

Madras Journal of

Co-operation

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THE Madras Journal of Co-operation

EACH FOR ALL AND ALL FOR EACH

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

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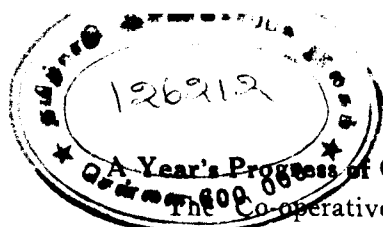
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Thought for the Month

The Small Farmer's Need Credit:

There is no need to argue the proposition that the farmer, small or large, needs capital; and if (as is so often the case with small farmers) he has insufficient, there are broadly speaking, two courses he can follow: he can accumulate it from small beginnings from the profits of the farm, or he can borrow. There have been cases in which the farmer has started with practically nothing and by hard work and hard living has worked himself up to a condition of sufficiency or even affluence. The value of such a hard apprenticeship is, from both a moral and technical point of view, very great, and some farmers who have worked up in this way can challenge comparison, for efficiency and production, with others who started with much greater apparent advantages. But to most, the cost both to the farmer and his wife has been a high one, and a point of great importance at the present time, his farm has taken far longer to attain maximum production than it would have if he had enough capital at the outset. In many cases, the farmer's pride in having worked up from nothing is accompanied by a determination that his children shall not go through the same mill; several, too, when questioned on the subject of credit, have said that they were frightened of the idea when they started their farming career, but if they had known then much about it as they have since learnt, they would not have hesitated to borrow—a remark which illustrates the important point that what is needed is not only credit but education and guidance in its use, which are at present sadly lacking.

(The Yearbook of Agricultural Co-operation, 1951).



Editorial Notes

A Year's Progress of Co-operation in Madras :

The Co-operative Movement registered progress in various parts of the country in varying measures. This progress showed itself in the number of societies, membership and working capital and also in the diversity of functions performed by the co-operatives and the responsibilities shouldered by them in the national development programmes. The largest measure of progress appeared in Madras, Bombay and Uttar Pradesh. These three States were found to account for over half the number of societies in the country and three-fourths of the membership and working capital. The first two States accounted for nearly 70 per cent of the loans advanced by the agricultural societies and over 80 per cent of the loans advanced by Provincial and Central Banks in the country. Madras alone accounted for over 70 per cent of the total advances made by the Land Mortgage Banks in the State. Thus Madras has, to its credit, progress which is quite well comparable with that of any other State in India in every aspect of the Movement.

The Report of the Registrar of Co-operative Societies, Madras on the working of the Co-operative Societies in the State of Madras for 1949-50 has just been published. The Report indicates that the policy of the Madras Government was in keeping with the recommendations of the Technical Meeting on Co-operation held at Lucknow in November 1949. The Meeting recommended that the Co-operative Movement being one of the most effective instruments for the improvement of the social and economic conditions of the people, the Governments should frame their policies and programmes with a view to foster such socio-economic betterment.

During the year 1949-50, there were 22,784 co-operatives in the States as against 20,796 in 1948-49. Their membership which was 28.60 lakhs—the highest in any Indian State in 1948-49—rose to 31.22 lakhs still topping the list of States. The Movement covered 64.6 per cent of the villages in the State as against 53 per cent in Bombay.

In the field of credit, the State had 15,348 agricultural credit societies with a membership of 11.91 lakhs. In this field, the State of Madras was surpassed by Bombay in respect of number and membership. The percentage increase in the number of societies and the membership were 11.7 and 13.6 respectively in Madras as against 28 and 23.8 in Bombay during the same year.

EDITORIAL NOTES

The most important feature of the development of the Movement in the State, as in some other States also, was the organisation of the rural multipurpose societies. There were 12,534 societies in the State during the year, out of which 6,444 took up multipurpose activities. These activities consisted in the distribution of controlled commodities, seed, manure, agricultural implements and recreational activities. Thrift collections also were an important feature of their work, the total collections for the year being Rs. 14.42 lakhs. The targets fixed by the re-organisation scheme are 50 per cent in respect of villages and 30 per cent in respect of population. The societies under the scheme covered 61.28 per cent of the villages and served 16.10 per cent of the population.

In distribution, co-operatives played a fairly important role, particularly in respect of essential commodities. There were 24 central stores which had on an average a sale of rupees one crore each. There was a slight decline in the number of primary stores in respect of number, membership, etc., but their sales showed an increase by about Rs. 2½ crores. This was due to a large extent to a policy of consolidation, rather than expansion of the Consumers' Movement. The commodities distributed consisted in food stuffs, mill cloth, ground nut cake, chemical manures, and agricultural implements. In agricultural marketing Madras led the other States by having a membership of 181,951, Bombay following it with a membership of 101,209 only.

Another big stride made by Madras consisted in the useful work of co-operative housing societies in relieving housing shortage in the State. There were 80 urban housing societies. They obtained Government loans to the extent of Rs. 63.67 lakhs. During the year 751 houses were completed and 1,233 houses were under construction.

The activities of the co-operatives in the sphere of food production deserve mention. 15,503 acres of land were reclaimed by 41 land colonisation societies and 14,382 acres were brought under cultivation. Irrigation, manuring, credit, marketing etc. were facilitated by a number of co-operatives, resulting in a considerable effort for food production on the part of the Co-operative Movement.

The resettlement of ex-servicemen and the ex-tappers is another line in which the Co-operative Movement made a mark. Some 1,210 demobilized soldiers found employment in co-operative

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workshops and 715 men in motor transport co-operatives while the land colonisation societies were organised for ex-servicemen. As for the ex-tappers, their ameliorative work consisted in the organisation of 1,811 palm jaggery societies with 1.49 lakhs of members, 224 milk supply co-operatives which handled 49.12 lakhs of pounds of milk, and numerous cottage industries societies for them. Various facilities such as free grants, interest-free loans, free service of Departmental Inspectors were offered by the Government to these institutions. With a view to afford recreation to ex-tappers 14,359 *Grama Sanghams* were started.

The progress of the weavers' movement was also appreciable on the side of production. Weavers' relief schemes were introduced; yarn was supplied to non-members also. One noteworthy feature of the weavers' movement was the sanction granted by the Government to start a Co-operative Spinning Mill with 11,000 spindles.

The Co-operative Movement covered other fields of activity also during the year.

Considering the measure of progress in membership and volume of transactions made during the year and considering the premier position the State occupies among the States of India in respect of co-operative development, we ought to feel proud of our record in the co-operative field. But how far has the Movement really advanced? This calls for a qualitative study of the situation in addition to the quantitative analysis.

A good number of those who have been benefited by the Co-operative trade were those outside the co-operative fold—not to speak of those who were nominally members of the co-operative institutions. For instance the consumers' stores and the weavers' societies. With a view to make the co-operatives useful to the general public, the co-operative stores and weavers' societies have been permitted to sell provisions and yarn, respectively to non-members also. A large part of the stores' sales—about 75 per cent—consist in controlled commodities, namely food stuffs and rationed articles. As long as the goods are controlled and scarcity conditions prevail, these non-members would benefit by the co-operative institutions but when the conditions ease considerably, they are very likely to stop their dealings with their respective institutions. It is of the highest importance that while the co-operatives supply goods to non-members they should also try to bring them into their fold in very large numbers so that they may add strength to the Movement

as a whole. Secondly a more earnest effort should be made by the co-operative stores to deal in non-controlled goods also on a larger scale so that when controls go, they would be able to withstand a set back. In spite of the progress made by the cottage industries societies in the State, it must be owned that the measure of progress achieved has not been commensurate with the importance of the small industries for the State. Madras has definitely been excelled by Bombay and probably Uttar Pradesh where the artisans are receiving greater attention in the matter of organisation on a co-operative basis. An earnest endeavour to serve the artisan better is essential. The country side has received considerable attention in the matter of offering facilities for credit and supply of manures and implements, etc., to the agriculturists. The facilities for storage are still very poor and the godowns so far put up with Government subsidies and local contributions are far too few to be of considerable help to the villagers. Similarly the provision of rural housing. Now that some progress has been made in the sphere of urban housing, the question of rural housing will have to be given attention in the scheme of co-operative housing.

The growth of the multipurpose societies has been fairly rapid and their number large; but their work needs much improvement. For instance several of these societies which have taken up multipurpose activities have not gone farther than dealing in one or two controlled commodities or opening reading rooms. They have not yet become a live force in the village economy but are simply functioning as distribution agencies. They should make a more vigorous endeavour to cover the entire life of the villager.

Commenting on the part played by the Government in the development of the Movement, an author stated in 'The Agricultural Situation in India' published by the Government of India, "Even in Madras, where a large measure of autonomy prevails, Departmental staff exceeds 4,000. Much of this is only a temporary phase and necessary in the present circumstances, but it cannot be denied that dependence on Government and concessions in an increasing degree are likely to lessen the initiative and self-reliance of the co-operatives to a considerable extent." The Government at the best can help quantitative progress of the Movement by offering various grants, facilities and concessions. But, for the movement to develop on the qualitative side and to merit democratic status, it is essential that it should be taken up by the non-official co-operators

on a larger scale and that an intensive campaign should be launched by means of co-operative education and mass propaganda. The Planning Commission also have suggested that at each level a substantial measure of responsibility for rural development should be shared by the people's representatives and that Government should assist them in working out programmes by giving financial and other assistance. The Madras Provincial (now State) Co-operative Union prepared and sent to the Government of Madras a comprehensive scheme for such education and propaganda. The expenditure estimated at Rs. 1 lakh has been proposed to be borne by Government and the co-operatives on a 50:50 basis. The scheme has not received the attention it really needs from the Government. May we hope that in view of the need for qualitative work which consists in a human approach to the villagers the Scheme will again be considered by Government?

A Welcome Change for the Small Artisan:

It has been reported that the Government of Madras are considering the question of constituting a separate department for looking after the development of cottage industries in the State. The new department, it is said, would be placed in charge of an additional Director of Industries, holding the rank of a Joint Registrar of Co-operative societies. This department would co-ordinate the activities of the Industries, Rural Development, Co-operation and Prohibition Departments—all of which have some part to play in promoting the small industries.

Cottage Industries are vital to our national economy; and year for years their cause has suffered. It is because the small industries are in some way or other connected with a number of department in some measure and at every stage their progress has been either slowed down or badly delayed due to the unsympathetic attitude of a particular department or the lack of co-ordination among all the departments concerned. The proposed new department will act as a link to the other nation building departments. It will give a status to the artisan. There is also reason to believe that by being able to devote its entire attention to the development of the small industries, this new department will be able to canalise the various activities in the direction of more effective and efficient development of cottage industries in the State. Now that intensive work in the field of cottage industries—in the shape of the conducting of a survey, the starting of a research institute, the inculcation of the

knowledge of a craft in the school going child, and so on—is actively under the consideration of the State, a new Department of Cottage Industries must be a suitable starting point for the enormous task under contemplation.

