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Journal of Co-operation

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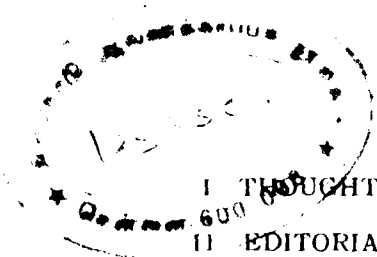
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THE Madras Journal of Co-operation

EACH FOR ALL AND ALL FOR EACH

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

AUGUST 1952

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

Thought for the Month

The well-known economist, Mr. G. D. H. Cole, in his recent publication, "The British Co-operative Movement in a Socialist Society," said :

"I do not see why Co-operative Societies need hesitate, when opportunity offers, to act as agents of the State for example, in supplying all the inhabitants of a particular area with milk or coal—even if this involves some departure from the voluntary principle. Nor do I see why co-operative bodies, in order to extend their range of services, should not be prepared to borrow capital from the State, or again, to enter into partnership with the State for the conduct of some branch of production of consumers' goods. Yet again, I see every reason for the producers' societies, which have been always held back by want of adequate capital, to accept State aid in establishing new factories in which to try out, under more favourable conditions than in the past, the virtues of their form of workers' democracy."

This was written in England, where the principal form of co-operation is Consumers' Co-operation. But its recommendations could easily be applied to agricultural co-operation for production, credit and marketing.

—Shri R. G. SARAIYA,
in his Inaugural Address at the
28th Mysore State Co-operative Conference.

Editorial Notes

The XXV Central Banks' Conference:

The XXV session of the Central Banks' Conference was held in Madras about the middle of last month. Sri B. Venkataratnam, President of the Madras State Co-operative Bank, welcomed the delegates and visitors. Sri B. Venkatappiah, I.C.S. Executive Director of the Reserve Bank of India, inaugurated the Conference and Sri N. R. Samiappa Mudaliar, President of the Kumbakonam Co-operative Central Bank presided. As many as a hundred delegates and observers attended the Conference. Sri J. C. Ryan, Registrar of Co-operative Societies, represented the Co-operative Department at the Conference and participated in the discussions.

In a sense this Conference could be called a Silver Jubilee Session. But as Sri B. Venkataratnam observed in his Welcome Address, much of the jubilation usual on such an occasion was absent on account of the keen awareness of those assembled there that Sri T. A. Ramalingam Chettiar was no more amidst them. A silver lining to the cloud of sadness was, however, noticeable when the Conference received with a cheer the news of the naming of the State Bank premises after the departed leader.

In the course of his Welcome Address, Sri B. Venkataratnam gave a general review of the situation in the State and presented four important problems confronting the Co-operative Movement at present. The first related to the tightness of the money market. He mentioned how, following the raising of the Bank rate by the Reserve Bank, the money market became tight. The second problem was the critical situation prevailing in some sections of the co-operative trade; for while the weavers' societies have been caught up in a slump of great severity, the consumers stores have been suddenly confronted by the problem of disposing of heavy stocks of food grains, owing to the sudden decontrol ordered by the Government of Madras. These sudden developments in the Co-operative trade have caused huge capital to be locked up in stocks of goods for a long time and thus dislocated the normal circulation of co-operative finance. The third problem was that of finding adequate funds for meeting the medium term requirements of the agriculturists. Unfortunately while the prospect of finding the necessary means to meet



SRI N. R. SAMIAPPA MUDALIAR,
*President, XXV Central Banks' Conference,
held at Madras, on 19-7-1952.*



Sri K. Subrahmanyam Naidu, M. A.,
(Joint Regr. of Co-op. Soc. (Resettlement), Madras)
Now Apptd. Chief Officer, Agri. Credit Dept.,
Reserve Bank of India.

EDITORIAL NOTES

this type of credit was still as remote as ever, the need for solving this problem was becoming all the more urgent. The fourth problem related to the non official co-operative employees. It was feared that the enforcement of the latest standards of security in the case of the employees would work great hardship on them and might to some extent affect the Movement by keeping out some experienced and old employees, who were unable to furnish the security required.

Sri Venkataratnam paid a tribute to the earnest interest of the Reserve Bank in the Movement; and expressed his hope that the presence of Sri Venkatappiah, the Executive Director of the Reserve Bank of India at the Conference would help solve many of the knotty problems.

The choice of the Inaugurator was indeed appropriate and we congratulate the organisers on their happy choice; for at a time when the Movement has been hard pressed for resources, what could be more appropriate than to have at such an important assembly one on whose sympathetic understanding and helpful attitude the Movement could count? Sri J. C. Ryan, Registrar of Co-operative Societies, who has had opportunities to know Sri Venkatappiah at close quarters described him as one whose assumption of the Office as Executive Director marked the advent of a new phase in the policy and attitude of the Reserve Bank towards the Co-operative Movement. Sri Venkatappiah gave ample proof of this new outlook in his Inaugural Address.

His Address was some what of the nature of a heart-to-heart talk of a well-wisher with those whose progress and prosperity are dear to him. In the course of the Address he mentioned how the Reserve Bank is in close association with the Co-operative Movement. He stated that through the Agricultural Credit Department the Reserve Bank had been trying to co-ordinate its operations with the agricultural credit needs of the country and its relations with State Co-operative and other banks. After referring to the various concessions offered to Co-operative Banks during recent months in respect of short and long term finance, he proceeded to relate to the Conference what the Reserve Bank was actually doing and what it eventually proposed to do as a matter of long-term policy in the sphere of agricultural credit.

With regard to the former he explained the present programme of the Bank which involved an enlargement of either the scope or area of operations of the Bank, and steps which, even without such enlargement, could assure a larger and free flow of agricultural credit from the Bank. This policy consisted in the placing of the State Co-operative Banks on a footing with the scheduled commercial banks and the extension of the period of accommodation of loans for agricultural operations and marketing of crops. The question of making the Bank's assistance available to certain new categories like mixed farming, processing of crops, cottage industries and medium term finance has been receiving the attention of the Government of India, since it would involve the amendment of law. Regarding the long-term policy Sri Venkatappiah explained how on account of the multiplicity of the authorities for execution of policy as well as of the agencies of credit, a comprehensive survey of the existing rural credit system on a nation-side scale had become necessary. The survey having been completed, the Report is under preparation and he hoped that this would help the framing of an integrated policy of rural credit.

His presentation of this picture of the work of the Reserve Bank in the field of agricultural credit undoubtedly signifies the helpful attitude and liberal policy which the Bank has been showing towards the Co-operative Movement. But more significant, however, are the words with which he concluded his Address. Stating that the Reserve Bank would consider the request of a co-operative bank on the basis of how far it had succeeded in mobilising local savings and resources, he added, "If it (the Reserve Bank) has considerably liberalised its help, it also assumes the coming into being of a considerably larger measure of self-help." Here is re-iteration of the fundamental principle of co-operation. The Co-operative Movement in this State has already been vigorously endeavouring to practise it and has shown its earnestness by tapping rural savings to the extent of Rs. 1.06 crores in barely three months. We hope that the Movement will follow up this success with further endeavours so that it may amply satisfy the standards of judgement of the Reserve Bank.

The discussion on the various resolutions was interesting and lively. The delegates took keen interest, while Sri Ryan and Sri

Venkatappiah helped the discussions very much by offering their valuable views on important issues and questions which cropped during the course of the discussions. The President, Sri N. R. Samiappa Mudaliar should be congratulated on the way in which he conducted the proceedings. Among the resolutions passed may be mentioned those relating to the fixing of interest rates, the request for medium term finance, the security deposits of co-operative employees, the request for exemption of co-operative institutions from the Shops and Establishments Act, the request for permitting the use of the premises of societies for all social and cultural activities, the request for the re enactment of Section 28 of the Co-operative Societies Act and the separation of Audit from Administration. The discussion on the rates of interest was clearly indicative of a genuine desire to make credit available to the men of limited means at as low a rate as possible. A real interest in the co-operative employees was also noticeable in the attitude which the Conference indicated on the question of enforcing the standards of security for the co-operative employees. Some of the resolutions like those relating to the exemption of co-operatives from the Shops and Establishments Act, the re-enactment of Section 28 and the separation of Audit and Administration re-iterate the need for a change of Government policy in their favour in the larger interests of the Movement. The recommendation to permit the use of the premises of societies for social and cultural activities is a valuable pointer to the increasing desire to make the Movement a real medium for the attainment of the goal of Co-operative Commonwealth.

We hope that the recommendations of this Conference based on the joint discussions of the non-official and official sections of the Movement in the State and also the Reserve Bank will receive the consideration they richly deserve from the Government and the co-operative institutions.

Co-operation and Authorship :

One new line of productive activity in which the Co-operative Movement has now begun to play an increasingly useful role in some countries is the publication of books. Authors—be they novelists, poets, story-writers, play-wrights, text-book writers and so on—are generally persons of small means like other creative artists such as the artisans. Many a resourceful

writer has not been able to publish his works, how so ever valuable they may be, for want of the resources to meet the printer's bill. Co-operative effort is badly needed among the book-writers, if only to enable them to give their intellectual wealth to the public and thereby to make a scanty living themselves. But the cost involved in the undertaking; the over-abundance of the books in manuscript that might flow into the Society from the author-members for publication; the uncertainty of the demand for books among the various sections of the reading public; the absence of a printing press, prepared to offer real and helpful concessions to the society; and above all, the lack of "practicalness" in the bulk of authorship, have been in some measure responsible for the absence of co operative effort in this section of producers. Thanks to the efforts of a few practical men among the book-writers, there has however, been noticeable during recent years some activity in this direction in a few countries in Eurasia.

Our readers might be aware that in Switzerland two co-operative societies were organised and started on their work of publishing useful books for the public. One of them has about 1,00,000 subscribers and the other some 40,000 regular customers. Their object is to publish useful books and sell them at fair prices. It has been reported that nearly a quarter of the total books published in Switzerland are accounted for by the two institutions.

Nearer home we have in Ceylon the first Co-operative Society for authors. The object of the society is to encourage authorship by providing facilities for economic printing of manuscripts and enabling authors to benefit fully by the publication of their works. Another object is to see that these books reach a wide circle of readers by having them priced fairly. The society is to have a special board which will not only scrutinize manuscripts and advise the society but will also guide the would-be authors in writing usefully. The board will also fix the fair price of the society's publications. The Press of the Co-operative Wholesale Establishment, Colombo will do the printing.

