli Milk Supply Society, Sattenapalli.	"
12.	Andhra Christian College Co-op. Stores, Guntur ...	"
13.	The Madura Sourashtra High School Staff Co-op. Credit Society, Ltd., Madura ...	Madura
14.	Silkuvarpatti Co-op. Stores, Silkuvarpatti Nellakkatti Tq. ...	"
15.	Shalampatti Co-op. Credit Society, Kallakudi P.O. Tirumangalam Tq. ..	"
16.	Poomandanvalasu Multipurpose Co-op. Credit Society, Poonandanvalasu. Kangayam. P.O. Dharapuram Tq ...	Coimbatore
17.	Serupalakadu Multipurpose Co-op. Society, Serupalakadu Village, Ollangadu, P.O. Pattukottai Tq. ...	Tanjore
18.	Koviladi Multipurpose Co-op. Credit Society, Koviladi, Tanjore Tq. ...	"
19.	Sengipatty Multipurpose Co-op. Credit Society, Sengipatty, Tanjore Tq. ..	"
20.	Pattukottai Co-op. Milk Supply Union, Ltd., Pattukottai ...	"

LIST OF SOCIETIES REGISTERED

S. No.	Name of the Society with full postal address.	District.
21.	Koonankurichi Co-op. Multipurpose Rural Credit Society, Oomangalam P.O. Vridachalam Tq. ...	S. Arcot
22.	Kadambuliur Firka Cottage Industries Co-op. Federation, Ltd., Semakottai, P.O. Cuddalore Tq. ...	"
August 1951.		
23.	Narasapuram Multipurpose Rural Co-op. Credit Society, Narasapuram ...	Anantapur
24.	Muddatanur Multipurpose Rural Co-op. Credit Society, Ltd., Muddatanur, Siruguppa Tq. ...	Bellary Dt.
25.	Kota Weavers Co-op. Production and Sale Society, Ltd., Kota ...	Nellore
26.	Muthyalapalem Harijan Co-op. House Site Society, Muthyalapalem, Nellore P.O. Nellore Tq. ...	"
27.	Bobbili Matyaparisramika Fishermen Co-op. Society, Ltd., Girls School Street, Bobbili...	Srikakulam
28.	Ganiwada Weavers Co-op. Production and Sale Society, Ltd., Ganiwada, Lakkavarapukota P.O. Srungavarapukota Tq. ...	Vizag.
29.	Bhavmarushi Weavers Co-op. Production and Sale Society, Ltd., Kondakoppaka Anakapalli P.O. Anakapalli Tq. ...	"
30.	Sullia Board School Students Stationery Co-op. Stores, Ltd., Sullia, Puttur Tq. ...	S. Kanara
31.	Koila Multipurpose Co-op. Society, Farm P.O. Puttur Tq. ...	"
32.	Vilakkethi Multipurpose Co-op. Credit Society, Vilakkethi, Sivagiri P.O. Erode Tq. ...	Coimbatore
33.	Panapalayam Jaggery Producers' Co-op. Credit Society, Panapalayam, Dharapuram P.O. ...	"
34.	Annur Komarapalayam Kamachiamman Weavers Co-op. Production and Sale Society Ltd., Sakkampalayam, Avanashi Tq. ...	"
35.	Kurumbapalayam Co-op. Credit Society, Sulur P.O. Palladam Tq. ...	"
36.	Moppiripalayam Pappampatti Co-op. Credit Society, Somanur P.O. Palladam Tq. ..	"
37.	Thondamuthur Jaggery Producers Co-op. Credit Society, Thondamuthur, Coimbatore Tq. ...	"
38.	Kumarapalayam Co-op. Credit Society, Sulur P.O. Palladam Tq. ...	"
39.	Thennampalayam Co-op. Credit Society, Sulur P.O. Palladam Tq. ...	"
40.	Thoppampatti Co-op. Credit Society, Vadama-thurai P.O. Coimbatore Tq. ...	"

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S. No.	Name of the Society with full postal address.	District.
41.	Iduvampalayam Weavers Co-op. Production and Sale Society, Ltd., Iduvoi Branch Office, Palladam ...	Coimbatore
42.	Melmudiyanoor Multipurpose Co-op. Society, Pudupalayam P.O. Chengam Tq. ...	N. Arcot Dt.
43.	Baindoor Local Co-op. Union, Ltd., Baindoor. ...	S. Kanara Dt.
44.	Talipady Weavers Co-op. Production and Sale Society, Ltd., Kinnigoli, P.O. ...	"
45.	Bandharahalli Multipurpose Rural Co-op. Credit Society, Bandharahalli Dharmapuri Tq. ...	Salem
46.	Kalyanampoondi Weavers Co-op. Production and Sale Society, Ltd., Nangathur P.O. Villupuram Tq. ...	S. Arcot Dt.
47.	Vizhappallam Weavers Co-op. Production and Sale Society, Ltd., Kurinjipadi, P.O. Cuddalore Tq. ...	"
48.	The Bhuvanagiri Co-op. Milk Supply Society, Ltd., Bhuvanagiri, Chidambaram Tq. ...	"
49.	Kodavasal Co-op. Milk Supply Society, Ltd., Kodavasal, Nannilam Tq. ...	Tanjore
September 1951.		
50.	Sringarathota Multipurpose Rural Co-op. Credit Society, Harpanahalli P.O. Harpanahalli Tq. ...	Bellary
51.	Ambli Multipurpose Co-op. Credit Society, Ambli, Kothur, P.O. Kudligi Tq. ...	"
52.	Muniyalapalem Harijan Co-op. House Site Society, Nellore, ...	Nellore
53.	Sri Krishna Multipurpose Rural Credit Co-op. Society, Chapara, Pathapatnam Tq. ...	Srikakulam
54.	Sri Sitarama Co-op. Milk Supply Co-op. Society, Ltd., Patrunivalasa, Srikakulam Tq. ...	"
55.	Yellamanchili Milk Supply Co-op. Society, Ltd., Yellamanchili, Sarvasidhi Tq. ...	Vizag.
56.	Nelyadi Jaggery Manufacturers Co-op. Society Kokkada P.O. Puttur Tq, ...	S. Kanara
57.	Ujre Sri Karnataka Vidyalaya High School Students Stationery Co-op. Stores. Ltd., Ujre. Puttur Tq. ...	S. Kanara Dt.
58.	Mettupalayam Co-op. Stores, Ltd., Mettupalayam ...	Trichy
59.	Talavai Multipurpose Rural Co-op. Credit Society, Talavai ...	"
60.	Musiri Firka Cottage Industries Co-op. Federation, Ltd., ...	"
61.	Vayalur Multipurpose Rural Co-op. Credit Society. ...	"