Cottage industries are still mostly unorganised occupations and those that are organised are those in the co-operative fold. There were as on 30—6—1950 as many as 269 cottage industries societies (other than weavers' societies) with a membership of 27,250 and a share capital of Rs. 7.67 lakhs. Their production and sale amounted to Rs. 31.09 lakhs and Rs. 44.37 lakhs respectively. There are also over 950 societies for handloom weaving which is now the chief cottage industry. It would certainly be in the best interests of these small industries, if all of them including the hand weaving industry are given over to the new department and if a co-operative bias is given at every stage of their development. Organisation of production and distribution would be easy for small producers only under the co-operative system. The appointment of a Joint Registrar of Co-operative Societies as the Additional Director in charge of the cottage industries will go a long way to maintain this co-operative bias without prejudice to the other departments. We hope the Government will give their best attention to the matter in view of the fact that the Government intend to build up a Co-operative Commonwealth with cottage industries as the back bone of national industrial economy.

In Memoriam:

It is with the deepest regret that we announce the sad demise at Madras of Sri K. A. Nachiappa Gounder, M.L.A. of Salem on the 21st August 1951 and of Sri G. Sri Ram Babu on the 17th August 1951.

Sri Nachiappa Gounder was a veteran Co-operator of our State. He had been active in the Co-operative field for two decades and served the Movement in various capacities. He was deeply interested in agricultural credit and marketing, his great ambition being the organisation of a "model" land colonisation society in his district of Salem. He was for some years on the Executive of the Madras Provincial Co-operative Union. His service in the field of Co-operation apart, he did public work in several other spheres and served on numerous Committees appointed by the Central and State Governments.

Sri Nachiappa Gounder had been ailing for some time past, but he would not give up his public work in spite of the protests of his doctors and friends that he was taking liberty with his health. He had been in Madras recently in connection with his public work; but unfortunately this trip proved fatal to him. A great Co-operative Leader has thus been removed, making the Movement the poorer.

Sri Sriram Babu was an old co-operator of over three decades standing. He was General Secretary of the Madras Provincial Co-operative Union from 1924 to 1930. He was connected with the

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Madras Central Bank and some other co-operative institutions in the city. He was deeply inserted in rural reconstruction; and helped its promotion at many mufasil centres during his period. In him, the Movement has lost one of its old veterans.

On behalf of the numerous Co-operators in our State and our numerous readers, we express our deepest regret and sympathy to their bereaved families.

Requiescat in Peace!

Condolence Message issued by Sri B. Venkataratnam Choudary, M.L.A. President, The Madras State Co-op. Union.

I was shocked to learn on the 21st instant that Sri Nachiappa Gounder passed away suddenly at the Legislator's hostel, Madras due to hemorrhage.

Of course I knew that he was suffering from indifferent health for some months past but he was showing considerable progress by taking periodical rest. He was also finding himself fairly energetic to attend to some public work which he had always been fond of. In fact he attended on the 18th instant the Executive Committee of the Madras Provincial Co-operative Bank and took as keen interest as ever in the deliberations. Even on the 20th instant I had the pleasure of spending some time with him in the Assembly. In spite of indifferent health he was always cheerful and enthusiastic in his multifarious public activities. It was very hard of FATE that it should have removed him at such an early age.

I have known Sri Nachiappa Gounder for many years past. He was my fellow worker in the Co-operative field for several years. In his own district of Salem he identified himself with the Co-operative Movement there and did yeoman service to the movement as the President of the Salem District Co-operative Central Bank, Central Co-operative Stores and of the Tiruchengode Co-operative Marketing Society and several other Co-operative Institutions. He was my colleague in the Madras State Co-operative Union and as a member of the Executive Committee he helped a good deal in the promotion of the Co-operative Education and Propaganda in the State.

Apart from the Co-operative Movement, he did immense work in other fields of public activity. He was an active Legislator who used to take a keen interest in the deliberations of the legislature on matters like rural finance and marketing. His association with various Committees of Inquiry constituted by the Central as well as State Governments speaks of his versatile knowledge and range of interest in public life and work. I, for one, have always deeply appreciated his love for public work and his selfless endeavour. His loss will be deeply felt by his numerous friends and admirers.

On behalf of myself and the Madras State Co-operative Union, I offer our deepest regret and sympathy to the bereaved family.

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The General Secretary,

The Madras State Co-operative Union,

379, Netaji Road, Madras.

SRI K. A. NACHIAPPA GOUNDER, M.L.A.

His life and Work.

Born on 15th January 1904, Sri K. A. Nachiappa Gounder was educated at Namakkal and Madras. His first entry into public work was in 1925 when he was nominated to the Sankari Taluk Board. For over two decades there after he was actively associated with the local administration of the Salem Dt., holding the Presidentship of the Dt. Board for a decade upto 1946.

A keen Congressman, he was elected to the Madras Legislature in 1930 and ever since devoted considerable attention to the country's struggle for freedom. He underwent imprisonment for individual *Satyagraha* in 1940. He had since been returned to the Madras Legislative Assembly of which he was an active member throughout. He was an Assistant Secretary of the Congress Legislature Party.

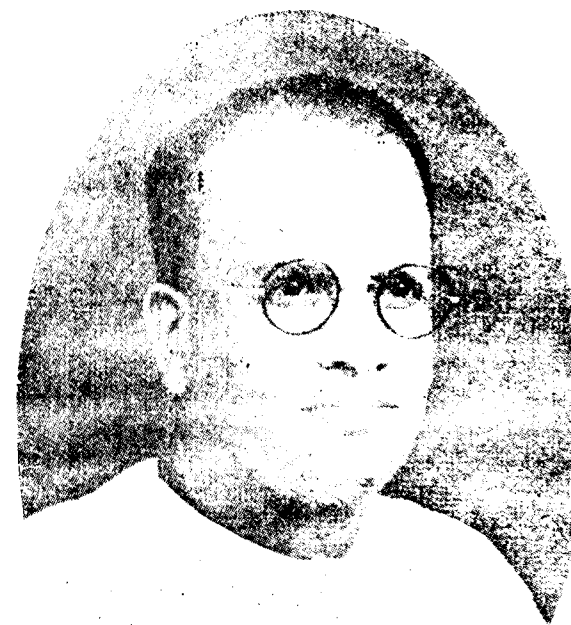
His best work, however, lay in the Co-operative field. He joined the Co-op. Movement in 1934 under the influence of Sri J.C. Ryan, the then Dy. Registrar of Co-op. Soc., Salem and ever since took very keen interest in the development of the Movement in his District and in the Province of Madras. During nearly two decades he held the important office of the President of various large and small Co-op. institutions in the Dt. such as the Salem Dt. Co-op. Central Bank, Central Co-op. Stores, Tiruchengode Land Mortgage Bank, Tiruchengode Co-op. Marketing Soc., Salem Co-op. Printing Works. He was connected with some larger co-op. institutions also as member of the Executive Committee of the Madras Provincial Co-op. Bank and Director of the Prov. Co-op. Marketing Soc., He was the Vice-President of the Tamil Nad Co-op. Federation and was also on the Executive Committee of the Madras State Co-op. Union till recently. He was associated with the Indian Co-op. Union also. Throughout the period of his association with the Co-op. Movement he vigorously endeavoured to benefit the small persons and the low paid workers. The introduction of free insurance for co-op. non-official employees of the Salem Dt. and the scheme for the preparation of a "Family Register" for the purpose of bringing all the families in the villages in the district into the co-op. fold are some concrete instances of his constructive work in co-operation.

By dint of work and practical study he made himself versatile. At the request of the State and Central Govt. he served on several Committees such as the Madras Prohibition Enquiry Committee and the Local Finance Enquiry Committee of the Central Govt. which he did with great credit.

Sri Nachiappa Gounder served the country in other capacities also. He was on the Salem Dt. Educational Council between 1929-1938 and later on the Senate of the Madras University. He was also the State Scout Commissioner for some years.

A useful and eventful life has thus been cut short. But he will be remembered long in the country by his exemplary public service.

May his soul rest in peace!



SRI K. A. NACHIAPPA GOUNDER, M.L.A.
(Born 15-1-1904—Died 21-8-1951)

Member, Executive Committee, M. P. C. Bank ;
Member, Executive Committee, M.P.C. Union
(1948—51) ;
President, Salem Dt. Co op. Central Bank ;
President, Salem Dt. Co-op Wholesale Stores ;
Vice-President, Tamil Nad Co-op. Federation.



SRI. G. SRI RAM BABU, B.A., B.L.
(Died 17th August 1951)
General Secretary, Madras Provincial
Co-operative Union,
(1924-26 ; 1927-30)

Co-operative Farming in Madras—Some Suggestions

SRI N. SATYANARAYANA

Co-operator, Alamuru, (E. Godavari)

The Madras Land Revenue Reforms Committee recommended in its Report that *lanka* lands in the Godavari and the Krishna Delta should be leased out to the Co-operative joint farming societies on a fair rental abandoning the present system of lease by auction. They further recommended that lands should be given to landless labourers even though there may be loss of some revenue to the State. This is the unanimous opinion expressed by the Land Revenue Reforms Committee. This recommendation is to be implemented by the Government. This requires no legislation. It can be done by the order of the State. The Revenue Board has to carry out the instructions of the Government. The District Collectors should see that the landless labourers living near the *lanka* lands are given these lands for co-operative farming.

The Congress in its Election Manifesto supported the view that co-operative farming must be encouraged. The Co-operative Planning Committee recommended that experiments must be carried on for co-operative joint farming in select districts and the Government should encourage this endeavour. The recommendations of several Committees and Conferences were only on paper. The Fourteenth Co-operative Registrars' Conference also recommended to the Central as well as State Governments to give a fair trial for joint farming by the Co-operatives. Pandit Jawaharlal Nehru in his reply to the debate on the Congress Manifesto at Bangalore clearly pointed out that although the Government were in favour of promulgating schemes for co-operative effort in agriculture and industry, they were not able to carry out the schemes for want of public response and active co-operation to implement the schemes. Paper planning is of no use unless it is implemented by earnest work and sympathy of the Government. Now is the chance for the Madras Government to place their *lanka* lands for co-operative farming without putting them for auction to the highest bidders as recommended by their own Committee.

In East Godavari District alone, there is an extent of 20,000 acres of *lanka* land in the river Godavari which is fetching an annual income of Rs. 10,000 to the Government. The average

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rental comes to Rs. 50 per acre. This is really rack renting on the part of the Government. Rich agriculturists are now competing in public auction with the landless labourers and enjoying the *lanka* lands. A few *lankas* are given to the landless labourers at a fixed price through the Field Labourers' Co-operative Societies. Even the upset price fixed by the Revenue Officers to these societies is exorbitant. The Government are collecting land tax at Re. 0-1-0 per cent. It comes to Rs. 6-4-0 per acre. This is the highest rental for *Ziraiti* lands of the Government. The land revenue on *Inam* lands is far less. There is no justification for the Government to collect Rs. 50 per acre on Government *lanka* lands which are only *Padugai* lands.

At the time of settlement, the rental fixed on *Padugai* lands is only 5 to 8 rupees per acre, on settled *lankas*. The Government should give away their *lanka* lands to poor landless labourers at fixed rentals.

The Madras Government is spending nearly a crore of rupees for the economic uplift of the *Harijans*. Most of the *Harijans* are landless labourers. They are the real tillers of the soil. As they have no lands, they are working now as *coolies* in these *lanka* lands under the rich ryots. To ameliorate the condition of the *Harijan* and scheduled class people, the Madras Government must immediately implement the scheme of the Land Revenue Reforms Committee by leasing out the *lanka* lands to the agricultural labourers at a fixed rental, i.e., Re. 0-1-0 per cent.