We welcome this new development in the Movement which has come nearer home to us now and congratulate the organisers on their practical outlook and appreciation of the principle of

self-help and mutual help. This activity is a good example of the combination of the productive effort of some intellectuals and the reproductive efficiency of the co-operative press. We have little doubt that if worked with a genuine spirit of Co-operation, the society can ere long become a very powerful exponent and propagator of Co operative excellence in every field of human activity.

Our country is yet to have a society of the type which Ceylon has just set on its work. Madras, for instance, has no dearth of scholarship and authorship; and many of its best writers have a number of their good works shelved for want of publishers. At the same time the State is being dotted with co-operative presses which need to be kept going on. Would it not therefore be desirable that some writers of considerable renown be organised into co-operative societies on language basis for their benefit and also of the public? Good books sold at a fair price through a co-operative society would certainly help promote knowledge in the country.

We understand that during recent months some of the Andhra writers of some importance strove to organise a society in the City. It is a sign of progress. We very strongly appeal to the progressive writers in the State to take a practical view of the situation and come under the protective wings of Co operation for their own benefit and that of the public whom they desire to educate or entertain.

Let Us Know Our Strength :

We publish in this issue an article on Consumers' Movement contributed by Sri C. S. Ramachandran of Chandrasekhara-puram. Sri Ramachandran has been active in the Consumers' Movement for a pretty long time and as such seems to have devoted considerable attention to this problem of the future of Co-operative stores.

His article is a piece of plain talk as well as a strong plea for the re-organisation of the Consumers' Movement on really sound lines. Referring to the present situation of the numerous stores in the State he says that the despair of some of the stores and the gravity of the present situation are due to the existence of certain Organisational and functional defects in the Consumers' Movement itself. He feels that these defects cannot be found,

much less removed, by a superficial inquiry into or study of the position; but by probing deep into the details of working of some of the institutions. Unless we reach the core of the problem our pains would be vain. Following up this idea he has given an elaborate questionnaire for collecting necessary data regarding the wholesale stores as well as the primaries. He has suggested an elaborate procedure for the study and examination of the data so collected; this procedure consists in the constitution of special committees and subsequently the convening of special sectional conferences represented by the non-officials and officials. His argument is that such an elaborate procedure alone can enable a correct estimate to be arrived at and really impartial and yet practicable measures to be formulated for the promotion of the Movement.

Two points in particular are stressed by the author with regard to the building up of the Consumers' Movement: The first is the need for a real change in the mental attitude of the Co-operators in the matter of treatment given to the primaries. He suggests that the raising of the status of some very successful large primaries above that of the ordinary stores will make them influencing factors in the field of Consumers' Co-operation. This scope for distinction will create in the other primaries a spirit of healthy rivalry and will ultimately help develop the Movement. The second point is the need for diversification of the lines of business. The development of the non-controlled lines along sides of the controlled lines is stressed so that the institutions may not head towards a crisis when the controls are lifted.

We cannot over-emphasise the urgent need for re-organising the Movement on the lines suggested. Few who are aware of the working of the Consumers' Movement in the West will dispute that the healthy growth of the Movement there was due both to the live interest taken by the members in the stores at all levels of their progress and the wide range of the goods offered for sale.

Regarding the author's suggestion about the collection of data and their consideration by Special Committees and Conferences, we have no doubt that the procedure suggested will facilitate a thorough check up of the Consumers' Movement and assure protection to the healthy tissues. But we feel that the execution may be long-drawn and slow. We, however, invite the opinions of the representatives of the wholesale and primary stores in this matter for publication through the pages of this Journal. Pending the crystallization of Co-operative public opinion on this matter, we invite replies of the stores and individual Co-operators to the questionnaire published elsewhere in this issue so that we may examine the data furnished and mark the general trends of the Consumers' Movement.

SPECIAL ARTICLES

Co-operation and Rural Uplift*

SRI A. PALANIAPPA MUDALIAR,

Dy. Commr. of Prohibition & Joint Regr. of Co-op. Soc., Madras

India is primarily a rural country and her prosperity depends on the prosperity of the rural areas. There is at present a widespread desire throughout the world to improve the lot of the rural folk. In fact, rural development is one of the main objectives of the F.A.O. of the United Nations. Of all problems confronting present day India, the most urgent one is that of rural uplift and the food situation has only served to emphasise the importance of rural areas in the country's economy. The problem of rural reconstruction has manifold aspects, namely, economic, social, religious, educational, health and sanitation, etc. The Central and State Governments have realised the urgency of the problem; but it is beyond the resources of any Government to provide the entire machinery and personnel needed to attend to the reconstruction of 7 lakhs and odd villages. Non-official organisations consisting of honorary workers have therefore a vital part to play in the sphere of rural uplift. It has been widely recognised that the Co-operative organisation provides the ideal non-official agency whereby rural uplift can be successfully promoted. The Royal Commission on Agriculture observed "If co-operation fails, then will fail the best hope of rural India". Co-operative organisations are people's organisations managed by the people for the benefit of the people. A co-operative society is an association of persons coming together on equal terms on a voluntary basis for the promotion of their common economic interests. It is an extension of the great maxim "Unity is strength" to business. The Co-operative Movement in the Madras State came into existence nearly 50 years ago with a view to relieve the indebtedness of the rural-folk, namely, agriculturists, artisans and traders. For a long time, it remained a credit movement. In recent years, it has undertaken a variety of functions in addition to the supply of credit and today it occupies the proud position of being able to cater to the various needs of the people in the villages and in the towns. With the advent of popular Governments in the country, co-operative organisations have received increased support from the Government.

*English version of a Radio Talk broadcast from Madras on 13-2-1952-

2. The primary unit in the co-operative structure is the village credit society. There are nearly 14,000 village societies in the State covering nearly 67 per cent of the villages. The population served by them is nearly 19 per cent. The village societies give loans for agricultural operations, for the discharge of small prior debts and for other useful purposes. The rate of interest charged is generally 6½ per cent. In recent years, the societies have undertaken extra functions such as distribution of food grains, cloth, chemical manure and fertilisers, iron and steel, etc. They have done business in this way to the extent of Rs. 614 lakhs. They have given loans to the extent of Rs. 767 lakhs during the year 1950-51. They help agriculture by the distribution of agricultural requisites such as chemical manure and iron and steel and by hiring out to the members agricultural machinery. They also distribute the domestic requirements of the members. Some of the village societies have undertaken social activities such as construction of godown-cum-village halls, maintenance of reading rooms and libraries, conduct of night schools, etc., by raising funds for the purpose in the villages. Still, there is considerable ground to be covered by these societies and a good deal of the rural population is yet to be served by them. If the societies should develop into a strong and independent financial unit, each village should be able to raise the bulk of the money required by the societies from the people in the village; membership should be increased and they should take an intelligent interest in the working of the society. There is no place for faction in a co-operative society and the members should be loyal. The village society offers an excellent platform for all the people to unite and undertake such common activities as could be managed by the villagers themselves. For example, the society can undertake the excavation of a channel or a canal, the excavation of a tank, their maintenance, etc. They can arrange to bring, as some societies are doing, additional lands under cultivation. Under proper local leadership the village societies afford the best form of organisation for catering to the needs of the agriculturists.

3. Besides the village credit societies, there are other types of co-operative organisations functioning in the villages for promoting general rural progress. The more important side of rural uplift is to increase the income of the cultivator. As the Planning Commission has observed, "The Central problem is to change the

character of the Indian Agriculture from subsistence farming and to bring about such changes in its organisation as will introduce a substantial measure of efficiency in farming operations and enable the lower income farmer to increase his return. In the interest of the society, as a whole, the effort should be directed to bring about its transformation in such a way as will help to reconcile conflicting interests within the agrarian economy, remove the disparities which now exist and provide a social and economic framework for the balanced growth of the village community". The co-operatives are playing a notable part in this direction. There are societies which promote improved methods of agriculture, attend to sale of agricultural produce at favourable prices and provide the agricultural requirements such as manure, iron and steel and agricultural machinery like tractors, pump sets, etc. to the villagers at cheap rates. Efforts are also made through Land Colonisation Co-operative Societies in the Madras State which are many in number, to bring additional land under cultivation and to provide facilities for co-operative farming to be undertaken in as large a degree as possible.

4. An equally important side of rural uplift is to encourage savings among the agriculturists. Promotion of thrift is one of the prime objects of the village societies. Villagers are encouraged to save for their future and this is done in a variety of ways. Village societies afford facilities for people to make various kinds of deposits. To inculcate the thrift habit, the rural societies supply hundi boxes to the members who put in whatever small savings they are able to make. The societies collect the amounts thus accumulated and credit them to the homesafe deposit account. These amounts are utilised by the villagers for occasions like pongal, deepavali, village festivals, etc. After the introduction of Prohibition, the thrift campaign of the co-operatives was intensified. The people are encouraged to save the money formerly spent on drink, although a part of it has to be spent to meet the increase in the cost of food stuffs, cloth, etc. A sum of Rs. 21 lakhs was collected in this way during the last year. The amount may be small but the village societies are doing a very useful purpose by promoting the savings habit. Incidentally, these savings provide the village societies with the funds required for their business. Recently, to mop up rural savings and to make them available to the village societies, a drive was instituted to collect rural savings

in the countryside and a sum of Rs. 1.06 crores was collected upto 31-12-1951. The village societies thus function not only as an instrument of credit but also as an instrument for savings in the countryside.

5. Co-operation also helps the small artisans in the village. Next to the agriculturist, the chief artisan is the weaver. The State is now covered with a net-work of weavers' co-operative societies, which distribute yarn to the members and take back the finished goods for sale. They are assisted in this work by the Madras State Handloom Weavers' Co-operative Society. Nearly 2 lakhs of looms are working in the societies and their production amounted to Rs. 715 lakhs during the year 1950-1951. Co-operative Societies have been formed for the benefit of other artisans also who suffer for want of capital and a steady market for their goods. Societies have been organised for metal workers, leather goods manufacturers, coir workers, etc. These societies have been afforded assistance by Government by way of subsidy to meet the cost of equipment and to meet working expenses.

Another important village industry which is receiving attention is the palm gur industry. More than 2,000 societies for palm gur manufacture are in existence and they produced jaggery to the value of Rs. 137 lakhs during 1950-1951. Training is given in the improved methods of jaggery production and free sets of equipment have been supplied to some of the tappers in the districts. Arrangements are also made to market the jaggery so that the producer may get a better return. They are also given loans by the village credit societies for the pursuit of their industry.