LIST OF SOCIETIES REGISTERED

S. No.	Name of the Society with full postal address.	District.
62.	National College High School Employees Co-op. Society, Ltd., Trichy ...	Trichy.
63.	The Urumu Dhanalakshmi Vidyalayam High School Employees Co-op. Society, Ltd., Trichy ...	"
64.	Naidumangalam Multipurpose Co-op. Society, Naidumangalam, Tiruvannamali Tq. ...	N. Arcot.
65.	Pullangode Rubber Estate Employees Co-op. Stores, Ltd., Trikkunnasseri. Pullagode. P.O. Ernad Tq. ...	Malabar
66.	Arulanandhapuram Weavers Co-op. Production and Sale Society, Ltd., Kallikulam P.O. Nanguneri Tq. ...	Tinnevelly
67.	Ramalingapuram and Nambiyuthu Weavers Co-op. Production and Sale Society, Ltd., at Valliyur, Valliyur P.O. Nanguneri Tq. ...	"
October 1951		
68.	Yallanur Multipurpose Co-op. Rural Credit Society, Yallanur, Tadpatri Tq. ...	Anantapur
69.	Hindupur Womens' Cottage Industries Co-op. Society, Ltd., Hindupur ...	"
70.	Puttaparthi Mat and Basket Makers Co-op. Production and Sale Society, Ltd. Puttaparthi. Penukonda Tq. ...	"
71.	Medikurthi Sri Choudeswari Weavers' Co-op. Production and Sale Society, Ltd., Medikurthi. Puttur P.O. Tadpatri Tq. ...	"
72.	Chennekothapalli Co-op. Milk Supply Society, Ltd., Chennekothapalli Dharmavaram Tq. ...	"
73.	Konapuram Sri Maruthi Weavers Co-op. Production and Sale Society, Ltd., Konapuram Penukonda Tq. ...	"
74.	Government Arts College Students Co-op. Stores, Ltd., Srikakulam. ...	Srikakulam
75.	Revu Arupalem Fishermen Co-op. Society, Revu Arupalem. Narasannapeta Tq. ...	"

The Madras District Co-operative Central Bank, Ltd.	
52-53, Thambu Chetty Street, Madras 1.	
ESTD. 1930	TELEPHONE NO. 2884.
Authorised Capital	Rs. 10 lakhs.
Working Capital	" 35 "
All kinds of deposits accepted.	
Rates of Interest :-	
Current Deposit	1/2 %
Savings Deposits	2 %
Fixed Deposits :- For 1 year and above 3 1/2 %	
Further particulars can be had from the undersigned :	
B. S. VIJAYAGOPAL, B.A., B. COM.	
Secretary.	

Co-operative Day Celebrations in Madras City—Speeches

I

PRESIDENTIAL ADDRESS BY THE HON'BLE MR. JUSTICE
W. S. KRISHNASWAMY NAIDU

Mr. Secretary, Members and Friends,

On this occasion of the celebration of the All India Co-operative Day and the 29th International Co-operative Day, I consider it a pleasure to associate myself with to-day's function. I do not see how I am in any way qualified to preside over the gathering, I see before me consisting of officials and non-officials who have been for long in the movement.

The principle of Co-operation is to serve for the common good; "All for each and each for all" is as you know the motto. The idea underlying Co-operation is that what one cannot single handed achieve for himself and for the community, all of us together can achieve for the entire community. The co-operator is imbued with the spirit of service and he has no idea of any profit. The profit you get is distributed among the members of the community. The movement has taken great strides in the last few years. Started mainly as a credit movement, it has by now permeated every phase of human activity; so much so there is no branch of human activity which co-operation does not serve. The object of the Co-operative Societies is to serve for the common good of humanity and that is the difference between co-operative societies and other associations. You do not care for yourself, but care more for the welfare of the society you serve. There are, however, certain branches of activities which require special attention at this juncture of our country's affairs when we are faced with urgent problems.

Our main problem to-day is food. It is really sad to say that India, an agricultural country, should suffer for want of food; but the fact is there and we do suffer. Of course, we have food, but we are not getting it in sufficient quantities and also not the required variety of it to suit our taste and health. Not that I am discounting the present policy of the Government in trying to popularise wheat and you cannot force South Indians to take more of wheat; but I feel it is rather hard to one who is accustomed to rice. Ways and means, therefore, of getting the food they want, viz., rice, should be found; and in that direction Co-operators can do a great deal. Rural credit societies have, I find, been converted into Multipurpose societies in large numbers and agriculturists in villages have engaged themselves in other useful activities; they have started rural industries. What

CO-OPERATIVE DAY IN THE CITY—SPEECHES

I wish to emphasise is that we may think and devise better ways of utilising our energies in securing more food from the lands. There are land colonisation schemes. One is at Tirumangalakottai and the other one in Andhra Desa. I believe, they are mainly for encouraging Ex-servicemen and to enable them settle on land and take to agriculture. That is not sufficient. What I would suggest to you is that you should think of co-operative farming where hundreds of acres of lands can be gathered together by the association of a number of landholders to ensure better economy and greater production. Well, certainly, the Government would come to your assistance for the purchase of agricultural machinery and find other facilities. I am sure, more food can be produced by the joint endeavour of the villagers, if only they take into their minds the spirit of co-operation and by co-operative efforts. You are now approaching that problem cautiously but you must try to deal with that problem in a more courageous manner. Whatever it is, you should get the best out of the lands and help the Government to solve the problem. My advice as a layman is, as I told you, that there should be further endeavour on the part of co-operators to help to solve this problem of food. I am bound to refer to it on account of the urgency of the problem. I wish now pass on to another subject in which you have already interested yourselves; and that is the Housing Scheme. There are co-operative housing societies formed not only here but also in some of the mofussil rural and urban centres to enable members to own houses. I need hardly refer you to the Co-operative Housing Society in the City and other societies in several other towns in our State, but I do not know whether you have really tackled the problem so as to provide houses for the lower middle and labouring classes. We have seen the exorbitant cost of the houses built at Adyar. The richer classes can afford to own houses at such cost. The problem of providing accommodation to the poorer classes, i.e., labouring classes, and lower middle classes must be tackled. I know by the efforts of the Registrar and the Government a colony has sprung up in Gandhinagar, but there we note that even rich people might hesitate to own houses in view of the high cost of constructing a house. I am not discouraging that line of activity. I should consider that it is necessary that you now divert your attention and energies towards solving the problem for poorer and labouring classes. I am sure if you take a census of the people who dwell on pavements and those living in improvised huts built of tin sheets and manipulated with whatever materials they get here in George Town, you will see that a single family earn at least Rs. 5 or Rs. 6 a day and can pay a rent of about Rs. 5 per month for a small house. But there is no use of trying to house them in distant Adyar or Meenambakkam or Aminjikarai. They are all workmen, and they would like to be near their work-spots. Some of them are working either in the harbour or in the godowns here in the first line beach or thereabouts. If you house them away from the city, they will find