If the recommendation of the Land Revenue Reforms Committee is carried out by the Government, they will be really setting an example to the absentee landlords in the country so that they may also come forward to lease out their lands at a fair rental to the landless labourers through multi-purpose co-operative societies. If the Government carry out the recommendations of the Land Revenue Reforms Committee, they may get an income of only Rs. 1,25,000 while they have to lose Rs. 8,75,000. This is a paltry sum for the Government. By this noble gesture, they are not only helping the "have-nots" but also setting an example for the "haves."

If extensive *lanka* lands are thus made available to the landless agricultural labourers, the multi-purpose co-operative societies in the locality can finance these landless labourers for all their agricultural operations. Seed, manures, agricultural implements can be jointly

CO-OPERATIVE FARMING IN MADRAS—SOME SUGGESTIONS

purchased and distributed. Joint sale can be arranged through these co-operative societies for their agricultural produce.

Co-operative Institutions can find employment for thousands of agricultural workers by organising the agricultural industry in a thoroughly organised manner. Land, labour and capital are the three essential factors for the improvement of the agricultural industry. If these three forces are brought under the yoke of Co-operation, there will be great progress in the agricultural economy and it will give a real hope to the tillers of the soil, who are now penniless, landless and destitute. If Co-operation fails in this effort, then there will fail the best hope of Rural India.

Let the State Governments give a lead in this matter and set an example to the individual landholders as recommended by the Subrahmanyam Land Revenue Reforms Committee.

Announcement :

The VIII Tamil Nad Co-operative Conference, Madras

The VIII Tamil Nad Co-operative Conference will be held at Madras on the 29th and 30th September 1951. The details of the Programme and arrangements will be announced in due course. Co-operative Institutions are requested to send their donations and contributions at a very early date to the undersigned so that quick arrangements may be made for the successful conduct of the Conference. Since the time before us is not much very early action is requested.

P. NATESAN, M.B., B.S.,
Chairman, Reception Committee,
President, Madras Dt. Co-op. Central Bank, Ltd.,
52-53, Thambu Chetty Street, G.T. Madras. 1.

Suggestions for a Model Dairy Farm

SRI K. KALIMUTHU, M.A., B.L.,

Secretary, Velippalayam Co-op. Milk Supply Society, Ltd.

[This article was prepared for a meeting of the Velippalayam Milk Society of which the author is the Secretary. Now that the Government have just published a plan for the development of milk supply in the City of Madras, this paper will be interesting as one coming from a person deeply interested in Co-operative Milk Supply. The views of our readers and dairy-enthusiasts on the suggestions made by the author are invited for the benefit of the milk supply co-operatives—*Editors*]

1. **Object:** The need for good milch animals of outstanding class and sound pedigree in our place is conceded on all hands. It is unfortunately the case that, barring a few individual exceptions, there are no good or truly "Class" milch animals. If statistics available with me is any guide, I may quote some figures. Taking the figures for the month of November, 1950, the total production of milk was 18,702 local measures by about 275 animals owned by about 217 producers. This works out to an average production of 625 local measures per day, which means that on an average of $2\frac{1}{2}$ local measures per animal per day.

TABLE I

Sl. No	Particulars	July.	Aug.	Sept.	Octr.	Novem.	Decem.*
1.	Total No. of producers.	242	244	220	214	210	277
2.	Total quantity of milk per month.	22,600½	22,944½	21,339½	17,965½	18,701½	19,215½
3.	Number of animals involved in the production.	280	272	250	242	238	241
4.	Average daily production.	752	740	690	580	620	615
5.	Average milching capacity of an animal per day.	2½	2½	2½	2½	2½	2½

*Since furnished

As I have stated above, there are a few exceptionally good animals numbering about a dozen which, among themselves account for more than about 120 local measures of milk per day. The average-per-head production calculated above will be indeed a misleading compliment. It will be therefore reasonable to assume that the average milching capacity of an animal per day will be in the region of 2 local measures which in terms of current purchase price amounts to only fourteen annas in all!

2. This is a pathetic state of affairs. But then the implications must be closely studied and properly appreciated. At the present level of prices of the articles of cattle feed, the average of a milch animal is not

and cannot be a self-supporting proposition. There are the charges for oil cake, straw, grass and bran, grazing charges, milking cost and other labour charges. It is normal to calculate an average of one rupee in the minimum for feeding one animal, not to speak of the calf, if it ever survives. Therefore, the maintaining and rearing of a milch animal is not an economic proposition, so long as the present level of milching capacity is not improved and a simultaneous reduction in price levels of cattle feeds is not effected. While the latter may not be within the capacity of the Milk Supply Society, I venture to think, the former is eminently within its competence. In fact, it is only the Co-operative Milk Supply Societies and/or Cattle breeding Societies that can make a good beginning or mark any progress or record any achievement in this direction. In this connection, I may notice another startling fact. In the case of a majority of producers, milch animals are not maintained or reared for the mere hobby or pleasure of it or even as an item of pet. Most producers are poor or poorly people who look to the milch animals for and as a means of their livelihood. I may call the milk trade in Indian homes as "poor widow's business", not without a sense of melancholy appropriateness. Milk trade again is a sort of cottage industry extensively practised, but inadequately equipped. It may be a petty trade from the individual point of view, but that is not to say it can be carried on with little or lean capital. There is absolutely no capital accumulation noticed in the trade. It is therefore problematical who supports whom—the producer supports the animal or the animal supports the producer! But, it is clear, one cannot support the other and both must, at this rate, drift inevitably, if imperceptibly, into ever-growing economic poverty and misery. There are several ways and means of arresting this drift and the present scheme is one such effort.

3. It is proposed to own and maintain a certain number of milch animals under the auspices of the Society, with a view to illustrate the benefits of scientific system of breeding and rearing of milch animals on an economic basis.

4. **Production:**—The need for a Model Dairy Farm has come up rather sharply in another way. Early in 1950-51 the Government were pleased to advance Rs. 8,000 free of interest to the Society, for the purpose of distribution amongst our member-producers, with a view to enable them to purchase milch animals and milk them to the Society in the way of repayment of the loans in easy instalments. The Scheme of the Government is ostensibly for the purpose of augmenting and increasing the total quantity of milk available in the locality. The Society has availed of the benefits of the Scheme for the last two years. The total amount of accommodation availed of by the Society is (Rs. 5,880 plus Rs. 8,000) about Rs. 14,000. A sum of Rs. 200 was advanced to

each producer under the Scheme. As a result of the working of the Society, for the last two years, certain peculiar trends in the milk trade have come to notice. At the beginning of the Co-operative year, 1949-50 there were about a dozen animals owned by about 9 member-producers, yielding on an average about 22 local measures per day. The advancing of "free-of-interest" loans by the Society, attracted not a few producers and in fact accounted for the steady improvement in the production of milk. In fact there, were pressing applications for admissions into our several collection-depots in about December, 1949, with the result that we had to choose our producers and in that process, refuse admission to many others on account of the on-set of what I may call "surplus season". In due course, all producer-applicants were admitted as members, with the result that by about the middle of May, 1950, we had a record of daily production of about 840 local measures per day. And we were able to market 800 local measures without any difficulty. We had built up in the mean while a good consumption market. I may notice herein some chief lines of consumption. From April, 1950, we started supplying milk to the local Government Hospital on contract. This fact accounted for the big jump in consumption. We have supplied 46,590 Pints up to the 15th December, 1950. Practically every hotel in this place purchases at least some portion, if not the entire requirements of milk from our Society. The Canteen in the local Indian Steel Rolling Mills Ltd., is yet another of our bulk consumers. The stability of trade, we realised, lies in the bulk of domestic consumers, for, they are eternal! Retail consumption may be estimated to take off about 2/3rds of our daily production.

5. In passing, I may refer to the advent of a rival venture in milk trade in this place. It was started at a time (March, 1950), when we were obliged to decline further admissions to a certain number of animals on account of surplusage we felt. These persons naturally found a ready purchaser for their milk in that rival venture. It was, again, started by a group of persons who have had as much experience as we ourselves had at the time! That is to say the organisers of that rival venture were no other than those who have had some connection with this Society in some capacity or other! These persons left us rather suddenly, and without notice. We remained, however, undaunted and steady of purpose. The Society looked verily like a house divided against itself. Several were the attempts made on our member-producers to leave the Society, for the rival venture. Except for a handful of persons, none of our producers abandoned us, but, more were coming in. But, this is not the same as saying that the rival venture failed, for, that was flourishing too. How then do we explain this? The answer lies in the fact that it was only this Society that was able to deliver them their much needed goods, viz.,

"to promise and to advance an amount of credit which was far beyond the resources of that rival venture, or for that matter, any other."

Significantly enough, although the surplusage in production of milk at that time was being felt, we called for the applications for the issue of loans for the purpose of purchasing milch animals. *So that, our capacity for and our facility to extend credit for the purpose of milk trade has a distinct advantage and has been used as a pre-eminent instrument of consolidation of the Society.* The reason, as I have stated before, is a woeful lack of capital in the trade. A method of easy financing and gradual recovery, is exactly what is needed for this anæmic industry, and this, the scheme of interest-free Government loans supplied to a considerable extent.

I am fortified in this conclusion because, after the date of our notice inviting applications for loans, no producer has left us, but on the other hand, several producers belonging to that rival venture, have marched into our depots. Again, we have now opened 3 depots in the neighbourhood of similar depots maintained by that rival venture, and it is now observed that the rival venture altogether wound up two of their depots and their only remaining one is in the process of dissolution. Now, we are maintaining 9 depots distributed over the whole Municipal area. We have one depot at Nagore (average 115 local measures); one at Palpannaicheri; one at Kadambadi (average 120 l.m.); two at Velipalayam, one located inside the Government Hospital and three others at Nagapattinam Town. We have covered practically the entire area and there is very little of production of milk which remains untapped by our Society. Further, we have located our depots in such places as to be easily accessible to the producers of the locality and at the same time to be capable of attracting a large volume sales on the spots.

There is pretty little of private trading as such in milk by individuals since the advent of our Society. In the short space of the last 18 months, we have grown from strength to strength, until at last, we have achieved something substantial. And, not a little is due to the active and sincere co-operation of the Board of Directors and members of the salaried staff.

6. Turning to the side of *distribution*, our boys have now been equipped with the cycle, call-bell, rain-coat, water-proof hat, hand bag, etc. We have purchased cycles and sold them under hire-purchase agreements to these boys, recovering the prices of the same in easy and well-spaced instalments. These boys vendors are now paid a basic salary of Rs. 24, a Dearness Allowance, of Rs. 4 and a cycle allowance of Rs. 4; and in addition, they also avail of what is known as efficiency allowance, by which scheme, they are paid Re. 1 extra for every 100 local measures of milk sold by them during a given calendar month, over and above the minimum of 1200 local measures during that period. We are informed and we are happy to learn that this is about the best scale and condition of service that a vendor gets anywhere in this revenue district.

We have also made arrangements to provide weekly holidays for them in addition to other usual categories of leave and holidays available to

them. It is of very great significance in this connection that in the course of the last 18 months, whatever may be the other failings of these boys, there was not a single complaint—not even one, of supplying or attempting to supply bad or adulterated milk.