In the Select firkas in the districts, steps are being taken to distribute raw materials such as iron and steel, timber, etc., to the village artisans at cost price. Government have provided necessary funds for the purpose and also subsidy and staff to the co-operative agencies under-taking the work.

6. An interesting experiment is being made in the formation of Health Co-operatives to improve the health of the villagers. A Health Co-operative Society was started in the Chittoor district with the help of the funds provided by the local panchayat board, Provincial Welfare Fund, etc. The area of the society extends to 10 villages and the funds are derived from subscriptions from the members. It is running a dispensary and maintains a hospital. During 1950-51 4,470 out-patients and in-patients were treated in

the hospital. 8 maternity cases were also attended. The working of the society is encouraging. The success of the experiment is largely due to the co-operation received from the villagers. Such health co-operatives will go a long way to supplement the efforts of the State to maintain and improve the health of the people in the villages.

7. Co-operative societies are business organisations. Their success depends, therefore, upon the way in which they are managed by the people. If the co-operatives in the rural areas should function as live centres of rural development, there should be proper leadership in the villages. The Co-operative movement in the countryside provides an unlimited opportunity for honorary workers to do selfless service for village development. Every one owes a duty to his country to play his little part in bringing about general social uplift. Man is a social being and as the Tamil Sage, Thiruvalluvar, said, "He alone lives who functions a social Co-operator. He who does not recognise his duty is counted as dead" With the widening of the franchise and the spread of literacy, I have every hope that people in the villages will take an intelligent interest in the affairs of the co-operatives and work wholeheartedly for their success. For on the success of the rural co-operatives depends largely rural prosperity and happiness.

JUST OUT!

JUST OUT!

Agricultural Finance in India

(With Special reference to Co-operative Movement)

By D. K. RANGNEKAR, M. COM.,

Foreword by

Prof. D. R. GADGIL, M.A., M.LITT.

The book is the first comprehensive Indian publication on the subject of rural finance. The Five-Year Plan formulated by the Planning Commission has given top priority for the development of agrarian economy, and this only emphasises the urgency for a scientific and objective study of the problem of agricultural finance. The long-felt need for such a study has been ably met by Mr. Rangnekar's work. The author, who was for some time a Professor of Commerce at the M. J. College of Commerce, Bhavnagar, is a financial journalist of repute and at present on the Editorial staff of the *Times of India*. He has brought to bear on his work all his intelligence and expert knowledge of the subject, of which he has made a special study.

The book deals thoroughly with the problem of rural finance, agricultural credit needs and agencies, marketing finance, rural indebtedness and savings, the operation of debt relief and tenancy laws, the working of co-operative banks and societies, the system of long-term credit. Special sections have been devoted to the discussion of Financial Reconstruction, the Role of the Reserve Bank of India, and Crop Insurance.

Pages 245, Cloth Bound, Price Rs. 15.

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Democracy and Co-operation

SRI K. NARASA REDDY,

President, Rajampet Co-op. Town Bank, (Cuddappah Dt.)

The principles of Co-operation are simply the rules and methods that have been tried and by experience found essential to the successful operation of Co-operatives. The first consumers' co-operative, namely the Rochdale Equitable Pioneers' Co-operative Society was founded by twenty-eight Rochdale weavers in the year 1844, each contributing Rs. 25. They laid down some principles for the proper operation of their society. The first principle was democratic control—each member to have one vote only regardless of the share capital invested. It puts emphasis on the priority of human considerations and not on capital. In 1854 Frederick William Raiffeisen, Mayor of Flammerfeld, Germany, organised a co-operative credit society with no share capital, for the purpose of lending money to farmers. When a law requiring a company to have capital was enacted, share capital was collected. In Raiffeisen societies also every member had only one vote irrespective of the share capital invested by him. It is this rule of equal votes that distinguishes Co-operation from Co-partnership and ensures democratic control.

The Co-operative Societies Act of India 1904, provided for the starting of credit societies only. The Act of 1912 provided for the functioning of central banks and other types of societies. Section 13 of 1912 Act upheld the democratic principle of one vote for every member of a registered society with unlimited liability. In the case of societies with limited liability, votes were prescribed in the bylaws taking into consideration the share capital of the member. The Committee on Co-operation recommended one vote for every member irrespective of the society being an association of persons with limited or unlimited liability. In accordance with this recommendation Section 16 of the Madras Co-operative Societies Act, 1932, prescribes not more than one vote for every member of a registered society.

A primary society is an association of persons and these persons meet not as capitalists but as human beings and as such every member has only one vote. Section 12 of the Co-operative Societies Act of Ceylon rightly upholds the principle of "one man

DEMOCRACY AND CO-OPERATION

one vote" to the primary societies only. The section reads, "No member of any primary society shall have more than one vote in the conduct of the affairs of the society." But in big State co-operative organisations and district co-operative banks where a majority of the members are primaries, there is much difference between the member societies. These members meet not as individual members but as representatives of the primaries. An urban bank or a weavers' society or a primary stores which has one thousand members sends a delegate, a village co-operative credit society which has ten members also sends its delegate and a moribund society also sends its delegate to the central bank at the time of the general body meeting where important decisions are taken. As per the law in force all these three delegates, one representing one thousand members, the second representing ten members and the third representing a defunct society's members, have all each one vote irrespective of the number of members one represents. The delegate of the whole sale stores, who represents a mighty concern has also one vote.

Section 16 of the Madras Co-operative Societies Act which limits one vote for every member of a registered society whether the member is an individual or a delegate of a registered society, does not give uniformity in the scale of representation of different societies. The number of members that a delegate of a primary society represents is not taken into consideration and his vote is not given its due weight. Though the delegate is a representative of one thousand members of a registered society, he has only one vote in the affairs of the central bank. A representative of a moribund society has also one vote. An individual member is also given the same privilege. This is not democracy. The spirit of democracy prevails only when a representative on behalf of one thousand members of a primary society enjoys one thousand votes, a delegate of a society having ten members has ten votes and an individual member has one vote. The value of the vote of the representatives should be in proportion to the number of members of the society he represents.

The Constitution of India in Section 55 rightly gives uniformity in the scale of representation of different States at the elections of the President. The value of a vote of a member of the Legislative Assembly of a State and the House of Parliament depends upon the number of persons he represents. A member

of a State Legislative Assembly will have as many votes as there are multiples of thousand in the quotient obtained by dividing the population of the State by the total number of the elected members of the Assembly concerned. Though unanimity has been prescribed as far as practicable, actually there will be wide variations in the value of the votes of the elected members of the different Legislative Assemblies. On calculation, every member of the Madras State Assembly will have 145 votes. The U.P. comes next with 143 votes for every member of the Assembly. The Constitution of India is to be respected and all the laws in India should be in consonance with the Constitution.

In New South Wales additional votes are allotted on the basis of the value of produce delivered to or the value of goods purchased from the society. Section 86 (3) of Co-operation Act, 1923-50, of New South Wales reads, "In the case of a rural society any additional vote shall be allotted on the basis of produce delivered to or the value of goods purchased from the society by the member during the preceding financial year, provided that where under the rules it is obligatory for the member to subscribe for the shares in proportion to the use made by him of the society, any additional vote may be allotted on the basis of the shares held by the member.

In Denmark in 1948 a new distribution of votes was adopted for the Danish Co-operative Wholesale Society, whereby an additional number of members of the general assembly, is elected by the bigger local societies. The votes by which the additional members are allotted to bigger local societies are in accordance with their purchases in the Wholesale Society and their membership.

The Madras State Co-operative Bank which was originally called the Madras Central Urban Bank was registered in the year 1905, under Act X of 1904, consisting only of individual members and its constitution was similar to that of joint stock banks. Every share holder had as many votes as the number of fully paid up shares. Now this Apex Bank is a federation of Central Banks with also individuals as share holders. But the joint stock method of voting, each member having as many votes as the number of fully paid up shares is still in vogue. This is a violation of the fundamental principles of Co-operation. - The Bombay Provincial

Co-operative Bank in their by-law No. 57 fixed one vote for every member irrespective of the number of shares held by him.

We have given unto ourselves a Sovereign Democratic Republic whereunder we have assured ourselves equality of individuals. Under no circumstances should this equality be allowed to be by-passed in any walk of life (not to speak of co-operative societies which take pride in democratic control) for any other consideration. It is absolutely essential that not only every individual should have one vote but the numerical strength of an association should have its due weight and strength in higher councils also. The Co-operative Societies Act should be amended so as to give the delegate of the societies as many votes as there are members in the society which he represents. Then only equality of individuals would be assured in the co-operative movement.

IF ANY ONE FEELS ANY DOUBT ABOUT
THE SUCCESS OF CO-OPERATIVE
ENTERPRISE IN RURAL AREA
LET HIM VISIT

The Chandrasekarapuram Co-operative Stores, Ltd.,
TANJORE DISTRICT

Acclaimed as the Best Rural Stores
in India Today

Annual Turnover Exceeds 10 Lakhs

Financed Entirely by members without outside help.

Our Central Banks and Their Problems*

SRI B. VENKATARATNAM,

President, Madras State Co-op. Bank, Madras

Mr. Venkatappiah, Mr. Ryan and Brother Co-operators,

On this occasion of the 25th Session of the Central Banks' Conference, I accord my hearty welcome to you all on behalf of the various Co-operative Institutions connected with the State Bank and on my own behalf. This occasion is indeed memorable, for it is the 25th Session of the Conference under the auspices of this august institution. Normally, this Silver Jubilee Session would have been held with great éclat. But unfortunately, one sad event which has happened since we met last prevents us from the jubilation which we should otherwise have had. All of you know that I refer here to the demise of our esteemed colleague and Leader, Sri T. A. Ramalingam Chettiar who departed from our midst in February this year. Sri Chettiar had been actively connected with the activities of the State Bank for nearly two decades and had for many years guided the deliberations of the Central Banks' Conferences held from time to time. His loss at the present time when his wisdom and experience would have been of much avail is indeed very severe. This Conference is made poorer on account of this great loss. As a lasting recognition of his monumental services to the cause of Co-operation, the Board of Management have decided to name this premises as Sri T. A. Ramalingam Chettiar Co-operative Buildings.