it difficult to stay there. So, the construction of some tenements in the George Town area to house them is a great necessity. What I said of the labouring classes equally applies to the lower middle classes earning Rs. 60 to Rs. 70 per month. This is an urgent problem which requires the special attention of the co-operators.

I must congratulate those who are in charge of the co-operative movement and the officials in particular, including the popular Registrar Mr. Ryan. It is really fortunate for the Government that the officials who work in the co-operative department and the non-official Co-operators are co-operating with each other. It is really a matter for pleasure to note, they feel that they belong to the public rather than Government. In the Co-operative Movement there must be that unity of action between the Government and the public and the co-operative officers rightly understood the spirit underlying co-operation and have been greatly helping non-official efforts in the field of co-operation. There lies the success of the Co-operative Movement. If there is no co-operation between the officials and non-officials, I do not think this movement could be a success. I hope and trust that by the efforts of the co-operators there will be a prosperous future for the country. With these remarks I request Mr. N. Satyanarayana to read the Declaration of the International Co-operative Alliance and messages from the President of the Indian Co-operative Union, Diwan Bahadur Prof. H. L. Kaji and the Vice-President, Mr. T. A. Ramalingam Chettiar.

II

Address by Sri J. C. Ryan, Registrar of Co-operative Societies, Madras Mr. Chairman and gentlemen :

I must congratulate Dr. Natesan on having brought together many co-operators this evening. He has a knack of organising meetings and conferences successfully. It is particularly fortunate that he has been able to secure for the chair the services of a distinguished Judge of the Madras High Court, Mr. W.S. Krishnaswamy Naidu, who was presiding over the destinies of the Purasawalkam Co-operative Urban Bank for many many years. He vacated office in that institution only because his elevation to the High Court prevented him from taking further part in it.

2. This evening we are celebrating the International Co-operators' Day and I thought I should speak to you about the International concept of Co-operation. There is now a tendency in our country to deviate from the International concept of Co-operation and set up a new form of co-operation. It is argued that co-operation should be adjusted to suit our national conditions. There are particularly two varieties of public workers who are pretty well set on this road. The first variety is the politician. He thinks that having attained Independence we should take this independence into the sphere of co-operation and carve out a new

concept of co-operation as distinct from that in vogue in other countries. He believes that Indian Co operation should have an identity of its own. In fact, one politician told me that I was a hardboiled European bureaucrat who could not think of co operation in Indian terms, but could only think of it in European terms. Well, my only apology is that I am trying to preserve the essential principles of co-operation which are the property of all nations of the world. If we get away from the essential principles of co-operation, we shall not be running co-operative institutions but doing something else. The second variety of public workers is the social worker who is impatient with the social conditions as prevailing in our country. He wants quick results. He wants to revolutionize our social conditions as soon as possible through co operation, forgetting the fact that co-operative societies grow slowly and acquire strength by degrees in the course of years.

3. Probably, my point could be better explained by enumerating concrete cases. Not long ago, I had to face a curious proposal. Some hotel keepers asked for a co-operative society to be formed in order that they might purchase sugar and other controlled commodities and run their hotels. The Co-operative Wholesale Stores distribute controlled commodities like mill cloth and chemical manures. Sugar is a controlled commodity. Therefore, hotel-keepers who needed sugar could have a co-operative society. I told them that Co-operation was not a means of getting a controlled commodity, but that it was a means of improving the economic conditions of members who joined it for preserving for them the profits that proprietary enterprises took away. In a hotel, the consumer who pays probably one anna for a *bujee*, desires to get that *bujee* for nine pies. Further, he wishes that the profits do not go to the hotel keeper but are preserved for himself. Therefore, it was, I explained, impossible for capitalists to organise co-operative societies to earn larger profits at the expense of consumers. I could understand a co-operative canteen in the Accountant General's Office or a similar institution like some industrial organization formed with consumers as its members; but I certainly could not understand hotel keepers forming themselves into a co-operative society. When I refused their request, they appealed to Government. Luckily, Government stuck to the principles of co-operation and said they could not direct the registration of the proposed society.

4. I had another instance of a co-operative society proposed for the manufacture of safety matches. It was a good idea. Certainly, we should promote cottage industries. But it was the proprietors of match factories in and around Sivakasi who wanted the co-operative society. Here, again, the proposition was wrong. I could understand the workers in a match factory—those who made the sticks, those who dipped the sticks in chemicals, those who put the caps on the sticks, those who made the boxes, and those who maintained accounts—organising themselves into

a co-operative society with a view to retain the profits of the concern for themselves. But I certainly could not understand the proprietors of factories forming themselves into a co-operative society so as to benefit at the expense of the workers in the factory and at the expense of consumers. I was then asked: "Well, have you not got a Central Co-operative Bank or a Provincial Co-operative Bank? Is not the Central Bank an organization composed of institutions? Is not Provincial Co-operative Bank a federation of the Central Co-operative Banks? Why not, therefore, let match factories have a federation of their own on co-operative basis? Co-operative societies need not be confined to individuals." But I informed them that the Co-operative Law would not permit it. If a federation of co-operative institutions is registered, it is because the law allows federations intended "to facilitate the operation of co-operative societies" to be registered. Other institutions have the Companies Law to get themselves registered under and need not come under the Co-operative Societies Act. But, it was objected, that registration under the Co-operative Societies Act would provide them with certain facilities like exemption from income tax, stamp fees, etc., and the privilege of securing controlled commodities. As it is desirable that cottage industries should be developed and as match factories promote a cottage industry, they should be registered under the Co-operative Societies Act. It was not appreciated that the privileges and facilities mentioned were given because of the co-operative character of the institutions and not *vice versa*. Where exploitation of one set of individuals by another set is found, co-operation steps in to eliminate the middlemen and preserve their gains for the producer or the consumer as the case may be. It cannot help the middlemen.