Consumption:—This leads to another aspect of the trade, *viz.*, “consumption”. There is a rather peculiar development. A considerable number of families in this place maintained milch animals *of their own*, not so much because of their profitability or advantage of the same, which was always illusory, but because they were unable to get even a reasonably bad (or good) quality of milk. Adulteration of milk was so rampant that it was almost conceded and condoned as an inevitable trait of the milk trade. But, all this is past history and cases of adulteration brought to book or notice of Court have become remarkably few.

Now that absolutely pure milk is assured, most of these people have disposed of their animals and started purchasing their requirements from us. Many animals have left the town, when they have proved too costly to be maintained and inconvenient and irksome to be in the rather limited room available. These animals have left for the villages of their masters, where they ought to be. In this sense the total number of animals in this town has recorded a distinct reduction, while at the same time recording an increase in consumption. *Thus, it is only those persons who can either maintain milch animals in good comfort or who have got to maintain such animals whatever the discomfort to them or to their animals, who are maintaining and rearing them.*

7. To sum up, the potential production of milk in this place has very probably become reduced. Many more animals are not likely to march into the town. Therefore fresh and further advancing of loans will not augment production. Neither are our producers likely to leave us or abandon the Society. We have reached a stage when we must view the question of advancing loans to producers in a different perspective. In fact, these several producers to whom loans were granted this year have to some extent burnt their fingers in that the prices of milch animals have shot up on account of a sudden and brisk purchase born in livestock trade caused by our loan advances. We must, therefore see that we not merely advance loans and look to regular repayments thereof, but must aid in its proper investment. We may, in this connection, avail ourselves of the powers vested in the Board under By-law No. 88 for joint purchase of milch animals on agency system. It is in this aspect of the problem that, as I have stated *supra*, a Model Dairy Farm may do useful and fundamental work for a silent revolution.

We must, therefore, go to the neighbouring villages to step up our production of milk. But, then what is the estimated off-take of milk in this place and what is the level of consumption, for which we must lay out

a plan? The population of Nagapattinam Municipality according to the 1941 Census is 52017 and allowing for a lamentable increase of 5 per cent thereon, it may be estimated to be 54618 of which we may discard 50 per cent as too poor to afford buying milk *regularly* as an article of domestic consumption. Of the other half, we may safely assume that a family will consume half a local measure of milk during a full day of 24 hours; so that, domestic consumption may require about 2731 local measures per day. Then there are the bulk consumers like the local Government Head Quarters (Taluk) Hospital (160 Local Measures a day on an average), and the hotels and eating houses; so that, there is a market for at least 3000 local measures of milk per day in this place. But then, a pertinent question may be asked “How to explain the surplus during slack season even at the present daily production of 850 local measures?”

I am afraid we are misled by the terms “slack season” and “surplus periods”. For one thing, the surplusage is in excessive production and not on account of reduction in or saturation of consumption. Winter or summer, day-in-or day-out, we drink the same quantity of milk. Probably, consumption by *trade* may record a fall, but then, that is not at all taken into our account in our present analysis.

But again, the term “excessive production” may be misleading particularly when we have planned for an estimated domestic consumption of 2731 local measures. “Excessive production” is caused with reference to *our town* in two ways. In the first instance, many residents of this town get back into the town their animals during this period, *i.e.*, there is a sort of import into the town. But, though it is ostensibly meant for their own domestic consumption, every one of them manages or manoeuvres to sell some part of the yield to his neighbours!

The other is a traditional one. Most animals yield calves and commence lactation during a particular period. If, by slow and steady propaganda, the yielding of calves can be so timed and spaced to be fairly even throughout the year, a substantial reform bearing immediate fruit, will have been achieved. If we go to the villages and purchase milk, we can buy it a trifle cheaper, and market *more* of the same while the animals themselves will stay where they are (in the villages), and be the better, both for their owners and themselves.

The problem of surplusage in milk is mainly caused by delay or default in distribution. Milk trade is particularly a labour-consuming one involving, in its very nature, a large army of vendors, not to speak of the other types of staff. We must employ more vendors during a surplus season and send out milk earlier than usual. But then, it is just the season—winter and rains—when producers don’t turn up in time. But again, they have got to do it even at some strain; otherwise, they are not true to their Society.

The proper answer to the problem of surplus is, therefore, (a) produce early; (b) supply in time; (c) arrest "import" of milk except by and through the Society; and (d) space out the lactation period throughout the year; and (e) behave well with consumers. At the same time, we may take courage in the twin facts that surplusage in milk is only seasonal, but universal; and that milk trade has survived all this and much more, all the world over, in the long period of history.

8. Therefore, we have to go to their villages for our further supplies of milk. In addition, we may make a beginning to have our own Dairy Farm with a view primarily to augment supplies and incidentally to serve as a model of dairy farming on an economical basis, and with a scientific bias. The former is achieved usually by organising a milk supply union in the municipal area, with a number of milk supply societies organised in the surrounding villages and affiliated to the Union, to serve as feeders for the latter.

The same object can be achieved in a different and much simpler way. The area of operation of this Society may, by suitable amendments to its By-laws, be extended to cover the neighbouring villages. We, in that case, may open similar depots in these villages with suitable arrangements as to transport and conditions as to the price of milk. This method will save a tremendous lot of effort in the way of organisation and with much less expenditure of time.

(9) The second answer to the problem of increasing the production of milk lies, as stated above, in organising, maintaining and rearing a Dairy Farm. Let me explain the financial soundness of the Scheme and the administrative details required to work out the same.

(10) (i) *The unit of business*:—I take it that the unit of business is not less than 5 and not more than 10 milch animals. We make a beginning with cows and not with buffaloes. The reasons are, the cows are far easier to manage and maintain, than buffaloes. Also, it is common knowledge that the mortality rate among buffalo calves is far higher than that of the cows. The choice of the cows has to be made from out of those of the best class, with an eye on its capacity for lactation.

(ii) I have taken the *period of lactation* to be 8 months on an average. An animal usually takes a heifer for a calf in the 3rd or at the latest in 4th month of lactation, so that it is only reasonable to assume that the animal yields a calf once in 15 months.

(iii) *A scientific and balanced diet*, will cost at the present level of prices Rs. 1-8-0 per day calculated in the following manner:—

	Average price.		
	Rs.	A.	P.
(a) Gingelly Cake. 1 Viss	...	0	9 0
(b) Kurunai 2 Local Measures	...	0	8 0
(c) Bran 1 L.M.	...	0	1 0
(d) Green Grass and straw	...	0	8 0
(e) Cod Liver Oil 2 Oz	...	0	4 0
Total		1	9 0

Inclusive of the cost of maintenance of its calf, the feed of a cow may be calculated to cost Rs. 2 per day.

(iv) *Staff*:—(a) The Farm may require the full time attention of a clerk, a milk-man, and two attenders. The monthly salary may be taken to be Rs. 85 for the clerk, Rs. 3 multiplied by the number of milch animals for the Milk-man, and Rs. 20 each for the attenders.

(b) A *miscellaneous expense* of Re. 1 per day may also be taken into account which may include the charges for periodical visits by Veterinary Medical Officers.

(c) *Rent, light and tax* may be assumed to cost Rs. 20 per month.

Unit of Nine Cows and Nine Calves:—

	About	Rs.
I. Cost of 1st class Cows	...	1,500
II. Cost of maintenance:—		
(i) Feeding charges—15 months @ Rs. 2 per day for a Cow and its calf	...	8,100
18 × 80 × 15 =	...	1,580
(ii) Staff—(Rs. 85 plus 27 plus 40) × 15	...	200
(iii) Rent and light	...	450
(iv) Miscellaneous Expenses (1 × 80 × 15).	...	
Total	...	10,880

Roughly, an expenditure of Rs. 11,000 for 9 cows and 9 calves for a period of 15 months.

The period of lactation being only 8 months on an average, this expenditure must of reimbursed by way of milk during the period.

That is, the 9 Cows must each yield milk of the value of Rs. $\frac{11,000}{9}$ that is Rs. 1,222 during this period. That is, the yield per month per animal must not be less than Rs. $\frac{1,222}{8}$ or, Rs. 153 per month.

That is, again, each cow must yield about 852 local measures of milk per month calculated at the purchase price of 7 annas per local measure. That is the average daily production per animal must be about 12 Local measures.

It is reasonable to hope that a really first class animal yields at least 12 local measures per day for eight months. Taking account of current selling prices, it will be just sufficient if each animal yields about 10 local measures per day. The marginal productivity of each animal must not be less than 10 local measures per day.

We have not taken credit for the value of calves even as we have not provided for unforeseen mortality of animals as for "depreciation"—an uncertain quantity in livestock trade; As a matter of fact, the maintenance

and rearing of the calves will contribute the largest single impediment Cattle insurance, if available, will remove the greatest single impediment to steady development.

(v) (a) *Financial Considerations* :—It is obvious from the foregoing that the Scheme involves a heavy financing which is not within the ready cash reserves of the Society. We have, therefore, to raise funds from without :—

(i) The Government may be requested to advance a suitable sum of money for purposes of the Scheme, at a nominal rate of interest, if not free of it ;

(ii) In the alternative, we may raise a loan from the Co-operative Central Bank at a rate of interest not exceeding $6\frac{1}{2}$ per cent per annum and the Deputy Registrar of Co-operative Societies, of the district may be requested to recommend to the Co-operative Central Bank to grant this loan.

(b) (i) The *repayment* of the loan will have to be spread over a sufficiently long period of years, say, 5 years. We shall also have to avail ourselves of a very good *stud-bull* taking full advantage of the subsidy and premium schemes for the purchase and maintenance of such animals offered by the Government. The success of the Scheme will depend to a very large extent, at any rate, in the first two years on :—(i) absence of mortality of animals and calves ; (ii) proper and scientific breeding and multiplication of calves.

(c) The greatest single impediment to this Scheme will be not so much the availability of finance, but the risk and uncertainty of unforeseen *mortality* of the milch animals and calves. This will be practically removed and our anxiety in this behalf allayed, if Cattle Insurance is available to us.

(vi) (a) *Some criticism and answers* :—It may be stated that there will be room for mischief by keeping out of account a slice of the daily production of milk. To a certain extent, this problem may be solved by a sort of levy system of production requiring the concerned staff to answer for the fall or material adverse difference in production. Similarly leakages may happen in his transport system, but such schemes are not abandoned on that score alone.

A close supervision and administrative control by a system of checks and balances may really be found in practice to be satisfying our demands and protecting our interests.

(b) It may be alleged that the interests of the Society may not be best served while purchasing or selling or otherwise trading in milch animals and their calves. The evil may be kept off by selling our animals only under resolutions of the Board either by the public auction after due

publication or by inviting tenders under the sealed covers. Barter or exchange transactions may be totally prohibited. Purchases of animals may be effected either through recognised Co-operative Societies dealing in this behalf or through reputed Firms or Institutes or in well-known Cattle-fairs. Or again, two Directors may be deputed to participate in effecting a sale or making a purchase. In the last analysis, it is only the integrity of the Staff concerned who can make for or mar the success of the Scheme.

(vii) *Medical Inspection* :—The Veterinary Department may be requested to give suitable medical advice and instructions. They may be invited to make periodical inspection. The co-operation of the Dairy Assistant may also be availed of.