I must also mention here with deep regret, the loss sustained by the movement in the death of Sri K. A. Nachiappa Gounder. Mr. Gounder was an ardent Co-operator whose zeal and enthusiasm for rural welfare work particularly in the co-operative way, are too well known. He was a great fighter for the cause he believed in and took very active part in the deliberations of the Central Banks' Conferences held from time to time. We very sadly miss him to-day.

Much water has now flowed under the bridge since we met last in June 1951. Among the new developments that have pressed themselves on the attention of the Co-operators, I may

*Welcome Address delivered at the XXV Central Co-op. Banks' Conference held in Madras on 19-7-'52.

OUR CENTRAL BANKS AND THEIR PROBLEMS

mention first the new policy of the Reserve Bank of India in enhancing the bank rate and secondly, the new policy of the Government of Madras, in ushering in decontrol of foodgrains. These two developments have meant very much for Co-operative Movement for they have affected the Co-operative Financing Institutions, particularly this Apex Bank, in revising their financial policy and also making several adjustments in the matter of financial accommodation.

Regarding the raising of bank rate, I must however own that in spite of enhancement of the rate, the Reserve Bank has continued to extend its concession so far as agricultural finance is concerned. I must in this connection express our sincere appreciation of the consideration which is being shown by the Reserve Bank not only in this respect but also in regard to extended financial accommodation as well as the extension of the duration of the advance under section 17 (4) (a), (c) and (d) of the Reserve Bank of India Act. From an average accommodation of Rs. 15 lakhs received by the State Bank in 1947-48, it has risen to Rs. 289.5 lakhs in the year 1951-52. This accommodation was at its peak level at Rs. 323.6 lakhs in May, 1952. The Madras Government, to whom we are deeply indebted, have arranged with the Imperial Bank of India to accommodate us with Rs. 3½ crores for financing procurement and chemical manures operations. Yet, in spite of this help, the State Bank had to provide as much as about Rs. 170 lakhs to Rs. 250 lakhs in the corresponding period, out of its own resources.

Coming now to bank rate, I must state that its enhancement has not left Co-operative Financing Institutions without repercussions. Co-operative Banks are now finding it more and more difficult to attract deposits at the former levels. To add to this, the Imperial Bank in consonance with the increase in bank rate have also raised their rate for the accommodation granted to us under the Government Guarantee by ½ per cent per annum. Consequently, we are now obliged to borrow money at a higher rate than heretofore. This new situation in financial accommodation could not be redressed because the State Bank has been working with only a margin of ½ per cent.

For a long time, Co-operative Banks have invested a very large part of their funds with a view to help the State in the matter of procuring and making available to the public large

quantities of food grains and other controlled commodities. The growing popularity of the co-operative distributing agencies has encouraged the co-operative institutions to invest a considerable part of their finances on schemes of procurement of foodstuffs and fertilisers so that the consuming public might have the first benefit of a socio-democratic Movement like the Co-operative Movement in the matter of meeting their daily needs.

The State Bank, on its part, has lent to the Central Banks as much as nearly Rs. 3 crores for the purpose. The Central Banks have made huge purchases on outright basis and also stocked large quantities of foodstuffs on an agency basis with the fond hope that they could supply these goods to the public at fair prices, and thus save the consumers from the profiteering middlemen. The decontrol now enunciated by the Government in pursuance of their G. O. dated 7-6-1952 has come to us as a great surprise. Following this new policy there has been an unforeseen and unexpected change in the system of food distribution all over the State. Almost all the Co-operative Central Stores which have purchased or stocked huge quantities of food materials are now faced with the problem of disposal of their existing stocks before they get deteriorated. A Conference of the Co-operative Stores, as you know, has been held recently in the City. Their pressing problems were discussed and it was decided to represent their case to the Government and request the Government for taking early steps to help the Stores in disposing of their heavy stocks or to subsidise to the extent of any loss that might be incurred on account of this new situation. I am not, however, sanguine about the outcome of the Conference of the Stores for as has been indicated by the Finance Minister in his speech at the Conference, the Government expect the Co-operative Institutions to bear the losses both on account of their being popular institutions and their having made profits during the previous years by Government help and preferential treatment. In these circumstances, I very much fear if the Co-operative Stores can realise all their investments without any loss. A loss to the Co-operative Stores in any measure would have its repercussions on the Central Banks which are their financing institutions and ultimately on the State Bank. This situation particularly at this time when the money market is tight and our borrowings are hard, will, I fear, dislocate in no small measure the financial structure of the Co-operative Movement.

Gentlemen, we meet here in these circumstances and therefore our responsibility is very heavy. Luckily, we have amongst us persons who are rich in experience in the field of financial administration. Sri Venkatappiah is well known for his rich experience in financial administration both as the Financial Secretary to the Government of Bombay and at present as the Executive Director of the Reserve Bank of India. It is our great fortune to have him in our midst on this occasion to inaugurate this memorable conference. I am sure that he will help us out of this impasse.

Sri Ryan, our popular Registrar, is no stranger to us and to our Movement. He has always been helping us during the troublous times and changing phases and I am sure that he will continue to give us his earnest and sincere advice in the interests of the Co-operative Movement which is so dear to him also. Every one of the delegates assembled here, I know, has to his credit considerable experience in the administration and guidance of co-operative institutions. I have no doubt that in this situation which is no less their concern than it is of the State Bank every one of the delegates will do his best to suggest ways and means of meeting the new situation.

The State Bank is progressing and expanding its activities in various directions and in consequence a number of problems have arisen. I may make special mention of a few. The first is the problem of providing medium-term finance to the agriculturists. You may remember that these problems engaged the attention of the last Conference also. I regret to state that the same conditions still prevail to this day while the need for an early solution of the problem is all the greater. I hope that this Conference will devise ways and means of providing this long felt need of the agriculturists; and I wish the Reserve Bank of India will also see its way to help us. I may mention in this connection that it has been suggested that necessary finance for this purpose may be tapped by attracting deposits of a three year duration at a rate of interest nearing that of the Imperial Bank of India advances rate viz. 4 per cent per annum.

Another important question which I suppose needs the early attention is the protection of the weavers' societies and handloom industry from their present plight. The weaving industry is the largest co-operative cottage industry in our country. But

unfortunately, the handloom weavers are in a pitiable plight and the weaving industry is faced with a critical situation. With a view to give relief to the weavers, the Government have ushered in the relief scheme. This scheme, as you all know, entails an initial investment which has to be provided. The Central Banks and through them the State Bank will have to provide for a burden of financing the weavers' co-operatives to the extent of about Rs. 50 lakhs. Unfortunately, the Imperial Bank of India have not found it possible to come to our aid, in this matter even under Government guarantee. We have therefore to stand on our own legs to meet this demand. It is very urgent. I hope this Conference will give its best attention to the matter and suggest ways and means of meeting the situation without prejudicing the State Bank's standard advance programme.

One more question, I feel, is pressing itself on the attention of the Co-operative Movement and that is the question of co-operative employees. You are all aware that the last Conference recommended certain standards and forms of security for co-operative employees. It has now been found that the suggestions, if given effect to by the Registrar, would seriously affect the majority of the employees of the Co-operative Institutions. It appears rather fair to either review the position afresh or consider if it is desirable to request the Co-operative Department to revise their orders already passed so that the employees who are already in service may be given some favourable consideration. I hope that such a step will ensure the loyalty of thousands of co-operative employees, which loyalty is a great asset to the Movement itself.

Gentlemen, there are many other subjects of varying importance which are now being placed before the Conference for consideration. I hope that the collective deliberations of this august body in all the important matters will go a long way towards helping the Movement to progress steadily and smoothly.

Such a smooth course to the Movement is the *sine qua non* of the early realisation of the Co-operative Commonwealth which the Government of India has pledged to establish. I see in the community projects which are now being executed by the Government, a genuine and earnest desire for the realisation of the Commonwealth. The Co-operative Movement has no small part to play in this grand programme of work. I sincerely feel that this Conference of Central Banks in whose care the Co-operative Movement of this State is very largely placed, will do its best to place the Government on a firm basis so that it may properly fit in the scheme of an establishment of a Co-operative Commonwealth.

I wish to express once again our grateful thanks to Sri Venkatappiah for his having kindly consented to inaugurate this Conference and I request him to declare the Conference open.

The Reserve Bank of India—Its Aims and Activities*

SRI B. VENKATAPPIAH, I.C.S.,

Executive Director, R.B.I.

Friends,

I value very greatly the privilege of inaugurating this Session of the Conference of the Co-operative Central Banks of the Madras State. I thank you for the invitation, not only on my own behalf, but also of the Reserve Bank of India which, in a sense, I happen to represent before you to-day; for, I take it that in asking me to address you on this occasion you are really giving expression to your interest in an institution which, for its part, has been increasingly interesting itself in co-operative banks and societies here and elsewhere in the country. You have in this gathering the representatives of some of the most highly developed co-operative banking institutions in India and it seems to me that your deliberations cannot fail to take us a step further towards the attainment of an objective which the Reserve Bank has always fully shared with the co-operative movement and which in the recent past it has been making systematic endeavours to promote, namely, the effective extension of agricultural credit and mobilisation of rural savings.

We are met here in a hall which has been named after one whom we very keenly miss from our midst to-day. The late Shri Ramalingam Chettiar was a valued colleague in the "Standing Advisory Committee on Agricultural Credit" which, as one of its recent steps in this context, the Reserve Bank of India constituted about a year ago. We turned to him for guidance on many points which arose in the deliberations of the Committee and had from him benefit of mature and practical counsel. His death has been a great loss to the co-operative movement in India.

I have mentioned agricultural credit. It is largely in this important sector that the activities of the co-operative movement and the operations of the Reserve Bank of India converge. While it is true that co-operation, both as a concept and as a technique, is much bigger than co-operative credit, and that co-operative credit in its turn is wider than co-operative agricultural credit, I think you will agree that, in the conditions obtaining in our country, it is in the sphere of agricultural credit and rural banking

*Inaugural Address delivered at the XXV Central Co-op. Banks' Conference held in Madras on 19-7-'52.

that co-operation faces its most urgent task to-day. That is how, on the one hand, co-operation and agricultural credit are organically related. The Reserve Bank, for its part, having been statutorily entrusted with certain important functions in respect of agricultural credit, has had necessarily to take into account the most organised institutional agency of that credit, namely the co-operative banking system and by an inevitable further step extend its contact to the co-operative movement as a whole, of which the functioning of the credit structure is only a part. That is how, on the other hand, the Reserve Bank, in one of the branches of its activities, finds itself in close association with the co-operative movement. As throwing light on the implications of this position I shall cite one illustration. In terms of its Act, one of the duties of the Bank is "to maintain an expert staff to study all questions of agricultural credit and be available for consultation" by different Governments and institutions. In actual fact, you will find that the studies and investigations of the Research Section of the Agricultural Credit Department of the Bank, though mainly devoted to co-operative agricultural credit, are by no means confined to this aspect of co-operation. Thus, among the recent publications of the Department, which some of you have perhaps seen, are brochures on Co-operative Education, Co-operative Housing, Consolidation of Holdings, Fruit-Marketing Co-operatives and so on.