5. Another instance probably would also clarify my point. It is a new enterprise for the Hill Tribes. They are very poor and deserve our sympathy. Something must be done for them. What is the best method? Co-operation. What will it do? It will collect them together and give them loans. Can they repay? Doubtful. What is the security? Nothing in most cases. Some of them, probably, have lands. They are worth about Rs. 250 or Rs. 500. Can we accept them as security? In the event of a forced sale, will they fetch anything? The Hill Tribesman can only sell the land to another member of the same tribe. The sale will not, therefore, fetch a good price! But, it is asked: "Are we not a Welfare State? What are we going to do with the Hill Tribes? We should help them!" The point is that a co-operator does not stand in the way of helping the Hill Tribes. He only says that a co-operative society can go only to the aid of a man who is an "economic unit". If a man earns Rs. 50 a month when he must spend Rs. 60 a month, he is not an economic unit. He is one with a deficit budget. Such a man has no place in a rural credit society or in an urban bank. But, it is urged that we should help the hill-tribes. Government will assist; they will give money; they will

provide a clerk to run the society free of cost; they will provide an office building; they will even provide the share capital of the members! If we accept these aids, what will be the kind of co-operative society that we shall establish? It will be a society where you will have complete State-help! But our co-operative society should be based on self-help! What is the extent of self-help in a co-operative society where even the share-capital of the member is provided by Government? He cannot practise thrift to save at least his share-capital, and, apparently, he has no will to save and endeavour to improve his lot. He has to be raised economically in spite of himself. This may be the function of a Welfare State; but it is not the function of co-operation.

6. On an International Co-operators' Day we must think of what we can do on an international plane. We have done something in this connection already. The Nilgiris Co-operative Marketing Society has sent potatoes to Ceylon. The Dindigul Marketing Society has exported onions to Ceylon. Others have shipped chillies. Most of these exports were done direct to consumers co-operatives in that Island. The net result of this co-operative trade was that our producers sold their commodities at 15 per cent more than what they would have got here, while the consumers in Ceylon got them cheaper by 15 per cent than what they would have had to pay otherwise. The exporter on the Indian side and the importer on the Ceylon side were eliminated. The profits of these people were passed to the producers and consumers of the countries concerned. This is a line of development which has got to be developed in very large measure. You will notice from the Messages that have just been read that the adoption of basic co-operative principles, and the organisation of the community on a co-operative basis are stressed. The fiscal policy of the Government must be so adjusted as to enable Co-operative societies to promote international trade among themselves. In our co-operative marketing societies the village dealer and the merchant in the market have been eliminated. But the village dealer probably takes one or two rupees a hundred as his gain, and the trader in the market centres makes a profit of probably three or four rupees. It is the exporter that takes away the lion's share of profits. If our societies can eliminate them and enter the sphere of export-trade, the Indian agriculturist can gain substantially. That is the line we will have to develop in the years to come. But a great deal depends upon how our national trade policies are devised. The International Conference of the F.A.O. held at Lucknow and that of the I.L.O. held at Karachi, both of which I had the good fortune to attend, have emphasized this aspect of the problem.

7. In conclusion, let me stress that Co-operation is a creed which stands for the building up of a new economic order. It is not a national commodity, but an economic principle which is different alike from the Capitalistic and the Communistic ideals. If it is tampered with either in

the direction of Capitalism or in that of Communism, it will lose its essential character. Let us cling to the essential principles of co-operation, not in the belief that it has been handed over to us by the Britishers, but as a principle which is acknowledged all the world over.

III

Address by Prof. R. Krishnamurti

Mr. Chairman and brother Co-operators,

On this, the All India Co-operative Day, before an assembly of experienced co-operators and an able Registrar of Co-operative Societies it is somewhat difficult for a non-official like myself to speak on any particular subject with that authority and confidence with which Mr. Ryan has spoken. Mr. Ryan is the Registrar by designation, and a Co-operator by conviction. There have previously been sundried and hard-boiled bureaucrats in charge of the Co-operative Movement, without really believing in it. Mr. Ryan is of a different type. He is a Co-operator by instinct, a co-operator who believes in ideals.

The Chairman of this evening was good enough to mention that I was for some time President of the T.U.C.S., when he introduced me to you. I feel that I cannot do better than speak to-day a few random thoughts of mine on the Consumers' Co-operative Movement. On an occasion like this, it is necessary that we should lay emphasis upon the element of idealism behind the Co-operative movement. There are difficulties in working any Co-operative institution. We all know that. But man does not live by bread alone; he lives by ideals. If the world of tomorrow in which we live today has to be bettered, we have to hold fast to our ideals, and live by them. When we think of the Consumers' Co-operative Movement of a small band of 28 people—all of them flannel weavers, and one of them a woman—who started a small society in the year 1844, some 107 years ago. Considering that humanity has been existing for some millions of years in this world, is it not unfortunate that this element of idealism in human nature in this direction came to assert itself in a practical way only in the year 1844?

Let us remember that these were not educated people, not aristocrats, not businessmen, not monied people. They were poor people, but with a vision before them. They opened a small grocery shop, the share capital for each being £1. They were so poor that they were not able to pay the entire amount in one lump sum. They were allowed to pay it in easy instalments. It was in that way that the Co-operative movement came into existence, in the most noiseless and silent manner. This small grocery shop sold only 5 articles in the first year of its working—namely, butter, sugar, oatmeal, candles and flour. But within the year, the members were able to inspire such confidence in the minds of the people with whom they came into contact that

the Movement began to spread slowly but surely. At the end of the first year itself, they were able to declare a handsome dividend. This was intended to tempt more and more of the non-members to become members. All this was in the year 1844. Slowly the movement gathered momentum in London, in Scotland and in Wales. To day there is no country in Europe which does not believe in co-operation. Notable among them are Germany, Denmark, Italy, Hungary, Holland, Finland and Russia. The idea spread to the New World—and particularly to the United States, which has made amazing strides in Co-operation. Most co-operative societies have provident funds for their employees and are giving them facilities for health and life assurance.