(viii) *Competency* :—This Scheme may not be under-taken without suitable amendments to the existing By-law Nos. 2 & 38 of the Society.

(ix) *Public Opinion* :—A standing *Advisory Council* may also be formed with the President or the Vice-President and the Secretary, the local Veterinary Officer, the Dairy Assistant, the Senior Inspector for Milk, the Municipal Health Officer and/or the Municipal Commissioner and two or three non-officials to advise the Society on the affairs of the Model Dairy Farm. The Secretary of the Society may be designated the Convener and the President or the Vice-President as the Chairman of the Council.

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Co-operation in Pudukkottai*

SRI N. R. SAMIAPPA MUDALIAR,

President, Kumbakonam Co-operative Central Bank Ltd.

Brother Co-operators,

I have been associated with the Co-operative Movement as a humble worker for a number of years. I have immense faith in the Co-operative movement. This conference is the first of its kind after the merger of Pudukkottai with the Indian Union.

It is hardly necessary for me to dwell on the value of the Co-operative method and the principles for which co-operation stands. The Co-operative form of organisation has proved itself to be best suited for the promotion of the well-being of the community and for the development of virtues like honesty, self-help and mutual help. It provides a suitable basis for the reconstruction of the social and economic life of the country. All the political parties in the country are agreed on the potentialities of Co-operation. Our Union Constitution has as its ideal, the establishment of the Co-operative Commonwealth. The Report of the Planning Commission recently published has laid great stress on the need for co-operative effort in the solution of our internal problems and its importance in the economic development of the country. In fact, it is being increasingly realised all over the world that it is only the co-operative movement that can provide a lasting remedy to all the ills afflicting the nations. It is free from the defects which other economic systems have and, as you know, it is happy mean between the two conflicting ideologies in the world, viz., capitalism and communism. Co-operation, however, is essentially a business organisation and it can therefore succeed only when its constituents are actuated by the ideals of self-help and mutual help, thrift, industry and prudence.

Increasing use is being made of the co-operatives for implementing schemes of national improvement. For instance, in the Madras State, Co-operative organisations have been harnessed for the solution of the problems connected with food procurement and distribution, housing, relief of the distress among weavers, rehabilitation of ex-servicemen, resettlement of ex-toddy tappers, promotion of village industries, etc.

It is a matter of pride to all of us that the Co-operative movement in the Madras state, leads the rest of India not only in its numerical strength but also in the variety of functions undertaken by it. While I appreciate the progress made by the co-operative movement to Pudukkottai, I also feel there is certainly much more that remains to be accomplished. The Chairman of the Reception Committee has referred to some of the problems

*Presidential Address delivered at the IX Pudukkottai Co-operative Conference held on 22-7-1961.

CO-OPERATION IN PUDUKKOTTAI

confronting the movement in your area. I shall also indicate one or two subjects to which the conference may give its best attention.

As you are aware, rural credit societies constitute the backbone of the movement in your area as elsewhere. It is therefore necessary that every effort should be taken to broaden them and to intensify their activities. I find there are 82 rural credit societies in Pudukkottai and I believe their main business is to supply credit to their members. The food problem is a major problem confronting us to-day. The need for increasing food production is urgent and in the Madras State rural credit societies have begun to take an active part in intensifying cultivation by a State wide distribution of chemical manure, iron and steel, by encouraging the manufacture of rural compost and by keeping up the tempo of the food production campaign. Co-operators in this area should lose no time to harness the rural credit societies for the production of more food and to make them centres of food production and agricultural progress. You are aware of the State-wide scheme for re-organisation of rural credit societies. It is necessary that rural credit societies in your area also should be re-organised accordingly. The societies should undertake the supply of agricultural and domestic requirements of their members and also arrange to market their produce. They should function as multipurpose societies. I wish, however, to utter a word of warning here. For there should be no hasty expansion of the movement either in the number of societies organised or the members admitted. Societies should be organised only in suitable localities and where there is no dearth of men to run the societies successfully and honestly. If past experience is in any way a guide to the future, we should exercise great caution in the matter of organising more societies and encouraging the existing ones to undertake extra activities for ultimately the success of these societies depends upon the availability of local men with the necessary enthusiasm, leisure and inclination for honest work. The scheme sanctioned by the Madras Government for the re-organisation of rural credit societies has been extended for one more year. But if lasting results should be achieved, it is necessary to have at least a five-year plan to re-build the rural credit structure of the movement on solid foundations. Rural credit societies should also do sufficient business so that they can employ paid staff, to attend to the day-to-day work. It is also necessary that the workers in the movement—both paid staff and office-bearers of societies—should be given co-operative training by suitable arrangement with the Central Bank. I am confident that co-operators assembled here will draw up a well considered plan for the re-organisation of rural credit societies in the area.

To the agricultural producer, marketing of agricultural produce is as important as agricultural production itself. I find there are no marketing

societies in your area at present and I suggest that you should examine the question of forming such societies on the lines of those already working in other districts, as they would augment the income of the agriculturist and provide him with a number of facilities for the pursuit of his agricultural operations. Government sanction subsidies and loans to rural credit societies and marketing societies for the construction of godowns to enable the agriculturists to hold up their produce and sell them at a better market. I hope that rural credit societies in your area will avail themselves of the State assistance and before long a net work of godowns will be constructed by them.

Again, there are no supervising unions in Pudukkottai. Supervising Unions constitute the essential link between primary societies and the Central Banks in many of the districts in the Madras State, but they can flourish only if proper local leaders are available in sufficient numbers. There are two schools of thought, one in favour of supervising unions and the other against; and I hope this conference will examine the question in all its aspects.

I learn that the Central Bank was not encouraging deposits from private individuals for a long time and that it is differently constituted from the other Banks in the Madras State, composed, as it is, of only primary societies. It is necessary that the Central Bank should be able to find from its own resources the bulk of the funds required for financing its affiliated societies. For this purpose, it should be able to command necessary deposits. I hope the Central Bank will try to tap local deposits and encourage savings through the societies. Borrowing from the Madras Provincial Co-operative Bank should be resorted to only in extraordinary circumstances.

I find that on the non-credit side very little progress has been made, except for the stores societies which have been organised during the War period. I believe there should be scope in your area as elsewhere for the organisation of more milk supply societies, cottage industries societies and other types of societies to meet the needs of certain sections of the people as weavers, ex-tappers etc. The Central Bank can be of service in the promotion of non-credit co-operation in the area. It can foster cottage industries by providing funds and such assistance as may be necessary for the societies formed for the development of certain industries.

I am confident that there is a great future for the co-operative movement in this area and there is no dearth of earnest and honest workers imbued with true co-operative spirit.

Books in Brief

LAND MORTGAGE BANKS" published by the Agricultural Credit Department, Reserve Bank of India—Crown Size. pp. 77—Re. 1.

When the Reserve Bank of India Bill was on the anvil the nationalist Members of the then Legislative Assembly had to fight every inch of ground to get the necessary provisions relating to the establishment of an Agricultural Credit Department incorporated in the Act. But it is not from the legislative provisions that the agriculturists could secure any help for it is in the way in which they are worked that practical help accrues to the people. As long as there was an alien Government the activities of the Agricultural Credit Department of the Reserve Bank of India were interpreted in a very narrow sense, all practical help was denied, and only theoretical advice was tendered to the Co-operative movement. Since the establishment of the national Government a great change has come over, and the Agricultural Department of the Reserve Bank of India has been not only tendering valuable practical advice but also rendering effective and substantial monetary assistance to the co-operative institutions throughout the country and through them to the agriculturists. The agriculturists of the country in general and the co-operative institutions in particular have to be grateful to the authorities of the Reserve Bank for their foresighted and sympathetic policy. In recent years the Reserve Bank of India has undertaken the publishing of bulletins on the various phases of the co-operative movement in the country. These surveys are generally penetrating and comprehensive and presented with a breadth of vision that is necessary when problems are viewed from an all-India angle.

We have received a copy of their recent bulletin on "Land Mortgage Banks." It is an illuminating document presenting succinctly in seventy seven pages the working of land credit institutions in foreign countries and India. For workers in the long term credit movement this will be a highly useful document in that they could with advantage refer in a few pages to the practices of long term credit institutions in different countries in regard to the methods adopted for raising finance and supply thereof on the security of agricultural land.

Land mortgage banking has been developed mostly on the co-operative line in all countries of the world. In India, we have no joint stock land mortgage institution except in the Travancore State. In all other parts of the country co-operative land mortgage banks alone have been developed; but, there is little in common between the other co-operative societies and land mortgage banks in regard to the methods adopted for raising finance and distributing it to the borrowers.

It is the first principle of co-operation that members should join a co-operative society in a village with the object of putting their surplus

therein and borrowing from them their needs. The character of the borrower occupies a prominent place in assessing his credit-worthiness. On occasions loans are issued, no doubt, against securities but the dominating factor there is the character and credit-worthiness of the man and not the security he can offer. In land mortgage banks security occupies the prime place of importance. In our country land mortgage banking has been developed mostly in the Madras State. Land mortgage banks have been established in Bombay, Madhya Pradesh, Cochin, Baroda, Orissa, and Mysore. But the progress in these States has not been as rapid or as phenomenal as in Madras. Madras has come to occupy a place of pride in this sphere because from the beginning the Provincial Government of Madras has taken up the problem as an urgent problem requiring solution and dealt with it in a sympathetic manner and decided even at the early stages to extend guarantee to the debentures issued, to provide the necessary valuation staff at their cost and instruct other departments of the Government to deal with the requests from the land mortgage banks in a sympathetic and helpful manner and to grant many other concessions to lighten the burden of the agriculturist borrower. In the early stages semi-Governmental institutions like local bodies were instructed to deposit their funds in the debentures and thus the Government aided in all ways to make the movement a success. The movement was further fortunate in having at its helm of affairs public men of standing like the Late Ramachandra Rao Pantulu who devoted all his spare time and energy to looking into every detail of the working of these institutions and solving the problems that arose in the day to day administration. The problems were many in the early years as they had to tread on new ground and convince a bureaucratic though sympathetic Government in the Province and an irresponsible and unsympathetic Government at the Centre. The various Registrars of Co-operative Societies who as trustees to the debenture holders and the official heads of the co-op. movement took personal interest in the working of the bank and helped in solving the many problems with their authority and weight in the Government. The agriculturists of the Madras Province have to be grateful to all these for the great boon that they have conferred on them through the land mortgage Banks. If today land mortgage Banks are issuing loans at 5½ per cent to the agriculturists, credit is due to Madras Government and its Officers who have made such a cheap rate possible.

Other States in the Indian Union have merely copied the Madras models but for some reason or other their development has not been so striking. The Reserve Bank of India would have helped the country a great deal if they could investigate and ascertain the reasons for this slow development. There are other problems like the methods of valuation adopted in other countries; for example in Germany land is valued on the basis of assessment; in the United States the National Farm Loan Associations

(corresponding to our Primary Land Mortgage Banks) and Federal Land Banks (corresponding to our Central Land Mortgage Bank) adopted what is known as normal farm values as the basis for issue of loans. The normal farm values are arrived at by taking into account a number of factors including the location of the farm, the crops grown, the fertility of the soil and the value that it would fetch under normal conditions by averaging several factors in several years. So, in the U.S.A. during the depression period the farms were valued at rates higher than the market values and loans up to 65 per cent were issued. During the War and post-war years the value of lands has risen high but the land credit organisation stuck to its normal values and thus helped to some extent in putting down inflation of land values.