What I have just mentioned is, in practice, only a subsidiary function of the Agricultural Credit Department of the Bank. The main function of that Department in relation to agricultural credit is, in the words of the Statute, "to co-ordinate the operations of the Bank in connection with agricultural credit and its relations with State Co-operative Banks and any other banks or organisations engaged in the business of agricultural credit." It is unnecessary for me, at this gathering of co-operative bankers, to cite those other provisions of the Act which define the mode and character of the agricultural credit operations which the Bank is empowered to undertake. They are, as you know, in the main connected with short-term finance for seasonal agricultural operations and the marketing of crops; they do not cover medium-term agricultural finance; but, in respect of long-term finance, one of the provisions does enable the Bank to buy such debentures of Land Mortgage Banks as are fully guaranteed as to principal and interest by State Governments. Under this last provision, as you

are no doubt aware, the Bank normally gives support to these debentures by taking up a proportion of the issue. Recently, this proportion has been as high as 20 percent. Now, possessing as you do considerable familiarity with the working of these provisions some experience of the recent liberalisation of the procedure with them, and various views perhaps about the Reserve Bank's present and future role in this context, it seems to me that there are two questions which you might like to be dealt with on this occasion. First, what does the Reserve Bank propose to do eventually in this matter of agricultural credit? Second, what is it actually doing? I shall try to give very brief answers to these questions.

With the first of these points, namely the making and carrying out of long-term policy, it has to be remembered that the authorities intimately concerned with both policy and execution are many—the Central and State Legislatures, and the Central and State Governments, for example, besides the Reserve Bank—and so are the agencies of credit through which the execution of policy has to be pursued—the State Governments themselves as providers of *tagai* and other loans, the commercial banks, the private money lenders and so on, besides the Co-operative banks and societies. Moreover, for the formulation of a well-considered and co-ordinated policy, there must be adequate material; and while, in regard to the needs and conditions of agricultural credit, such data as are available are either piece-meal or somewhat out-of-date, it also happens that, with the integration of States, even the territorial scope of the problems is no longer what it was in the past. It was in these circumstances, and in order to assist in the reaching of all-India decisions on eventual policy, that the Reserve Bank initiated an All-India Rural Credit Survey through a Committee appointed by it, some twelve months ago. The field enquiries of the Survey are nearing completion. They cover 75 districts in different parts of the country; that is to say, not all the villages or the whole agricultural population of these districts—that would have been quite impossible, besides being wholly unnecessary—but a certain number of villages in each district and a certain number of agricultural families in each village, picked out for their representative character in accordance with recognised statistical methods. The different credit agencies are also being studied in detail, while views of informed Co-operators and others have been sought through a general

which, even without such enlargement, is designed to bring about a freer and more effective flow of agricultural credit from the Reserve Bank to co-operative banks, where those banks are already well-organised as in the State of Madras. With most of these measures of procedural reform, which were taken last year in pursuance of the recommendations of the Informal Conference, you are already familiar. Repayments have no longer to be made before a fixed date, viz., 30th September, irrespective of the duration of the loan; each loan is treated as a separate transaction and allowed to run its full course which is normally 12 months; the credit limit is confined to outstandings only, and is not as in the past related to the total amount of borrowings irrespective of repayments; on the special recommendation of the Registrar, even C class banks are considered on merits with a view to deciding whether they should be given a credit limit; and so on. Following the liberalisation which has thus taken place on the procedural side, there has been a considerable increase in the extent of the agricultural credit drawn from the Reserve Bank by co-operative institutions. The figure was Rs. 2.7 crores in 1949-50. It doubled itself and was Rs. 5.4 crores in 1950-51. And now at the end of 1951-52, the provisional accounts indicate that the amount drawn is more than double the figure of the previous year, and has nearly reached the level of Rs. 12 crores. The concession rate of interest, as you know, continues to be $1\frac{1}{2}$ per cent even after the increase in the bank rate. Along with this liberalisation, of which the concrete results have thus demonstrated themselves, the Informal Conference recommended two measures to bring the co-operative credit movement and the Reserve Bank closer together. One was a system of inspection by the Reserve Bank of the co-operative banks, especially of those to which it lent or proposed to lend. An organisation for this purpose and, generally, for greater contacts with co-operative banks, is in the process of being built up and will be shortly ready for taking on these duties. The second measure which the Informal Conference recommended in this connection was the setting up of a "Standing Advisory Committee on Agricultural Credit" where contacts at the policy-making level could be established with co-operators and others knowledgeable in the problems involved. This Committee, as you know, has not only been formed but has already met twice: in August of last year and again a few months ago in April. One of the activities of the Committee which should be of special interest to you is its

effort to evolve standards for different aspects of co-operative banking and administration, such as maintenance of fluid resources by the banks, inspection and audit classification by the supervisory authorities and fixation of credit limits by the Reserve Bank.

I see from your agenda that you have got before a variety of practical proposals to discuss. Arising out of some of these, there are a few points I would emphasise before bringing these remarks to a close. The wording of an item here or there seems to reveal that the expectation of almost unlimited credit from the Reserve Bank is entertained in some quarters. This of course is quite unrealistic. Apart from provisions of law and considerations bearing on the functions appropriate to the Reserve Bank as the Central Bank of the country, which it would take me too long to dwell upon now, there is the obvious limitation that no co-operative bank can borrow, or conversely, should be lent, more than its financial and administrative structure justifies. Also, where loans are sought from the Reserve Bank, a very important part of the justification consists in what the co-operative bank has been able to build up by way of its own deposits. How far has it succeeded in mobilising local savings and resources? And how far, in its lendings, has it given first priority to agricultural credit? These, as you will agree, are considerations of extreme importance to our rural economy and indeed to our economy as a whole; and it is clear that the Reserve Bank will have them very prominently in mind in deciding its lending policy in respect of individual institutions. If it has considerably liberalised its help, it also assumes the coming into being of a considerably larger measure of self help.

I thank you again for inviting me to speak to you to-day and have pleasure in formally declaring the Conference open.

The Madras District Co-operative Central Bank, Ltd.			
13/14, Mukkur Nallamuthu Chetty Street, Madras-1.			
ESTD. 1930	TELEPHONE NO. 2384.		
Authorised Capital	...	Rs. 10 lakhs.	
Working Capital	...	" 35 "	
All kinds of deposits accepted.			
Rates of Interest :—			
Current Deposits	$\frac{1}{2}$ %	Savings Deposits	2 %
Fixed Deposits For—: 6 ms.	$3\frac{1}{4}$ %	For 1 yr.	$3\frac{1}{2}$ %
		For 2 yrs.	$3\frac{3}{4}$ %
Further particulars can be had from the undersigned:			
B. S. VIJAYAGOPAL, B.A., B. COM.			
Secretary.			

questionnaire. This survey should therefore help to fill to some extent the lacuna in data which has hitherto existed; and the Report, which is likely to be ready a few months after the completion of the field enquiries, should prove of assistance to the different authorities concerned in framing, for the future, an integrated policy of rural credit.

I now turn to the second question: What is the Reserve Bank actually doing in this matter of agricultural credit? In other words, what is the relevant programme of the Bank, both in the recent past and for the immediate future? Such a programme would comprise steps which the Bank could take without having to await either long-term policy or far-reaching re-organization. These steps fall into two categories: those which involve an enlargement of either the scope or the area of operations of the Bank and those which, even without such enlargement, can ensure a larger and freer flow of agricultural credit from the Bank. Recommendations pertaining to both these categories were made by an Informal Conference on Rural Credit which, as you are aware, was convened by the Governor of the Bank in February 1951. I shall mention briefly the steps taken in pursuance of those recommendations.

In respect of enlargement of scope, mention may first be made of two amendments of law which were passed by Parliament sometime ago and have come in to effect last November. The first of these, as you know, related to section 17 (2) (a) of the Act and, in regard to the purchase, sale or rediscount of bills of exchange and promissory notes arising out of *bona fide* commercial or trade transactions, placed the State Co-operative Banks on the same footing as scheduled commercial banks. The second was especially important from the point of view of the agricultural credit operations of Co-operative Banks. This amendment, as all of you are undoubtedly aware, related to Section 17 (2) (b) of the Act and extended to 15 months the previous maximum of 9 months for which accommodation could be made available by the Bank for the purpose of financing seasonal agricultural operations and the marketing of crops. While these amendments have already been passed, there are other recommendations for amendment of law which were made by the Informal Conference and are now engaging the attention of the Government of India. The object of the suggestions thus made was to include in the scope of

the assistance available from the Bank certain new categories, such as short-term finance for mixed farming activities and the processing of crops by agricultural producers, short-term finance for cottage industries through industrial co-operatives and, to a limited extent, medium-term finance for agricultural purposes.

Besides this enlargement of scope, actual or proposed, there has also been enlargement in the area of operations of the Bank. All Part B States have now come under the purview of the Reserve Bank of India Act in the context of the provisions relating to agricultural credit. In some of these States, as well as in some of the Part A States where the co-operative movement happens to be relatively undeveloped, the provisions which enable the Reserve Bank to extend financial assistance to co-operative banks have been largely inoperative of account of lacunae in the co-operative organisation of the States concerned. The lacunae are different for different States. In some instances, there may be no State Co-operative Bank at all; in others, considerable reorganization of the apex bank may be necessary before it qualifies for assistance from the Reserve Bank; or again, the Central or District Banks may happen to be a weak link in the chain; while, as in very many instances, the primary credit structure itself may be in need of rehabilitation. With a view to studying the problems of individual States and initiating appropriate steps in consultation with the Governments concerned, a series of visits to these States and of discussions with their Governments was planned, and has since been carried out by the officers of the Bank in a large number of States. It is intended to cover the remaining States in the next few months. An experienced officer of the Agricultural Credit Department tours the State, studies the co-operative organisation and submits a factual report, together with suggestions for re-organisation of the co-operative structure of the State; thereafter, high-level discussions are held between the Reserve Bank and the State Government, and a basic plan of re-organisation agreed upon. Such programmes have been drawn up for a number of States and a certain amount of progress has already been made in some of them, especially in the implementation of proposals relating to the establishment or reorganisation of apex co-operative banks, through which alone the Reserve Bank can make agricultural credit available to other parts of the structure.