60 years after the founding of the Rochdale Society in 1844, (i.e.) in the year 1904 the T.U.C.S. was started in the City of Madras by 14 members. I should like to pause just a minute here, and draw the attention of the Co-operators present to the fact that the Rochdale Society was founded by 28 people, and the T.U.C.S. by 14. May I suggest that there seems to be something mystic about the number 7 and multiples of 7! I should also remark that a number of the founders of the T.U.C.S. belonged to my noble profession. Mr. Ryan was stressing the need for honesty and wise conservatism in the management of Co-operative Society. The T.U.C.S. was in the hands of wise conservatives right from its inception and in the course of 37 years (i.e.) in 1941, it came to have a little over 80 branches.

I now come to the part played by the Consumer Co-operatives during the last one decade in the City of Madras, rural-towns and in some urban places. When the Second World War broke out in 1939, all kinds of complications set in. Food grains become difficult to get at, and during what is known as the evacuation period (March-May 1942) merchants fled away from the City. Many of those who remained became filled with the desire to make as much money as possible within the minimum period, and if necessary by unfair means. But thirty and odd branches and the thirty grain depots which the Government of Madras financed the T.U.C.S., to open stepped into the breach. The great advantage of the consumer co-operative societies is that they ensure a satisfactory supply of the materials which they undertake to sell. We can be sure of correct weights and measurements. They also assure us that a share of the profits (as the Registrar has rightly pointed out) should go to the members themselves. In the nature of things, businessmen and middlemen will not be friendly to the Co-operative Movement. In times like the one in which we are living, when food supplies are very much in demand, and we do not get all that we want to have, there is an urgent and genuine need for co-operative societies. The T.U.C.S. has been doing its very best during the last one decade. I may be permitted to mention that it was during my Presidentship that the T.U.C.S. undertook the responsibility of selling rice as a controlled article in the City of Madras. The Government then was

probably not confident that the merchants would do the distribution as satisfactorily and impartially as the Co-operative Societies could. It was a bold undertaking for those days, since rationing and selling of controlled articles were then unknown. Normal conditions had not been restored, after the evacuation period, and the possibility of an invasion by Japan was not completely ruled out. One fifth of the population of Madras was then supplied with rice by T.U.C.S. (and I understand that it is the same percentage to-day). I am glad to mention that the State Government showed its appreciation of the splendid work done by the T.U.C.S. in more ways than one—particularly by handing over to the Society a moiety of the profits earned by the running of the 30 Government depots.

I am sure that when the balance is struck, it will be found that the Consumer Co-operatives in Madras and mofussil places have done valuable work in stabilising prices during the last one decade. There are in the State of Madras today as many as 1,800 Consumer Co-operative Societies, the biggest being of course the T.U.C.S.—not only in the State of Madras but in the whole of India and I believe, in the whole of the Far East. They have checked profiteering and black markets. They have ensured an equitable distribution of the commodities in short supply. They have been an admirable democratic instrument of the greatest social justice to the common man.

Let us at the same time realise the dangers that are ahead of the Consumer Co-operative Societies, whether in Madras or in the mofussil places. Obviously, the success of Consumer Co-operatives depends upon the availability of a certain number of honorary workers who will devote themselves to their work with zeal and enthusiasm. A little of insensitivity, a little of closing of one's eyes to some piece of dishonesty, will spell disaster. We have sometimes heard that with some co-operative societies things are not allright; This may be true. Defects are inherent in human nature. Again from personal knowledge of big Consumer Co-operatives, I am convinced that while the management may be largely non-official, the advice and even supervision by officials is very advantageous for smooth and efficient working.

If there are deficiencies in the working of co-operative societies in the City, I need not say that the difficulties will be even more in rural co-operatives. While I do not wish to be dogmatic, I must here mention what I heard from people who have made a special study of the subject—that it is somewhat difficult to find a satisfactory number of disinterested and enthusiastic honorary workers to supervise and guide the co-operatives in rural parts. I do not say that this is a universal proposition. There are some rural societies which I have seen, and others about which I have read which are working very efficiently indeed. But there are many others which do not come up to the mark. Again, it stands to reason that the

villagers cannot afford to spend large sums for the purchase of luxuries—at least as much as urban directors do. Therefore the scope of the business in the rural co-operatives is bound to be rather restricted. Moreover unlike in Madras and other cities the rural people, particularly in agricultural areas, sell their produce only twice or thrice a year, and they get into the habit of making only seasonal purchases. Perhaps nobody can foresee now what the nature of the consumer co-operatives will be when controls are withdrawn, and food articles are available in large quantities. It is allright now when there is rationing. The Co-operatives are having very good sales. In the T.U.C.S. for example, the sale is at the present time about a crore and a half per annum. Business has increased. But what will things be like when these controls are removed? The shops run by merchants will try to win away the customers, and offer them every kind of temptation—for example, credit facilities. It is then that the element of idealism in every one of us must assert itself, and make us loyal to the co-operative stores.

Let us also remember that the Consumer Co-operatives are very largely patronized by the educated middle class people. It is true that the labouring classes also are at present going to them for their purchases. But very few of them have become members. The Co-operative Movement stands for certain ideals, and it is the duty of all people to join the Movement. The labouring classes and working classes have to be persuaded to become members of the Consumer Co-operatives by intensive propaganda. Here then is plenty of work for both officials and non-officials to do. I am one of those who think that there is scope for plenty of honorary work all round us in the world.

The future of mankind depends upon the Co-operative Movement the ideals for which it stands, and the sincerity and earnestness with which it is worked. The Movement is no more a Provincial Movement. It has passed beyond the stage of being a National Movement even. It has become an International Movement. The responsibility is ours to carry the Movement to greater successes, and ensure the happiness of mankind. The thought on which I would like to close these remarks of mine to-day is the motto of the Co-operative Movement :—" Each for all, all for each."

IV

Address by The Hon'ble Sri Kala Venkata Rao

Mr. President and Friends:

I have come here not as a Minister, but a worker in the field of co-operation. Once in 1927-28, I do not remember the day, when I gave evidence before the Townsend Committee, I was asked by them whether I was making the Co-operative Movement a stepping stone for my political

progress. I turned round and said that it was not so. I felt more that co-operation is not only an idea, but a way of life. Therefore co-operation attracted me. Soon after I first came out of jail, I took to co-operation and from 1920 till to-day, I have been associated with a large number of Provincial and moffussil institutions. One thing is that all through I have been feeling that India is to live on the ideals preached by the Father of our Land, Mahatma Gandhi. There is no other academic idea that can stand by us in creating *Ram Rajya*. *Swaraj* after all is a right to govern ourselves, but once we get that right to govern ourselves, we will have to shape the State itself. I have always felt that India must become a Co-operative State. I as well as you must feel very glad that the largest Political Party in the Country, namely the Congress Party has set upon the task of creating a Co-operative Commonwealth. The Government call it by the name *Ram Rajya*.