The land mortgage bank movement in our country started in the depression period and is going through a boom period. Valuation of lands is at present based on sales statistics of pre-war years plus 25 per cent provided it is not more than the average of the prewar and post-war sales. This conservative valuation has, of course, helped the land mortgage banks in obtaining first class security. How far it has helped in giving the necessary monetary assistance to agriculturists who wish to improve the lands has to be assessed in future.

As land mortgage banking gains momentum in other States and the transactions increase, there will be need to raise several crores of rupees by means of debentures guaranteed by the respective State Governments. We are now in an era of dear money rates. If there is competition between these Banks in the market for raising debentures it will end in an unhealthy way and it will become necessary to raise interest rates to the detriment of the agriculturists. As there is no apex institution in India like the Federal Farm Mortgage Corporation of the United States of America there is need for the Reserve Bank of India to co-ordinate the activities of the Central Land Mortgage Bank.

The Reserve Bank of India is now doing all it can in helping the various Central Land Mortgage Banks in advising them the opportune time to float the debentures, the rate of interest that may be offered and also taking up debentures upto 20 per cent of each issue. It would be more helpful if a separate Land Mortgage Department is organised in the Reserve Bank of India some what on the lines of the Land Mortgage Department of the Commonwealth Bank of Australia where the problems relating to long term Credit can be studied and timely action taken by them. Perhaps they could with advantage help in the management of the Sinking Fund investments of these Banks. It is understood that the Reserve Bank of India has an arrangement with the Industrial Finance Corporation to take over Government Securities held by them at cost price or market value whichever is higher. Similar arrangements with Central Land Mortgage Banks would help in relieving these Banks of the burden of depreciation in the value of Government Securities held by these Banks in the Sinking Fund Accounts.

The Reserve Bank has been advancing large sums, in recent years, to the short-term credit movement for agricultural production purposes at nominal rates of interest. Improvement of land and reducing the interest burden to the agriculturists are at least as important. The Reserve Bank of India should extend this concessional rate to land mortgage banks and help in the rehabilitation of agriculture.

Multipurpose Co-operative Activity in Madras

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

1. The Nidigatla Multipurpose Co-operative Credit Society. (E. Godavari)

Seven miles from Rajamundry in the select firka of Burugupudi is the village Nidigatla. It has a population of 1482 (1951 Census figure). A Co-operative Credit Society was established there in 1919. About 55 per cent of the population of the village is being served by the Society—its present membership being 157, paid up Share Capital Rs. 2,205 as on 31-5-51.

In the beginning the Society catered the credit needs of its members. The maximum borrowing power of the Society has been raised to Rs. 20,000, the individual borrowing to 1,000 after the introduction of the reorganisation scheme to provide its members facile credit facilities to the fullest extent. The outstanding under Central Bank loans is Rs. 16,460. There are 186 loans amounting to Rs. 18,460 against 118 members as on 31-5-51.

The Society has a reserve fund of Rs. 1,244-6-0 out of which Rs. 1,214-11-0 is invested in the Co-operative Central Bank, Ltd., Rajamundry. The Society has invested Rs. 1,000 under Shares in the Central Bank. It has introduced the scheme of savings through *hundi* boxes and distributed 32 boxes to its members. An amount of Rs. 362-5-3 was thus collected. 12 thrift days were celebrated during the year.

The Society earned a net profit of Rs. 475-8-0 during 1949-50. The Society has the following reserves to its credit which are merged in its working capital at present.

Rs.	A.	P.	
368	6	0	Under bad debts reserve.
697	12	0	Under undischursed profits.
45	3	0	Under dividend yet to be distributed.
51	11	0	Under common good fund.

Under the scheme of reorganisation of Rural credit societies, the society has undertaken multipurpose activities after suitably amending its bylaws. For this purpose the society is enjoying a cash credit accommodation of Rs. 1,500 from the financing Bank. The Society has undertaken

MULTIPURPOSE CO-OPERATIVE ACTIVITY IN MADRAS

on-credit activities such as sale of Handloom Cloth and the revival and development of the brass industry in the village. The number of members benefited on account of these activities are 11 and 4 and the volume of transactions Rs. 55 and Rs. 237-13-0 respectively. Under the Intensive Food Production Scheme this is one of the societies selected for the distribution of chemical fertilisers and iron and steel.

For the construction of a godown, the Society purchased a site of 7 cents in the heart of the village for Rs. 1,000. The Society has a reading circle and for this purpose it is getting *Krishna Patrika* and *Madras Information*.

2. The Sullia Multipurpose Rural Credit Society (South Kanara Dt.)

The Society was registered on 17-2-1914 and was started on work on 25-5-1914 with its area of operation over the 3 Revenue Villages of Sullia, Ubaradka Mithur and Ajjavar. It is situated at the head of the Firka and is in the Malnad Area.

The Society has got a membership of 305 with a paid up share capital of Rs. 5,877. The Reserve Fund of the society was Rs. 5,097-1-0 on 30-6-50 which is completely invested. The Society provides banking facilities to members. Fixed deposit, recurring deposit, savings deposit, current deposit and Hundi deposit facilities are given both to members and non-members. The following figures show the various kinds of deposits outstanding on 30-6-50.

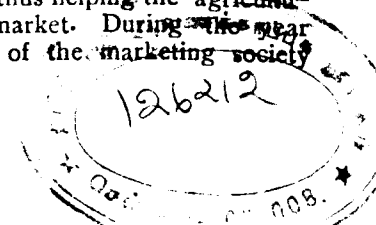
	Members.	Non-members.
	Rs.	Rs.
1. Fixed Deposits ...	2,616	820
2. Recuring Deposits ...	227	520
3. Hundi Box Deposits	343	321
4. Current Deposits ...	7,552	11,016
5. Savings Deposits ...	...	383

The society advances loans on the pledge of produce, on the security of immovable properties and on personal security. Areca is the chief produce pledged. The following figures will show the loans issued by the society from 1-7-50 to 31-12-50.

		Rs.
Security	...	13,082
Produce	...	12,750

Joint stock banks have not established branches even in this part or Malnad. Hence all banking facilities are afforded by this society alone. The South Canara Central Co-operative Bank has entrusted it with the agency work *i.e.* collection and payment on behalf of the Bank. During 49-50 the society has received Rs. 4,73,936 and disbursed Rs. 4,75,712 respectively. The Bank allows the society a small commission for doing this work.

The society is also acting as an agent of the South Kanara Agriculturists Co-operative Marketing Society, Mangalore to pool the Agricultural produce of members of the Marketing Society and to arrange for its transport for sale to Mangalore. Advance on such produce are also made at the scale fixed by the marketing society and thus helping the agriculturists to hold on their produce for a better market. During the year 1949-50 the society has received on behalf of the marketing society



THE MADRAS JOURNAL OF CO-OPERATION

produce worth of Rs. 58,495 of which Rs. 56,966 worth produce were sold by the marketing society and sale Proceeds disbursed.

Owing to the introduction of Prohibition many of the ex-tappers, both members and non-members of the locality, found it hard to adopt themselves to the changed conditions. The society amended its bylaws to afford facilities to this ex-tappers to prepare jaggery from sweet toddy. During 49-50 Rs. 839 worth of jaggery manufactured by the licensed ex-tapper members of the society was marketed through the society.

The society purchased agricultural implements such as plough shares pick axe and *mammooti* blades worth Rs. 173-2-0 and distributed. Manures worth of Rs. 64-3-0 were sold to ryots.

The society has a piece of land of its own under Moolgeni right and is contemplating construction of a building of its own with Government aid. The society worked at a net profit of Rs. 411-5-0 during the year 49-50.

3. The Chinaravuru Co-operative Multipurpose Society (Guntur Dt.)

This society was registered on 12-3-1929 as an ordinary co-operative credit society in the beginning and was started on its work on 4-5-1929 with 12 members and a paid up share capital of Rs. 12. Its area of operations extends over the village of Chinaravuru. This is the 23rd year of working.

The society has since adopted Multipurpose by-laws and has on date 105 members with a paid up share capital of Rs. 1,064. As per bylaws, the society is eligible to borrow up to Rs. 40,000. The society has advanced an amount of Rs. 5,089 under loans, and has to pay Rs. 2,565 to the Central Bank Rs. 3,370 to depositors. The society has taken up multipurpose activities for the benefit of its members and non-members.

The society has taken up the distribution of rice, sugar, matches, Bengal *dholl* etc. It has undertaken to run cheap deposit for distribution of rice. This has been approved by the Government.

The details of transactions in the direction are noted below:—

	Rs.	A.	P.		Rs.	A.	P.		Rs.	A.	P.
Rice	1,185	2	7	Sugar	1,509	0	1	Jaggery	456	8	7
	604	0	8		330	5	2		87	0	5
	1,230	0	0		335	12	4				
	1,230	2	0		224	5	7				
	4,249	5	8		2,679	7	2		543	7	0
Wheat	144	8	0	Dholl	57	8	3	Matches	31	15	9
					7	14	3		18	9	0
									0	8	6
	144	8	0		65	6	6		46	1	3

The Madras State Co-operative Union. SUPERVISORS' EXAMINATION MARCH 1951. Supplemental List of Practical Training Examination Results.

Tanjore Centre		
S. No.	Name of the Candidate	Regd. No.
1.	Jambukumaran, S.	3921.

(This candidate having passed the Theory examination in full at March 1951 examination has now completed his examination by passing his Practical Training in July '51.)

P. C. U. EXAMINATION RESULTS—MARCH 1951. List of Candidates Who Obtained Distinction.

The following candidates have obtained distinction at the Provincial Co-operative Union Examination, March 1951 in the subjects noted against their names: (Distinction is awarded to those who have obtained at least 60 per cent in any subject and also First Class.)

Tanjore Centre			
S. No.	Name of the Candidate.	Regd. No.	Subject or Subjects :
1.	Murugan, I.	3960	Auditing
2.	Palaniappan, N.	3980	Co-operative Law
3.	Ramaswamy, K.R.	4010	Co-operative Law ; Book-keeping ; and Practical Training.
Rajahmundry Centre			
4.	Jagannadha Rao, V.	4090	Co-operative Law
5.	Ramadas, V.	4111	Co-operative Law
6.	Sambhu Prasad, V.	4120	Co-operation, His. General and Principles ; Co operative Law ; and Book-keeping.
7.	Suryanarayana Murty, Palepu	4143	Co-operative Law ; Auditing; and Practical Training.

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.

Co-op. Central Banks—Half-yearly Progress

DEVELOPMENT DEPARTMENT

G.O. No. 2058, 7th May 1951

Co-operative Societies—Central Banks—Financial statement for the half-year ended 31st December 1950—Recorded.

READ—the following paper :—

Letter from Sri J. C. RYAN, M.A., Registrar of Co-operative Societies, to the Secretary to Government, Development, dated Madras, the 19th April 1951, Pdl. No. 2 51-A.

[Co-operative societies—Central Banks—Financial statements for the half-year ended 31st December 1950—Report—Submitted.]

I submit the consolidated financial statements (in 5 parts) of the District Co-operative Central Banks and the Madras Provincial Co-operative Bank for the half-year ended 31st December 1950.