I have dealt with the extension of the Bank's activities both in content and in area. Then there is the second category of steps

Resolutions of the XXV Central Banks' Conference

The following Resolutions were passed at the Conference :

This Conference places on record its appreciation of the services rendered to the Co-operative Movement by the late Sri T. A. Ramalingam Chettiar, B.A., B.L., M.P., and records its great sorrow at the loss sustained by the Co-operative Movement in this State as well as the whole of India.

This Conference places on record its deep sense of sorrow on the demise of Sri K. A. Nachiappa Gounder, M.L.A., who has been a very active worker and prominent leader of the Co-operative Movement in the State.

1. Resolved that the rate of interest charged by the State Bank to the Central Banks may stand as heretofore.

2. Resolved that Central Banks should not charge more than $4\frac{1}{2}$ per cent per annum to village agricultural credit societies and marketing societies which deal with marketing of agricultural produce. For other societies, the rate of interest shall not be more than $5\frac{1}{4}$ per cent per annum.

3. Resolved to request the Reserve Bank of India to provide medium-term loans, ranging from three to five years, and long term funds for Central Banks through the Madras State Co-operative Bank by making suitable amendments to the Reserve Bank of India Act.

4. Resolved that the standards and form of securities for employees of Central Banks prescribed by the Registrar be accepted and that the Registrar be requested to grant exemptions in suitable cases as to the nature and form of securities on the recommendation of respective Central Banks.

5. This Conference again resolves to request the Government to exempt all Co-operative Societies from the operations of the Madras Shops and Establishments Act as is done in the Mysore State.

The Conference further resolves that the President of the State Co-operative Bank, Dr. P. Natesan, Mr. D. Krishnamurthi Gounder, M.L.A., Sri P. Kesava Rao, Mr. N. Sathyanarayana, M.L.C., and Mr. M. D. T. Kumaraswami Mudaliar wait on deputation with the Chief Minister, Minister for Labour and the Minister for Co-operation.

6. Resolved to request the Registrar to relax the limit for issue of short term loans from 65 per cent to 50 per cent to enable Central Banks to qualify themselves as "A" Class Banks.

7. Resolved to request the Madras State Co-operative Bank not to charge commission for remittances made to Central Banks within the State.

RESOLUTIONS OF THE XXV CENTRAL BANKS' CONFERENCE

8. In view of the famine conditions in the Rayalaseema, this Conference requests the Government to sanction free services of the Co-operative Sub-Registrars, one for each Central Bank in Rayalaseema Districts for employment as Executive Officers to work the Rayalaseema scheme of reorganisation of credit societies consequent on downward trend in the income of the Central Banks.

9. This Conference of the representatives of the Co-operative Central Banks in the State resolves that while sympathising with the present plight of the weaver members of the various co-operative Weavers' Societies in the State, request the Government to place more funds at the disposal of the Co-operative Central Banks through the Madras State Co-operative Bank to finance the Weavers' Societies, encourage handloom industry and thus find a solution to redress the grievances of the weavers.

10. This Conference resolves to request the Executive Committee of the Madras State Co-operative Bank to go into the question of furnishing of collateral securities in the shape of co-operative paper for borrowings from the State Bank.

11. Resolved to request the Government to amend the rule XIII-B of the rules framed under the Madras Co-operative Societies Act of 1932 by making provisions for the use of the premises of the societies for all kinds of social and cultural activities.

12. Resolved to request the Registrar of Co-operative Societies, Madras to suitably revise and amend the annual statement form as that of the audit report.

13. Resolved to request the Registrar of Co-operative Societies to permit all Central Banks to discontinue the maintenance of general information register and to adopt the procedure now followed.

14. Resolved to request the Government to permit tender deposits and security deposits of Government contractors and Local Board contractors to be deposited in Co-operative Banks.

15. Resolved to request the local Government to take up consideration of the Amending Bill of Co-operative Societies Act in the Legislative Assembly. If the entire Act, for any reason, cannot be taken up for consideration now, the amendment of Section 28 may at least be taken up to make provision for compulsory recovery in employees' societies.

16. Resolved to request the Registrar of Co-operative Societies, to direct the D. C. Inspectors to meet the Secretary or President of the Central Banks twice a month to discuss the progress of the Depressed Class Societies and also to attend Central Bank meetings on the days when overdues of the societies are discussed.

17. This Conference resolves to request the Registrar to take suitable steps to prevent the abnormal delay in conducting audit of the Co-operative

societies which are paying audit fees, and to ensure that in respect of societies paying, arrangement for regular concurrent audit should be made so that the accounts of each month are audited before the end of the next month and the final audit before the end of August.

18. This Conference resolves that the separation of audit from Administration which has been pending for a long time should be effected soon.

19. This Conference requests the Government of Madras to instruct all the Collectors of Districts to expedite the settlement and payment of the claims pending or made by the co-operatives before the Civil Supply Staff is disbanded, claims in respect of subsidies due for under taking procurement of food grains, distribution of chemical manures and iron and for holding government stocks of controlled articles.

20. This Conference requests the Government to order quick disposals of the Government stocks held by the co-operatives and to compensate the loss sustained by the co-operatives by deterioration of the stocks due to the delay of release orders.

21. Resolved to request the Government and the Registrar of Co-operative Societies to permit the investment of the funds of liquidated societies in Co-operative Central Banks instead of sub-treasuries.

22. Resolved to request the Registrar of Co-operative Societies to allow the cash credits sanctioned by the Madras State Co-operative Bank on the security of Co-operative paper also to be reckoned as resources in Part A of the Fluid Resources.

23. Resolved to request the Government to amend the rules under the Village Panchayat Act, so as to enable the village panchayats to lodge their funds in current or savings accounts also in approved Co-operative Central Banks.

The George Town Co-operative Credit Society, Ltd., No. 8512

29, Krishnappa Naicken Agraharam Street, G. T. Madras.

(REGISTERED IN 1928.)

All Banking facilities are afforded to Members and Constituents of the Society. Fixed Deposits are accepted for one year at 5 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.

The Tiruppattur Town Co-operative Bank Ltd., North Arcot District.

ITS INCEPTION AND GROWTH

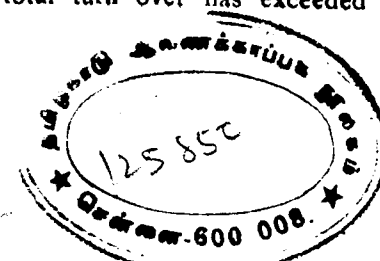
VIDWAN SRI P. PERIASAMI PILLAI, B.A., B.L., TIRUPATTUR

The Bank was started in the year 1917 with 120 members and with a paid up share capital of Rs. 2,295. This is its 36th year of working, when the members have risen to 1,200 and its share capital raised to Rs. 66,000. During these 35 years of its growth, it had had several vicissitudes some of which threatened its very existence. Surviving all the petty and the crucial feuds the Bank has now risen to importance and to its present stature by the untiring and selfless zeal of its President Mr. G. Swami Naidu, B.A., B.L., the good will and co-operation of the Directorate, and the disinterested and hard work of its Secretary Mr. S. Kumarasamy Chettiar who have carried their unstinting effort for the last seven years, towards the progress of this Bank. It has now a Reserve Fund of Rs. 40,000 and a paid up share capital of Rs. 66,000 besides other reserves amounting to Rs. 7,696-8-0.

The main feature of this bank is that it has not borrowed from any other institution. It works only on deposits. The Bank is on such a firm basis, that it enjoys the confidence of the depositors to the tune of Rs. 2,17,611 while it caters to the needs of people of all cadres and avocations who richly deserve its help. Various kinds of deposits are thrown open to the public and even a poor labourer is encouraged to put by a few annas a day which would accumulate into a handsome amount that would stand him in good stead at the time of need.

During the year 1950-51 the Bank has disbursed a sum of Rs. 4,78,484 (nearly four and three fourth lakhs) as loans to members out of which Rs. 2,51,814 was short-term and Rs. 2,21,620 was long term. On 30-6-51 a sum of Rs. 2,78,099 was outstanding against members out of which a sum of Rs. 84,289 representing 30 per cent of the total loans outstanding was on surety and the balance representing 70 per cent on the security of deposits, jewels and the mortgage of properties (house and lands). A sum of Rs. 12,219 representing 4.4 per cent to outstanding loans and 2.7 per cent to demand was over due.

Besides the issue of loans and other activities connected with co-operative banks, the Bank issues drafts and cheques to all important places in the Presidency and outside the Presidency. The Bank also undertakes collection of cheques and bills and is very useful to the merchant community of the locality. During the year the total turn over has exceeded 58 lakhs.



N.B. The Bank does not generally issue loans repayable in over three years excepting for discharge of prior debts, land improvement, land and house purchase etc. Almost all surety loans are of short term only.

As agents for the Co-operative Central Bank in collecting from rural societies and as agents for collection and issue of cheques the Bank has transacted through the current accounts with various Central Banks, Apex Bank, Madras and over draft account with Central Bank, a business of 97.70 lakhs during the year. No discounting of Bills and Cheques is undertaken though the bylaws permit.

Attempts are made to encourage thrift and home safe deposits. Canvassing for recurring and provident deposits is however responded to satisfactorily.

General: A. The Bank owns a building and its cost is Rs 6,865. The Bank has deposited in the Salem Co-operative Central Bank in Provident Deposits Rs 78,895 and in Reserve Fund Rs. 30,088—in all Rs. 1,08,493. It has invested in shares in other Co-operative Institutions Rs. 1,750 and in Defence Savings Certificates Rs. 1,500—in all Rs. 2,250.

B. The Bank is having the services of a private auditor Senior Inspector approved by the Registrar of Co-operative Societies, Madras for 1951-52.