We are a very poor country. Government made us heroes out of dust. We have to create gold out of dust. Government have no other property except taxes to administer the country. If you increase the taxes, the poor man suffers. If you do not increase the taxes, there is no way to finance the projects which you want to push through.

I have been just now telling in another place that the whole Budget of Madras Government put together is hardly sufficient to meet the demand for tuberculosis. I can state with confidence that the demand for tuberculosis itself will come to Rs. 50 or 60 crores. In the city of Madras 15,000 people are on the waiting list at the clinics and Hospitals. In Madras a new system has been adopted, namely Mass Radiography. If we take photos of every one in the family, we will find that as many as 4 per cent are infected. I am only mentioning this to tell you that the resources of the Government are insufficient and the capacity on the part of the people to pay taxes is also very much limited. If you want to tax you must solve the problem of production. Therefore when we think of production, how should this production be placed? Should it be placed on co-operatives? The Indian National Congress has adopted Co-operative Commonwealth.

I suppose that all the good speakers that have preceded me have placed before you the various aspects of co-operation. Madras can be proud that it has various aspects of the Co-operative Movement. It has not only given the lead but even to-day it is leading. Look at the Madras Co-operative Central Land Mortgage Bank and its work. There are very few Provincial Co-operative Banks like the one where we are sitting. We found great difficulty to keep the Consumer Co-operative Movement to which Prof. Krishna Murthy was referring to, going during the lean years of 1930 to 1938. Many of these co-operative

societies have survived the Depression. Perhaps the Registrar has registered more co-operative societies. I was the Secretary of the Sree Konaseema Co-operative Central Bank for nearly 2 decades and I knew every inch of the ground there. From my experience I can say that Co-operative Credit Societies did very much good for the poor men in the otherwise rich area of Konaseema. In 1929 they borrowed very much but they were unable to repay in time. Credit co-operatives, however, did very well in the rural areas even during the Depression. There were days when the M. P. C. Bank was giving us bonus to induce borrowing from them. When we were borrowing one or two lakhs of rupees we were getting 8 annas. As I told you before, you can also be proud of other institutions in the State, particularly, the Land Mortgage Bank. Its progress is very good and I congratulate the Management of the Institution, and also Mr. Ramachandra Rao on the excellent service rendered by them. The Institution where we are sitting to-day is also very old. I know only two Presidents of this Bank, the late Mr. Ramadas Pantulu and Mr. T. A. Ramalingam Chettiar, its present President. They have done very well for the Bank. To-day it is a premier institution.

There are many other institutions in South India. I am very glad that the Movement is progressing. Co-operation need not be honoured only as a simple movement, but that idea will have to be associated with the fundamental conception of the Welfare State and as you go and as you clear, co-operation will come to our aid more and more. Recently the Government of India have published the National 5-Year Plan. Now we will have to give special attention to the resources of the country. These resources will have to be pooled and spent in a particular way. The monetary income of every Indian was Rs. 20 according to Dadabhoj Nowroji. According to the National Income Committee Report the per capita income is Rs. 255. But the real income in terms of goods and services is very low. The purchasing capacity of the rupee has gone down. We will have to think of our National leadership in the matter of security of life and property in the postwar period. Recently we heard that a peasant who goes for an evening walk to a place very near Rangoon after 5-80 p. m. cannot return safely because the gangsters would shoot him down. What is happening in Malaya? What is happening in Korea? America is dropping bombs. Mahatma Gandhi was an able leader. Unfortunately for the country, we have lost him. He used the weapon of Satyagraha. He had shown us the way. He had taught us many things. Let us study them. Let us understand them and let us observe them. I would only interpret *Ram Rajya* as Co-operative Commonwealth. It is our bounden duty to lend a helping hand to our great leader Pandit Jawaharlal Nehru in the execution of the 5-Year Plan.

The President in his concluding remarks said :

Mr. Ryan has explained to you the principles of Co-operation. The fundamental basis of Co-operation either Western Co-operation or Eastern Co-operation, occidental or otherwise, is the same everywhere in the world. Our friend Mr. Krishnamoorthy has placed before us the historic aspect of the Consumer Co-op. Societies and how the Consumer Co-op. Societies were started. The Hon'ble Minister has placed his difficulties in the administration and the task that faces the State. Though Co operation has succeeded in the matter of procurement and distribution, I do not think that it has met with success in the matter of production. And it must be the endeavour of Co-operators to put their earnest endeavour in this direction.

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Madras 2

Co-operative Day Celebrations in the City

The 29th International Co-operative Day and the All India Co-operative Day was celebrated in the Madras City under the auspices of the Madras State Co-operative Union on Saturday the 3rd November 1951. The Hon'ble Mr. Justice W. S. Krishnaswami Naidu presided.

The rainbow flag flew on the Madras Provincial Co-operative Bank Buildings where the celebrations were held. In the evening there was at the Bank premises a larger gathering of invitees which comprised people of various callings—lawyers, doctors, teachers, traders, students, etc.—all interested in the Co-operative Movement as non-official workers or enthusiasts. Many officers of the Co-operative Department also were present. After tea, a meeting was held in the Bank hall, Mr. Justice W. S. Krishnaswami Naidu presiding. Following prayer by the inmates of the Andhra Mahila Sabha, the President made a preliminary speech about the Co-operative Movement in the State and how to further the Movement (His speech is published elsewhere in this issue).

Sri N. Satyanarayana of Alamuru read the Declaration of the International Co-operative Alliance and the Messages of Prof. Kaji and Sri T. A. Ramalingam Chettiar for adoption by the co-operators present. Sri Satyanarayana explained the significance of the Co-operative Day and the colours of the rainbow flag. The Co-operators re-affirmed their faith in the Co-operative Movement.

Sri J. C. Ryan, Registrar addressed the gathering and impressed on them the concept of Internationalism in Co-operation and the fundamentals of Co-operative organisation (His speech is published elsewhere in this issue.)

Prof. R. Krishnamurti, Principal of the Pachaiyappa's College spoke about the consumers' movement and its valuable service rendered to the consumers in these hard times. He pleaded for the development of consumers' co-operation in the country-side, (His speech is published elsewhere in this issue.)

The Hon'ble Sri Kala Venkatarao, Minister for Public Health also addressed the gathering. He explained clearly the meaning of *Rama Rajya* or Co-operative Commonwealth and suggested the ways and means of achieving it. (His speech is also published elsewhere in this issue.)