2. *Share capital.*—The paid-up share capital of the Madras Provincial Co-operative Bank fell from Rs. 15,00,000 on 30th June 1950 to Rs. 14,81,700 on 31st December 1950. The total paid-up share capital of all Central Banks in the State rose from Rs. 1,17,90,940 on 30th June 1950 to Rs. 1,24,52,040 on 31st December 1950.

3. *Proportion of owned capital to liabilities*—(a) *Madras Provincial Co-operative Bank*—During the half-year ended 31st December 1950, the Madras Provincial Co-operative Bank continued to borrow funds up to an enhanced limit of twenty times its owned capital (share capital and Reserve Fund) to finance through the Central Banks, the societies which undertook procurement and distribution of foodgrains, mill cloth, yarn, chemical manures and iron and steel. The total borrowings of the bank on 31st December 1950 amounted to Rs. 686.38 lakhs as against the maximum credit limit of Rs. 1,171.34 lakhs permitted.

(b) *District Co-operative Central Banks*—The total borrowings of all the Central Banks on 31st December 1950 amounted to Rs. 1,602.36 lakhs as against the maximum credit limit of Rs. 2,712.53 lakhs. The maximum credit limit of nineteen Central Banks was enhanced for financing procurement and distribution of foodgrains, mill cloth, yarn, chemical fertilizers, and iron and steel undertaken by co-operatives in their respective jurisdictions.

4. *Fluid resources.*—As the Madras Provincial Co-operative Bank continued to finance procurement and distribution of foodgrains, textiles, yarn, chemical fertilizers and iron and steel undertaken by co-operatives, it maintained fluid resources at the standards relaxed in G.O. Ms. No. 4097, dated 9th October 1950. During the half-year ended 31st

CO-OP. CENTRAL BANKS—HALF-YEARLY PROGRESS

December 1950, all the Central Banks maintained the required standard of fluid resources.

5. *Loans to societies.*—Particulars of loans outstanding against societies in the Madras Provincial Co-operative Bank and the Central Banks are furnished below :—

	Loans outstanding against societies,		
	As on 31st December 1950. Rs. IN LAKHS.	As on 30th June 1950. Rs. IN LAKHS.	As on 31st December 1949. Rs. IN LAKHS.
1. Madras Provincial Co-operative Bank.	484.11	382.42	563.46
2. Central Banks ...	1,244.60	1,154.61	1,253.43

6. *Overdues.*—On 31st December 1950, a sum of Rs. 189.33 lakhs was overdue from societies to Central Banks, out of the total loan of Rs. 1,244.60 lakhs outstanding against societies. The percentage of overdues to outstanding was 11.2. Of the sums due from Central Banks to Madras Provincial Co-operative Bank, no amount was overdue at the end of the half-year.

7. *Reserves.*—On 31st December 1950, the statutory reserve of the Madras Provincial Co-operative Bank was Rs. 48.75 lakhs and its other reserves amounted to Rs. 7.74 lakhs. The total statutory reserve of all the Central Banks was Rs. 60.92 lakhs while the total of their other reserves amounted to Rs. 88.70 lakhs on 31st December 1950.

Announcement.

The Byelaws of the Madras Provincial Co-operative Union having been amended now in view of the new Constitutional position of the Madras State, the Madras Provincial Co-operative Union will in future be known as **The Madras State Co-operative Union.**

G.O.'s and Circulars

[The following is a circular issued by the Registrar of Co-operative Societies regarding the preservation and destruction of records in Co-operative societies. It is published here for the information of Co-operative Societies.]

R.C. No. 116/26-A.

Dated, 26th May 1927

**Sub: Primary societies—preservation and destruction of records—
framing of rules.**

In pursuance of the resolution passed on the Departmental Conference held in April last, the report of the sub-committee on the subject of preservation and destruction of records is circulated to all Primary societies.

The Records in the Following List Should Ordinarily be Retained After Completion for the period Indicated (P : Permanent)

S. No.	Name of Register.	No. of years to be retained		
		Unlimited liability society	Limited liability society	Stores.
1	Admission book with the list of share holders.	.. P	P	P
2	Day book	.. P	P	P
3	Ledger of fixed deposits and other borrowings	.. P	P	P
	(a) Register of F.D. (Personal)	.. P	P	P
4	Recurring deposit ledger	.. P	P	P
5	Provident deposit ledger	.. P	P	..
6	Current deposit ledger	.. P	P	..
7	Reserve fund ledger	.. P	P	P
8	Audit certificates in cases where the history of societies is not maintained	.. P	P	P
9	Property statement of members	.. P	..	..
10	Supplemental day book—for interest	.. P	..	..
	" " Principal	.. ..	P	..
11	Investment accounts in Dt. Bank shares	.. ..	P	..
12	By-laws with certificate of the Registrar	.. P	P	P
13	By-laws and amendments	.. P	P	P
14	Acts and rules	.. P	P	P
15	Share withdrawal register	.. ..	P	..
16	Minute book	.. P	P	P
17	Receipt book	.. 10	10	10
18	Posting statement of receipts and disbursements	.. 10	10	10

G.O.'S AND CIRCULARS

S. No.	Name of Register	No. of years to be retained		
		Unlimited liability society	Limited liability society	Stores
19	Letter file	.. 10	10	10
20	Voucher file	.. 10	10	10
21	General ledger	.. ..	10	10
22	Prices register	.. ..	..	10
23	Loan ledger	.. 5	5	5
24	Liability register	.. 5	5	5
25	Register of closed loans	.. 5	5	..
26	Cashiers Chitta	.. ..	5	..
27	Store keeper's day book	.. ..	..	5
28	Purchase book	.. ..	..	5
29	Goods Ledger	.. ..	..	5
30	Share application register	.. 3	3	3
31	Loan application register	.. 3	3	3
32	Aquittance roll	.. 3	3	3
33	Letter book register	.. 3	..	..
34	Register of joint purchases	.. 3	3	3
35	Register of joint sales	.. 3	3	3
36	Register of application for arbitration, litigation	.. 3	3	..
37	Dividend distribution register	.. ..	3	..
38	General current register	.. ..	3	3
39	Disposal register	.. ..	3	3
40	Despatch register	.. ..	3	3
41	Incidental charges register	.. ..	..	3
42	Register of issue to salesman stock	.. ..	..	3
43	Stock book of forms and furniture	.. ..	3	3
44	Register of establishment charges... (vide 25 Central Bank model)	.. ..	..	3
45	Suppliers personal register	.. ..	..	3
46	Trade advance register	.. ..	..	3
47	Sales chit	.. ..	..	revised as three years
48	Daily sales book	.. ..	..	2
49	Register of contingent charges (Vide 33 C.B. Model)	.. ..	..	2
50	Register of purchases made by members	.. ..	..	2
51	Register of condemned articles	.. ..	..	1
52	Supervision fund register	.. 1	1	1
53	Deficits by wastage and dryage	.. ..	..	1
54	Diary of due dates of loans disbursed	.. ..	1	..
55	Expense account	.. 1	1	..
56	Suspense account	.. ..	1	..
57	Bond register	.. ..	1	..
58	Petty cash book		1	..
59	Diary of due dates for loans and shares by members	.. 1	..	..

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Copy of G.O. (Ms.) No. 3001, Development Department, dated the 7th July '51.

Co-operative Societies—Concessions—Registration fees—Payment by members belonging to Harijan Communities—Exemption—Continuance—Sanctioned—Payment by Harijan Societies—Exemption—Granted.

Read the following :—

(i) G.O. Ms. No. 2702, Development, dated 21-10-48.

(ii) G.O. Ms. No. 2466, Development, dated 9-5-49.

ORDER :

His Excellency the Governor accepts the Registrar's proposal to continue the exemption granted to Harijan members of Co-operative Societies from the payment of fees payable for the registration of documents and for obtaining encumbrance certificates subject to the modification that the concession shall be continued for a period of two years from 1-4-1951.

2. His Excellency the Governor also accepts the Registrar's proposal to exempt Co-operative Societies, the majority of whose members is composed of Harijans from the payment of fees payable for the registration of documents executed by them in favour of Harijans and for obtaining encumbrance certificates. This concession will be available upto 31-3-58 from the date of publication of Notification II.

3. The following Notification will be published in the Fort St. George Gazette :—

NOTIFICATION I.

In exercise of the powers conferred by section 30 (2) (b) of the Madras Co-operative Societies Act, 1932 (Madras Act VI of 1932) His Excellency the Governor of Madras hereby makes the following amendment to Development Department Notification No. 688, dated the 21st October 1948, published at page 924 of Part I of the Fort St. George Gazette, dated the 26th October 1948, as subsequently amended :—

AMENDMENT

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

NOTIFICATION II.

In exercise of the powers conferred by section 30 (2) (b) of the Madras Co-operative Societies Act, 1932 (Madras Act VI of 1932) His Excellency the Governor of Madras hereby remits in full for the period commencing from the date of publication of this Notification and ending with the 31st March 1958, all fees payable under the law of registration for the time being in force for the registration of documents executed in favour of Harijans and for obtaining encumbrance certificates therefore by any Co-operative Society for the time being registered or deemed to be registered under the said Act, the majority of whose members being composed of Harijans.

(True copy)

End. No. Rc. 5966/51 V.I.

Copy communicated.

OFFICE OF THE REGISTRAR OF
CO-OPERATIVE SOCIETIES, MADRAS
Dated, 18-7-1951.

J. C. RYAN,
Registrar.

G. O.'S AND CIRCULARS

Circular of the Registrar of Co-operative Societies Madras.

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

R.C. 14789/50-X-5.

Dated 20-7-1951.

Sub: Rural Credit Societies—introduction of multipurpose activities—payment of remuneration to panchayatdars—rate—revised.

Ref :—Registrar's circular Rc. 126545/49-X 5, dated 29-9-1949.

In the Registrar's circular cited, the form of bylaw 54-A to be adopted by rural credit societies for entrusting the day-to-day work connected with the new credit business undertaken by them to any of the panchayatdars selected for the purpose, was communicated to all the Deputy Registrars and Special Development Officers. It has been represented to the Registrar that the maximum rate of remuneration payable to the panchayatdars namely 5 per cent of the value of goods sold or supplied by the society in any year suggested in the bylaw, is too high and that payment of remuneration at this rate to panchayatdars would entail loss to the societies as they have to incur other miscellaneous expenditure. It is therefore suggested that the maximum remuneration payable to the panchayatdars for the non-credit business entrusted to them, may be reduced to 3½ per cent of the value of the goods sold or supplied by the society in any year.

2. Deputy Registrars and Special Development Officers are requested to communicate this suggestion to the rural credit societies in their charge and see that the necessary amendments to bylaw 54-A are carried out at an early date.

J. C. RYAN,
Registrar.

The Madras District Co-operative Central Bank, Ltd.	
52-53, Thambu Chetty Street, Madras 1.	
ESTD. 1930	TELEPHONE NO. 2884.
Authorised Capital	Rs. 5 lakhs.
Working Capital	„ 35 „
All kinds of deposits accepted.	
Rates of Interest :—	
Current Deposit	½ %
Savings Deposits	2 %
Fixed Deposits :—For 1 year 3 % For 2 years and above 3½ %	
Further particulars can be had from the undersigned :	
B. S. VIJAYAGOPAL, B.A., B. COM.	
Secretary.	