C. The Bank's income for 1951-52 is Rs. 29,313 and expenses paid and due is Rs. 19,029. It has thus earned a net profit of Rs. 10,284 as per the annual statement submitted to the Deputy Registrar of C. S. Dharmapuri within the 15th July as per bylaws.

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Prepared by:

The Madras State Co-operative Union,
379, Netaji Road, MADRAS-1

STORES

Reorganise the Consumers' Movement

SRI C. S. RAMACHANDRAN,

Secretary, Chandrasekharapuram Co-op. Stores (Tanjore Dt.)

The consumers movement in our State is facing something like a crisis. Professor Kaji, former President of the Indian Co-operative Union mentioned at the recent Indian Co-operative Congress that the consumers movement of Madras led the consumers movement of the other parts of the country. It is a pity that our State which has thus made a name as the foremost in the field should itself have to fear a crisis.

The present situation indicates that there is something vitally defective in the structure and organisation as well as functioning of the consumers movement even in our State. Thanks to the Registrar and the Co-operative Department as well as the Madras State Co-operative Union and its medium the "Journal of Co-operation" some of the vital defects of the movement have been pointed out from time to time and the various co-operative stores, both wholesales and primaries have been warned against the policy of drift and indifference in the matter of removing these defects. If really a genuine attempt had been made to understand properly the defects in the working of the movement and if proper care had been taken to rectify them, the stores movement in our State would not probably have to fear this situation. It is high time that the representatives of the consumers movement in the State tried to study the situation in all its bearings with out simply attempting at a superficial study. Mere scratching of a problem would not make us the wiser. We must dive deep into the intricacies and complexities of the situation so that we may be able to get at the right points which would help us in promoting the movement.

I for one would believe that the consumers movement has a future under certain conditions. At present, the wholesale stores and the primary stores are functioning in their own respective areas without anything like a plan of action. Some primaries entirely depend on the wholesale stores while in some cases, the wholesale stores try to impose themselves on the primaries in spite of the resentment of the latter. The result has been that the whole movement seems to have been centred round the activities of the wholesale stores alone. Considerable initiative has thus been removed from the primary stores with the result that the wholesale stores have not made themselves really useful to the primaries. Even among the wholesale stores, there appears a lack of uniformity in policy in respect of the various branches of their business and their relationship with the primary stores. A uniform line of development cannot therefore be suggested for all the central stores. The working of the stores movement in each district with reference to the activities of every central stores and

The Bank is housed in a building of its own which has been purchased at a cheap price of Rs. 2,000 and improved by spending Rs. 3,000. Though the present price of the building may be more, it is shown only at its cost price. The Bank has got a sum of Rs. 9728-2-0 in the building fund of which a sum of Rs. 4,715 alone was spent.

It is not out of place to make mention in this connection of the worthy names: that of the present Registrar J. C. Ryan, Esq., M.A., I.A.S. and that of his predecessor Sri S. A. Venkatraman M.A., I.C.S., who have been in close touch with the working of this Bank and to whom this Bank owes a deep debt of gratitude for the solid support and sympathy evinced by them at a time when partisan cliques and petty mindedness worked itself to such a high pitch as to threaten the very foundation of this Bank. The hard and selfless work of its President, Mr. G. Swamy Naidu and its Secretary Mr. S. Kumaraswamy Chettiar has spoken for itself during these occasions, the vain opposition has been beaten hollow and the Bank has come off unscathed out of these ordeals. Several private banks have been started in this town during the period of inflation and are now facing hard days. At a time when financial stringency is felt great, when money market is tight, when even small amounts could not be raised even on the pledge of gold jewels and when the people are faced with great acuteness of the shortage of money, this is the only bank that caters to the need of the low and the high of this town. This is one of the best urban banks of the state commanding the confidence of its members at well as that of the public as the following table of figures would disclose.

Year.	No. of mem- bers.	Share capi- tal.	Deposits outstand- ing.	Loans outstand- ing.	Net profit.	Reserve Fund.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1917-18	120	2,895	196	...	126	..
1925-26	642	34,103	29,195	1,21,865	5,970	6,987
1933-34	609	36,298	1,00,854	1,04,078	2,970	18,014
1942-43	1,055	45,175	2,22,013	1,44,120	2,000	27,180
1947-48	1,106	57,297	1,89,177	1,92,714	7,619	30,869
1950-51	1,149	64,111	2,17,611	2,78,099	9,580	40,402

THE TINNEVELLY DISTRICT CO-OPERATIVE CENTRAL BANK, LTD.,
VANNARPET : TINNEVELLY
(Estd. 1918)

Authorised Capital Rs. 4,50,000
Working Capital Exceeds Rs. 73,86,900
Reserve Fund Rs. 3,01,144

ALL KINDS OF DEPOSITS ACCEPTED

Fixed Deposits : For 6 months 2½%; For one year 3%
For 2 years 3½%, For 3 years and above 3½%

CURRENT, SAVINGS, RECURRING AND PROVIDENT DEPOSITS
ARE ALSO ACCEPTED.

Apply for further particulars to:

Medai Dalavoi Kumaraswami Mudaliar,
President.

**A Note on the Krishnagiri Urban Co-operative
Bank Ltd. (Salem Dt.)**

The Bank was registered on 9-11-1908 and began its working on 20-10-1909 and it is running smoothly its 44th year of age.

It has turned out a business of Rs. 24.46 lakhs for the year 1951-52. As on 30-6-1952 its assets amount to Rs. 5.08 lakhs and liabilities 4.97 lakhs leaving a book profit of Rs. 11,053 as per annual statement.

Its authorised share capital for A class shares is Rs. 1,20,000 the value of each share being Rs. 5. During 1951-52 69 members were admitted and 116 discharged the number of members on roll at the end of the year being 1355 with a share capital of Rs. 95,155 as against 1400 last year with Rs. 95,870. The fall in number of members is due to eliminating indifferent and habitual defaulters. B class members with share capital of Re. 1 each are also admitted for obtaining loans on the pledge of jewels and deposits without having any privileges of A class membership. As on 30-6-52 there are 42 B class members with share capital of Rs. 42.

The Bank is working mainly on deposits from members and non-members amounting to Rs. 3,34,187, and it is gratifying to note that there is no loan in the Salem Co-operative Central Bank excepting a debtor balance of Rs. 688 in the Over Draft "A" Account (Transmitting Agency purpose only) on 30-6-1952. The working capital of the Bank is Rs. 4.68 lakhs on 30-6-1952. The Reserve Fund of the Bank is Rs. 38,088 on 30-6-1951 as per audit certificate and it is deposited as follows:—

In the Salem Co-operative Central Bank Rs. 30,038

In the Postal National Savings Certificates Rs. 4,100 and in Madras

C. L. M. Bank Debentures Rs. 3,900—in all Rs. 38,088.

N.B. Though the Postal N. S. Certificates fetch 4½ per cent and the C. L. M. Bank Debentures fetch 8 and 3½ per cent the Central Bank is giving only 2½ per cent on Reserve Fund, the long term investment. It is suggested that the Central Bank may also think of allowing the rate of interest as is being given for ordinary deposits at 3½ per cent.

The loan transactions are detailed in the following table:

S. No. & Head of A/c.	Balance on 30-6-51	No. of Loans Issued	Issue 51-52	Total	No. of Loans repaid	Repaid 51-52	No. of Loans on 30-6-52	Balance 30-6-52
1. Individual								
Cash Credit	16 299	—	75,583	75,882	16	75,882	—	—
2. Jewel loans	26 3,886	18	5,088	8,974	35	6,712	9	2,262
3. Deposit loans	84 28,494	119	41,346	69,840	125	53,398	78	16,442
4. Suerty loans	588 1,83,947	472	2,27,292	4,11,239	437	2,27,946	623	1,83,293
5. Mortgage loans	283 1,33,312	121	1,00,890	2,34,202	129	90,066	275	1,44,136
6. Commodity loans	6 10,250	—	—	10,250	6	10,250	—	—
Total	1003 3,60,188	730	4,50,199	8,10,387	748	4,64,254	985	3,46,133

the primaries in its jurisdiction must necessarily be studied before any constructive suggestions could be taken up for discussion.

I view the whole problem in this light and sincerely feel that the future of co-operative stores, be they wholesalers or primaries, depends in a very large measure on a study of important statistical data, bearing on the working of the wholesales and primaries and their relationship.

The following are some of the measures which I suggest for obtaining the necessary data :

1. A questionnaire may be separately issued to the wholesale stores and the primary stores, somewhat on the lines of a model questionnaire appended to this note and the replies of the various institutions on the points required may be obtained. Sufficient care must be taken by the institutions to furnish particulars required, since some of the particulars entail a careful analysis of the business transactions of the institutions. For instance, the classification of provisions is not as it ought to be. Many of the stores mix up their sales of controlled and non-controlled goods like, rice, pulses and so on. An analysis of the sales under two different heads—controlled and non-controlled—will really help a correct comprehension of the trends of trade of the co-operative institutions.

2. On receipt of the replies to the questionnaire, two separate committees of 5 members each, with the Registrar or the Joint Registrar as a common Chairman for both should study the various particulars and details furnished in an impartial manner against a comprehensive background of the general trade conditions prevailing in the country.

3. After the reports of the two committees are got ready, two separate conferences one for wholesales and the other for the primaries should be convened and the reports and the recommendations of the committees should be discussed threadbare and definite conclusions arrived at; whereafter a joint session of all the stores should be held and the recommendations of the two previous separate conferences should be discussed on a common platform so that workable conclusions could be arrived at. These resolutions and the policy as finally decided on by these conferences would be the cream of all discussions held at all the previous sectional gatherings. I dare say that the decision of the conference would be acceptable to both the wholesale stores and the primaries.

It may be mentioned here that two important points, would surely go a long way to help promote the consumers movement in every part of our State. The first is a change in the mental attitude of Co-operators in the matter of treatment given to the primaries. At present, all the primaries are considered to be of secondary importance to wholesale stores. It is probably the T.U.C.S. in Madras that holds status equal to that of a wholesale stores. There are other stores also which have a business tradition and

reputation to their credit. There are rural stores having a turnover of over Rs. 5 to 10 lakhs, though their number may not be very large. I cite as an instance the rural stores at Chandrasekarapuram, which has an annual turnover of about Rs. 10 lakhs. It is easily the largest rural stores in the whole country. There are a few others, which also are fairly large. These stores do not depend on the wholesale stores for their supplies, because the quantities are very large and the variety of goods, which they deal in, is very wide. Indeed their independent functioning has not affected adversely, but has helped them to develop themselves. Such primary stores are also a sort of influencing factors in the field of consumers co-operation. They stand as beacon lights to the smaller institutions, which feel that they have to grope in darkness. Such large stores of over Rs. 5 lakhs turnover must be classified as independent and self-supporting primary stores, and should be given the status and privileges of wholesale stores. I may mention here that a turnover of Rs. 10 lakhs for a rural stores is not less laudable than a turnover of over Rs. 1 crore for an urban or wholesale store and hence my plea.