The President offered his concluding remarks.

Dr. P. Natesan, General Secretary of the Union thanked the speakers and the co-operators present. The meeting ended with *Jana gana mana*.

Co-operative Day Celebrations in the Districts

Anantapur District.

The Rayalaseema Co-operative Institute celebrated the 29th International Co-operative Day and the Indian Co-operative Day on 8-11-51. A public meeting was held under the presidentship of Sri S. Srinivasulu, President of the Town Bank. A number of leading Co-operators and students were present. Sri B. Ranganatham spoke about the significance of the Day. The Messages of Prof. Kaji and Sri T. A. Ramalingam Chettiar and the Declaration of the I.C.A. were read and adopted.

North Arcot District.

The Tiruvannamalai Local Co-operative Union

The Union celebrated the day with Sri T. S. Krishnaswami Mudaliar, President of the House Building Society in the Chair. Sri B.S.S. Iyengar, President of the Local Co-operative Union spoke about the significance of the Day and the importance of the Movement. Rev. Pitsch of the Danish Mission spoke of his experiences in the Co-operative field in Denmark. He said that like Madras, Denmark also consists of poor farmers who depend on dairying and farming. Co-operation did a good deal of service to the poor Danish farmers. Sri M. S. Seshachalam Iyer explained how the Co-operative Movement built up its strength from humble beginnings and has begun to cover various fields of activities. He mentioned the rural savings drive of the Registrar of Co-operative Societies, Madras and exhorted the audience to invest funds in the Co-operative Movement. Sri N. Annamalai Pillai, M.L.A. and Sri Bhadrachalam Pillai, President of the local Urban Bank described how the Co-operative Movement has grown into a world movement from small beginnings and has been helping the poor man of character.

West Godavari District.

The Ellore Co-operative Central Bank, Ltd.

Under the auspices of the Central Bank the Day was celebrated, Sri M. Ramakrishna Reddy, M.A., presiding. Sri Balakrishna Nair, Deputy Registrar spoke about the importance of the Day. The I.C.A. Declaration and the Messages were read and adopted.

East Godavari District

The Kakinada Co-operative Central Bank, Ltd.,

Under the auspices of the Central Bank the day was celebrated. The Messages and Declaration of the I.C.A. were read and adopted.

Andhra Desa Co-operative Union.

Under the auspices of the Andhra Desa Co-operative Union the day was celebrated, Sri Nitya Bodhananda Swamiji of the Sri Ramakrishna Mutt

CO-OP. DAY CELEBRATIONS IN THE DISTRICTS

Presiding. Sri K. Venkayya Naidu, Deputy Registrar hoisted the Co-operative Flag. The President observed that co-operation is not foreign to the Indian way of living and that co-operative living is the essence of Hinduism. He exhorted the audience to cultivate the spirit of service to humanity with the sole object for achieving common good to the community. Co-operation, he felt, is an excellent medium through which co-ordination of Wills can best be achieved. He opined that the human heart is a Taj Mahal where divinity reigns upper most. Sri K. Linga Raju, M.L.A. pointed out the significance of the peace proposals of the I.C.A. As embodied in their Declaration he wished that the Co-operative Commonwealth would be a reality ere long. Sri S. Krishnaswamy read the messages and the declaration of the I.C.A. for adoption. Sri A. Sankara Rao, Secretary, Rajahmundry Central Bank, pointed that co-operative service is a service for service's sake but not a choice for living. He earnestly wished that the Movement would expand at a more rapid rate. He decried the idea of some co-operators who want to dabble in politics as a co-operators' party. Songs and ballads in praise of co-operation were sung by the trainees of the local Co-operative Training Institute.

Krishna District.

Under the auspices of the Vijayawada Co-operative Central and 14 other co-operative institutions the day was celebrated with Sri J. Satyanarayanamurthy, M.A., B.L., in the Chair. About 1,000 people representing the local co-operative institutions and the public assembled. Sri Gajapathi Naidu, Deputy Registrar hoisted the Co-operative Flag. Sri Raghavayya, President of the Central Bank, the Deputy Registrar of Co-operative Societies, Sri L. Lakkaraju Pantulu and Sri D. V. Krishnayya, B. Com. (Hons) spoke about the various phases of the Movement and the importance of co-operation in any plan for the betterment of the economic life of the people. The Messages and the Declaration were read and adopted. A social drama "*Edureeta*" was staged.

Madura District.

Madura Sourashtra Co-operative Bank, Ltd.

The Bank celebrated the day Sri M. G. Padmanabha Mudaliar, Deputy Registrar presiding. About 1,000 co-operators assembled on the occasion. Sri Vasudeva Iyer, President of the Bank, Sri T. Narayana Pillai, B.A., B.L., Joint Secretary, Madras State Co-operative Union, Sri Lakshmana Iyer and Sri Aligiriswamy spoke about the ways and means of promoting the movement in the best interest of the individual and community.

Salem District.

The Attur Co-operative Union, Ltd.,

Under the auspices of the Attur Union the day was celebrated under the presidentship of Sri A. Angamuthu Naicker. The Declaration of the I.C.A. and the Messages of the leaders were read and adopted. The Chairman and Sri K. R. Pattabhiraman explained the principles of co-operation and the significance of the Day. Songs on Co-operation were sung by the pupils of the local school. Prizes were given to them.

Trichinopoly District.

Sri Brihadambal Co-operative Bank, Ltd., Pudukkottai

The Bank celebrated the day with Sri D. Sreenivasa Iyer, B.A., B.L., in the chair. The gathering included directors and constituents of the co-operative institutions and public workers of the place. The Chairman and a few others spoke on the Co-operative Movement on the Co-operative way of life. The Declaration on the I.C.A. and Messages were read and adopted.

G.O.'s and Circulars

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

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

No. R.C. 111929/51-B-1.

Dated 26-10-1951.

**Sub :—Agricultural Co-operative Credit Societies—Lending rates—
Re-introduction of penal rate of interest on overdue loans
Instructions.**

Ref :—1. Registrar's Circular A. 9656/37, dated 21-1-1938.

2. Registrar's Circular R.C. 951/37, dated 21-8-1940.

While examining the possibilities for reduction in the rate of interest to borrowers, the Registrar suggested in his circular (1) cited above that the provision to charge penal rate of interest on overdue loan instalments might be deleted as the bylaws, shown of this provision, still provided for arbitration and execution when a loan became overdue. He observed that penal interest was collected in the past as a matter of routine in most of the loans even though its corrective influence was found to be poor. Accordingly as one of the measures for the relief of agriculturists, Deputy Registrars were instructed to get the penal provision deleted from the bylaws.