Co-operative News and Notes

"The Vanamahotsavam" (tree-planting) was celebrated in the Colony of the Rudravaram Land Colonisation Society for Ex-Servicemen in July 1951. Mango seedlings were planted by Sri K. Subrahmanyam Naidu, Joint Regr. of Co-op. Societies and other gentlemen. The Joint Registrar exhorted the colonists about the significance of tree-planting.

The Harvey Mills Employees' Co-op. Stores Ltd., Vikramasingapuram constructed a new building for its premises at a cost of Rs. 9 lakhs without calling on the members to contribute extra capital. The building was opened on 15-7-'51.

Sri Vardhana, Registrar of Co-op. Societies, Thailand, delivered the Valedictory Address of the Central Co-op. Institute Trainees Association in Madras on 28-7-'51. Sri J. C. Ryan, Regr. of Co-op. Societies presided.

His Excellency the Governor of Madras and Her Highness the Maharani of Bhavnagar visited the Pullampet Padmasali Weavers' Co-op. Society, Ltd., on 16-7-'51. Sri V. V. Raman, its President received them and showed them the activities of the Society.

Sri T. A. Ramalingam Chettiar, B.A., B.L., M.P., President of the M. P. C. Bank, Ltd., and Sri J. C. Ryan, M.A., Regr. of Co-op. Societies, Madras have been appointed members of the Reserve Bank of India Advisory Committee for Agricultural Credit.

Sri T. A. Ramalingam Chettiar has been elected by the Co-operative Banks as a Director of the Industrial Finance Corporation of India, New Delhi.

At a quarterly conference of the Weavers' Societies in Cuddalore circle held on 25-7-1951, it was resolved that weavers should produce utility varieties for internal use rather than export goods so as to relieve cloth scarcity. A Weavers' Advisory Committee was also formed to regulate and assist the work of the weavers.

The Tinnevely Dt. Co-op. Central Bank, Ltd. and the Salem Dt. Co-op. Central Bank are vying with each other as it were in a healthy competition for showing a "nil balance" record year after year.

The former cleared its entire demand of Rs. 15,14,969 under principal and Rs. 1,74,370 under interest even in the first week of June 1951 while the latter cleared its entire demand of Rs. 25,87,995 under principal and Rs. 1,90,181 under interest even in the second week of June 1951. This is the eighth successive year for the former Bank and the seventh for the latter to obtain such a unique record. The two institutions have earned the well-merited appreciation of the Registrar of Co-op. Societies and numerous co-operative institutions.

The VIII Tamil Nad Co-operative Conference.

(CONVENED BY

The Madras District Co-operative Central Bank Ltd.)

52-53, THAMBU CHETTY STREET,
Madras, 17-8-1951

CIRCULAR No. 2.

Sir,

The Eighth Tamil Nad Co-operative Conference to be convened by the Madras District Co-operative Central Bank, Ltd., will be held on Saturday the 29th and Sunday the 30th of September 1951 at the Pachaiyappa's College Buildings, Chetpet, Madras. A provisional programme is appended herewith. We trust that all the co-operative Institutions and the co-operators of Tamil Nad and outside will take part in the Conference by sending delegates or visitors and make the Conference a success.

Details regarding the number of delegates each type of institution can send, the delegate fee payable, etc., have been communicated in our circular dated 1-3-'51. In the same circular we have requested all the Co-operative Institutions to make liberal donations in order to meet the expenses of the Conference. The response to this, though favourable, has not been upto the expectations. In these days of high costs it will not be possible to meet the expenses of the Conference with the Boarding and delegate fees. So we make a personal appeal to all the institutions which have not yet paid any donation to consider this aspect and contribute some amount as donation.

Boarding and lodging arrangements are also being made at the Conference premises for the convenience of the delegates. The Boarding fee is Rs. 6/- per head for both days of the Conference. Due to the existence of rationing in Madras, the Rationing Authorities will have to be addressed sufficiently in advance for the sanction of the rationed articles. We, therefore, request all those who have not yet sent their boarding fees to send the same by 10-9-1951 so that we may have sufficient time to make the necessary arrangements.

Delegate Tickets and Meals Tickets will be sent to the delegates in advance. In cases where the addresses of delegates are known, they will be sent to them direct. In other cases, they will be sent to the institutions concerned to be handed over to their representatives.

All resolutions for the Conference may be sent on or before 20-9-1951.

In response to the request of some co-operators, it has been decided to hold a separate session for the Urban Banks. This is the first time when a separate session has been organised for Urban Banks. Hence all these institutions are requested to consider the details of various demands of the members and send the resolutions on or before 20-9-1951.

Arrangements are also being made to have an exhibition as an adjunct of the Conference. Intending exhibitors are, therefore

THE MADRAS JOURNAL OF CO-OPERATION

requested to intimate to this office, before 20-9-1951 their desire to take part in the same.

All communications, money orders, etc., should be sent to the Secretary, The Madras District Co-operative Central Bank, Ltd., 52-53, Thambu Chetty Street, George Town, Madras.

L. N. PARAMASIVAM PILLAI,	P. NATESAN,
<i>President,</i>	<i>Chairman,</i>
Tamil Nad Co-operative Federation.	Reception Committee,
M. S. PALANIAPPA MUDALIAR,	The VIII Tamil Nad Co-opera-
T. NARAYANA PILLAI,	tive Conference.
<i>Joint Secretaries,</i>	
Tamil Nad Co-operative Federation.	
	B. S. VIJAYAGOPAL,
	Convenor, VIII Tamil Nad Co-op.
	Conference, <i>Secretary,</i>
	The Madras District Co-operative
	Central Bank, Ltd.

PROVISIONAL PROGRAMME FOR

The VIII Tamil Nad Co-operative Conference.

Saturday (29-9-1951):

9-30 A.M. Prayer.

Flag Hoisting by Sri V. Nadimuthu Pillai President, Tanjore Co-operative Central Bank.

Welcome address by Dr. P. Natesan, Chairman, Reception Committee; President, The Madras District Co-operative Central Bank, Ltd.

Inauguration of the Conference by Hon'ble Mr. Chandramouli, Minister for Co-operation.

Presidential address by Sri A. Ramachandram Pillai, President, The Ramnad District Co-operative Central Bank, Ltd.

Opening of the Exhibition by Sri T. A. Ramalingam Chettiar, President, The Madras Provincial Co-operative Bank, Ltd.

3 P.M., (1) Urban Banks' Session—Inauguration by Sri M. Seshachala Iyer,

(Secretary, Thiruvannamalai Co-operative Urban Bank.)

(2) Open Session of the Conference, (Urban Banks).

Sunday 30-9-1951.

9-30 A.M., Open Session of the Conference.

3 P.M., Conference of the Secretaries of Central Banks—Mr. C. R. K. Chetty, Secretary Madras Provincial Co-op. Bank, will preside.

Telephone: 34519. Telegram: SAHYOG.

The Provincial Industrial Co-operative Association, Ltd.

9, Bakehouse Lane, Fort, BOMBAY 1.

For the Producer Societies arranges supplies of:—
Yarn, Chemicals, Dyestuffs, Raw Hydes, Raw Skins, Tanning materials, Tanned Leather etc.,
Machines, Tools, Equipment etc.

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

S.I.Ry., Employees' Co-operative Credit Society, Limited., Trichinopoly Jn.

Working Capital nearly	...	Rs. 1 crore.
Share Capital and Reserve Fund exceed	...	Rs. 19 lacs.

Fixed deposits are accepted as under from members and non-members:—

For 6 months at 3% p.a.	1 year at 3½% p.a.	2 years at 4% p.a.
-------------------------	--------------------	--------------------

Special Deposits of Rs. 10,000 and over for periods between 8 to 6 months at 3½% p.a.

A. MARAMA REDDY,
Secretary

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

(Estd. 1918)

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

ALL KINDS OF DEPOSITS ACCEPTED

Rates of Interest: Current Deposit 4% Savings Deposit 1½%
Fixed Deposits : For 6 months 1½% : For one year 2½%
For 2 years and above 2½%

RECURRING AND PROVIDENT DEPOSITS ARE ALSO ACCEPTED

Apply for further particulars:
Medai Dalavoi Kumaraswami Mudaliar, M.L.C.
President.

The Madras State Co-operative Union.

379, Netaji Road, Madras.

NOTICE.

To All Member Societies.

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

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

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

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

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

(2) * *

(3) * *

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

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

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

FOR
YOUR
SUMMER
WEAR



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

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

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

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

A Purely Policy-holders' Concern
with

SERVICE AS ITS MOTTO.

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

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

**The Chennimalai Weavers' Co-operative Production
and Sale Society, Ltd., No. K. 885.**

(Ingur R. S.) CHENNIMALAI P. O. (Coimbatore Dt.)

Popular House for fashionable Sarees in
fast colours and attractive designs,
Towels, Dhoties & Gada pieces
in counts 20s to 30s.

*Attractive terms to Co-operative Institutions
and Exporters.*

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

JUST OUT.

JUST OUT.

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 explain-
ed 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 Econo-
mic 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 contain-
ing 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 Agricul-
tural 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.

The Chandrasekarapuram Co-operative Stores, Ltd.,

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

WHOLESALE FOR SUGAR AND WHEAT
FOR PAPANASAM TALUK.

BRANCHES :
VALANGAMAN, PAPANASAM AND
SUNDARAPERUMALKOIL.

Annual Turnover Exceeds Rs. 9 Lakhs.

Entirely managed by the members without outside help.

THE

RAMNAD DISTRICT CO-OPERATIVE CENTRAL BANK, LTD.,

16, North Veli Street, Madurai.

Branch : Karaikudi.

Share Capital Rs. 8,58,000
Working Capital Exceeds one Crore

Deposits are accepted at the following rates.

Fixed deposits for six months	2½%
Fixed deposits for 1 year	2¾%
Fixed deposits for 2 years and above	3% and 3¼%
Savings deposits	1½%
Current deposits	½% rate upto 5,000
Provident fund deposits	3½%

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

D. N. Doraisamy,
Secretary.

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

Telegrams "COOPFIRE"

Telephone 4361.

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

MADRAS 1.

President :

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

Transacts Fire Insurance of all
Descriptions and Motor
Vehicle Insurance

Insure with us and Banish Worry.

For particulars apply to :

P. SHANMUGAM, B.A.,
Secretary.

Post Box No. 1249.

Madras 1.

TELEGRAMS: "CENMORBANK"

TELEPHONE: 8230

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

LUZ, MYLAPORE, MADRAS.

President:

SRI BHOGARAJU VENKATARATNAM.

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

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

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

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

Liabilities.		Assets.	
	Rs.		Rs.
Paid up Share capital.	14,32,300	Cash on hand & balance with Banks.	17,251.
Reserve and other Funds	25,82,845	Loans to Primary Banks	8,88,32,224.
Debentures	4,39,31,700	Sinking Fund Investments	88,48,530
Deposits, Loans and Overdrafts	31,97,937	Other Investments	42,07,098
Sundry Liabilities	5,89,516	Sundry Assets	6,78,457
Profit	3,49,262		
Total Rs.	5,20,83,560	Total Rs.	5,20,83,560

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

Secretary