2. Later in 1940, the Registrar reconsidered the question and felt that there should be a distinction between a member who was regular in his repayments and one who was not. He also considered that the levy of additional interest would help in promoting punctual repayment. Accordingly, in his circular No. A. 951/37 dated 2-8-1940, Deputy Registrars were asked to see that the provision for the levy of higher rates on overdue instalments of principal was re-introduced. It was suggested that the higher rate to be charged on overdue principal, might be ½ pie per rupee per mensem.

3. The XXIV Central Banks Conference held on 23-6-51 resolved as follows :—

"Resolution No. 17:—Resolved, that in view of the rise in prices of agricultural commodities, to help societies towards quick collection from members, the provision for the levy of penal interest in the bylaws of Societies which was deleted as a measure of relief to borrowers during the period of acute economic depression, be reintroduced."

The Registrar has re-examined the question in the light of this resolution. Rural Credit Societies have to go in for a clerk or an accountant both to increase their credit transactions and to introduce multipurpose activities. But they cannot afford to appoint the necessary staff unless the margin between the borrowing and the lending rates is about 2 or 3 per cent. To raise the lending rate above 6½ per cent is not advisable. The Registrar therefore considers that instead of raising the lending rate, the penal rate might be re-introduced. Deputy Registrars are, therefore, advised, in modification of the instructions contained in the circulars cited, to instruct the societies to re-introduce the provision for the levy of penal rate of interest at 2 pies per rupee per month on overdue loan instalments. Interest on the loan in the case of regular instalments will continue to be 1 pie per rupee per mensem. Deputy Registrars may register amendments to the bylaws of the Societies to this effect.

J. C. RYAN,
Registrar.

The First Madras State Co-operative Housing Societies Conference

THE MADRAS STATE CO-OPERATIVE
UNION, 379, NETAJI ROAD, MADRAS-1.
15th October 1951.

CIRCULAR.

To

The Presidents of

1. Co-operative House Construction Societies.
2. Co-operative House Building Societies.
3. Co-operative Ordinary Building Societies.
4. Co-operative Town Ship Societies.
5. Co-operative Rural Housing Societies.

Sub :—Conference—Conference of Co-operative Housing Societies in the State—convening of.

As a result of the great need for providing adequate housing accommodation for the public there has been during recent years a good deal of co-operative enterprise in the matter of housing. Thanks to the Government there has been considerable State support. There are at present nearly 300 Housing Societies in the State, with a variety of objects and lines of activities. It has been found that there is an urgent need for all these institutions to confer together so that their common problems as well as local problems might be solved with due regard to the needs of each type of institution. With a view to enable the housing societies to assemble for this common purpose and at the instance of the Registrar of Co-operative Societies, this Union has decided to convene a Conference of the representatives of the various types of Co-operative Housing Societies in the Urban and Rural areas in this State.

The Conference is likely to be held in the first fortnight of December 1951. The exact date, time and venue of the Conference and also the names of the Opener and President of the Conference will be intimated in due course.

The following are the delegate fees for the various types of Co-operative Housing Institutions :

Nature of Institution.	Delegate fee to be paid by each Institution.
	Rs.
1. House Construction Societies	25
2. Co-operative Town Ship Societies	25
3. Co-operative House Building Societies	20
4. Ordinary Co-operative Building Societies	10
5. Rural Housing Societies	5

G.O.'S AND CIRCULARS

Delegates :—Co-operative House Construction Societies, Co-operative Town Ship Societies and Co-operative House Building Societies may send 3 delegates each ; Ordinary Co-operative Building Societies may send 2 delegates each and Rural Housing Societies one delegate each.

Since it may not be possible for making arrangements for board and lodging of the delegates, the delegates will themselves will have to make their own arrangements for their board and lodging.

We request you that in the interests of Co-operative Housing in the State you may participate in the Conference for the mutual benefit of all.

Resolutions that you intend to move at the ensuing Conference may please be sent before the end of November to General Secretary of the Madras State Co-operative Union.

In view of the short time before us we request you to communicate to us the names of your delegates with their full postal addresses and also remit the prescribed delegate fee so that we may make the necessary arrangements early enough.

Appeal for Membership :—In this connection we may mention that it is customary for this Union to convene sectional Conferences of Co-operative Institutions of various types which are affiliated to the Union. We therefore request that you may kindly affiliate your Institution to this Union so that it may have the full status of a member of this Union which is the non-official apex organization for the entire State. The annual contribution payable by Housing Societies is only Rs. 10 against which a free copy of the Madras Journal of Co-operation will be supplied. We also enclose our affiliation form and request you to fill the same and return to this Office together with the annual contribution of Rs. 10 before the Conference.

All communications, money orders, etc. should be sent to the General Secretary, The Madras State Co-operative Union, 379, Netaji Road, Madras-1.

The receipt of this Circular letter may please be acknowledged.

P. NATESAN,
General Secretary.

125-972

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1. The annual subscription to the "Madras Journal of Co-operation" including postage, is **Rs. 6** for India and **Rs. 7** for foreign countries, payable strictly in advance. The year begins from July. The price of a single copy of the Journal is **10 annas**.

2. The Journal is published at the **end** of every month.

3. Complaints about the non-receipt of the Journal should reach the Secretary **within the 15th of the next month**. Otherwise requests for copies will not be attended to.

4. **Change of Address** should be intimated then and there. Otherwise **non-receipt of copies** on that account **will not be attended to**.

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All communications should be addressed to :

The General Secretary,

The Madras State Co-operative Union,

379, Netaji Road, Madras.

Telephone : 34519.

Telegram : SAHYOG.

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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-'51.

Liabilities.		Assets.	
	Rs.		Rs.
Paid up Share capital.	17,34,700	Cash on hand & balance with Banks.	80,908
Reserve and other Funds	28,61,242	Loans to Primary Banks	4,35,77,979
Debentures	5,08,77,100	Sinking Fund Investments	81,37,780
Deposits, Loans and Overdrafts	10,08,275	Other Investments	46,65,859
Sundry Liabilities	3,57,122	Sundry Assets	7,36,118
Profit	3,60,205		
Total Rs.	5,71,98,644	Total Rs.	5,71,98,644

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

Secretary