And now the second point. Most of the stores including the wholesale stores have been thriving all these years on their business in controlled commodities. When the controls were in full swing, they had a fairly large business and they appeared to be prosperous. Unfortunately, however, they had ignored the line of business in non-controlled commodities, a large part of which is made up of necessities of life. Things went on well with a good number of stores as long as controls existed. But now when the controls are lifted, we find most of the stores struggling to make themselves self-supporting. Certainly, if the stores had developed non-controlled business also early enough, they would by now have been able to establish themselves fairly well in this line too and would have been able also to withstand the effects of the present crisis. In fact all those which had given at least equal importance to non-controlled goods also with controlled commodities, have not felt the severity of the slump to the same extent as their sister institutions, which had depended mostly on controlled goods. The policy and progress of the institution at Chandrasekarapuram is an instance in point: The Chandrasekarapuram Stores had a turnover of Rs. 9.25 lakhs in 1950-51 and 9.84 lakhs in 1951-52. In spite of slump, there has been an increase of about Rs. 8,000/- or 1 per cent in the turnover of the stores. Going into some main details, I may mention here that its business in non-controlled goods is far larger than that in controlled goods. In 1950-51 the percentage of purchases of controlled and non-controlled goods worked out to 36 and 64 per cent respectively. The same percentage was maintained in the sales also. During the last year, i.e., 1951-52, the percentage of purchases of controlled goods was 47.6 as against 52.4 of non-controlled goods. In respect of sales, the sale of controlled goods was

45.5 per cent of the total sales while non-controlled business was as much as 54.5 per cent. It will thus be seen that mainly by concentrating on the development of non-controlled lines, the Chandrasekarapuram Stores has been able to hold its own in spite of the slump. The stores reduced its prices like any other stores due to slump. All the same, it increased its business and cleared a gross profit of about Rs. 46,000/, which was the same as in 1950-51. I mention this only as an instance of what a co-operative stores could do if it bestowed adequate attention on the development of non-controlled business alongside of controlled business with a distinct idea that sooner or later the controls must go and in any circumstance the stores must be saved.

There is little doubt that a genuine effort to promote this vital branch of the movement on the lines suggested will go a long way towards imparting stability to the movement itself.

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

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

Questionnaire

Wholesale Stores

1. Name of the Central Stores.
2. No. of primaries affiliated. Share Capital.
3. No. of multi-purpose societies—members. Share Capital.
4. Individual members. Share Capital.
5. The lines of trade of each central stores and the turnover for each item "purchase and sales."
 - (a) Rice or paddy including millets.
 - (b) Groceries including grams, pulses, cattlefeed and oils.
 - (c) Sugar.
 - (d) Wheat.
 - (e) Maida.
 - (f) Coffee seeds.
 - (g) Mill cloth.
 - (h) Handloom cloth.
 - (i) Iron and steel,
 - (j) Fertilisers.
 - (k) Consumers goods and stationery
 - (l) Any other items.
6. No. of primaries which are making purchases from central stores—the items and value.
7. No. of multipurpose societies which are making purchases—the items and value.
8. No. of primaries and multipurpose societies which are not making any purchases at all.
9. The profit or loss for a period of five years beginning from 1947-48.
10. No. of branches.
11. The No. of employees and the monthly average establishment and other charges.
12. Any deposits from members other than the cash credit accommodation from the Central Bank.
13. The withdrawal of members for a period of five years beginning from 1947-48 together with the share capital amount.
14. Any other details as the Registrar thinks necessary.

Primary Stores

1. Name of the Stores.
2. When started.

No. of members.
Share capital.
Reserve Fund.
3. The lines of trade and the turnover for each item purchase and sales.

(a) to (1) as for Central Stores.
4. The value of goods purchased from the Central Stores for a period of 5 years beginning from 1947-48. Details to be furnished for each year separately. The reasons for not purchasing any of the items.
5. The profit and loss for each year for a period of 5 years beginning from 1947-48.
6. The no. of fair price shops attached and the total sale of controlled commodities and non-controlled commodities for each year.
7. Whether the Stores has been selected as wholesaler in any particular area for distribution of sugar, wheat and maida and the turnover.
8. The withdrawal of membership for a period of five years beginning from 1947-48 together with share capital amount.
9. The amount of cash credit sanctioned by the Central Bank.
10. Any deposits from members other than cash credit.
11. No. of trade deposit accounts of members.
12. The no. of employees and the monthly average establishment and other charges.
13. Is the stores getting adequate supply of required controlled commodities from the central stores to meet the demand and if not the reasons?
14. Can the stores function independently without any aid from the Central Stores?
15. What is the security of service for the employees working in the stores? Have service condition rules and provident fund scheme been introduced? If so, when and if not, why?
16. The dividend and bonus paid to members each year for a period of 5 years beginning from 1947-48—the percentage.

HOUSING

The Chidambaram Co-op. House Building Society Ltd.

A Brief note on the working of the Society

The Chidambaram Co-operative House Building Society Ltd., was registered on 27-11-46 and started on its work on 15-12-46 as an ordinary Co-operative Building Society. The Government were pleased to extend the housing scheme to Chidambaram on 8-12-47 as recommended by the Collector of South Arcot. Accordingly 20-80 acres comprising of 13.28 acres of wet, 2.09 acres of dry and 5.43 acres of poramboke lands in ward 4 of Chidambaram town were chosen for the scheme. The Deputy Registrar of Co-operative Societies, Cuddalore was pleased to convert the society as a Co-operative House Building Society and register the bylaws as resolved by the General Body of the Society held on 19-9-48.

Under the provisions of the transitory bylaw 18A of the Society the Registrar was pleased to nominate the first Board of management for a period of five years in 1948.

A Senior Inspector has been deputed to work as the paid Secretary from 9-11-50. He is assisted by one clerk.

A Retired P.W.D. Assistant Engineer is working as the Engineer of the Society from 2-8-51. He is assisted by three mastris.

Out of the 20.80 acres chosen for the scheme, the Special Land Acquisition Officer has acquired 15.37 acres and handed over possession to the society on 3-8-50 and 17-1-51. The Government have sanctioned the assignment of 5.43 acres of poramboke lands in the memorandum dated 25-11-50. The assignment of the poramboke lands is pending final orders of the District Collector.

A Layout providing 20 B. plots and 107 C. plots was prepared and got approved by the Director of Town Planning, Madras. As some land was found left vacant, the layout has been revised and 22 B. plots and 107 C. were provided thereby increasing the site area by about 40,000 s. f. The revised layout has been got approved by the Director of Town Planning. The demarcation was made and brick pillars to the height of three feet have been erected at the corners of each plot to facilitate the levelling of the sites. About four acres out of the wet lands of 13.28 have since been raised and levelled. The General Body of the Society has resolved to name the Colony as *Kanakasabainagar* and the Municipality also has accepted the naming of the colony.

The Board of Directors have fixed the value of the sites in the low level at Rs. 0-4-6 per sq. foot and Rs. 0-5-0 in the high level including the cost of levelling, provision for formation of roads, pipes and lighting.

THE MADRAS JOURNAL OF CO-OPERATION

The society has collected materials and used for construction during the year as per details noted below :—

Name of the material.	Purchases during the year 1951-'52.	Used for construction during the year.
	RS.	RS.
Bricks ...	25,828	21,048
Brick jelly ...	3,402	3,142
Cement ...	28,782	28,490
Iron rods ...	4,052	5,602
Wire ...	3,581	328
Timber ...	11,470	3,904
Sand ...	4,027	3,970
Paints ...	218	68
Door and Window frames ...	9,842	5,181

Though the contractors are making their own arrangements for the collection of the materials the society is supplying the contractors cement and iron rods and recovering the costs while settling bills. The Government have been now pleased to supply cement to the society at I.S.D. rates. This concession will be availed of during the current year. The society has also arranged to purchase 57 tons of M.S. rods from the producers of which about 20 tons has since arrived. The society has obtained an agreement from the Union Brick Works, Vallampadugai for the supply of 15 lakhs of bricks at the rates which existed in '50. About 7,40,580 bricks have been collected from the Union Brick Works upto 30-6-'52 and it is hoped that the remaining quantity also will be supplied by them without further delay. The society has placed orders for the timber in sizes with the Mayavaram Timber Depot and A. Muthia Pillai & Co., at reasonable rates and secured timber worth Rs. 11,470 during the year. There has been delay in the execution of the order by the Mayavaram Timber Depot and it is hoped that they will comply with the order without further delay.

Manufacture of doors and windows required for 20 buildings has been undertaken by the society by engaging labour contractors. In addition an order has been placed with Mr. K. George, Katpalli for the supply of doors and windows required for 10 buildings. As such the Board of Directors have taken all possible care to collect the best materials at favourable market prices with a view to keep down the cost of the buildings.

Through the construction work is going on in rapidly the levelling of the low level area is not upto the expectation. This is due to the fact that the high level area in the poramboke lands has to be levelled first, lest the surplus earth in the poramboke lands which is pending assignment by the District Collector, should not only become a waste but might involve an exorbitant cost to remove the earth to some other quarter from the society

THE CHIDAMBARAM CO-OP. HOUSE BUILDING SOCIETY, LTD.

area. Hence the delay in the assignment of the poramboke is the main reason for the delay in levelling work by the society. So the District Collector is requested to order the early eviction of the encroachers in the poramboke lands and hand them over to the society in order to help the society to proceed with the levelling work of the wet lands which he has been pleased to recommend for the colony. It is also expected that the contractors will come forward to level the grounds relating to the houses which they have undertaken for construction in order to help the members to occupy the houses as soon as they complete construction. Many members have expressed their desire to undertake levelling of the sites at the rates settled by the Board. But no member has so far come forward to do the same. It will be a matter for appreciation if the members also come forward to level the grounds and help themselves and the society.

It is hoped that the Nagar can be opened in the month of November 1952.

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All the plots have been allotted to the members by the Sub-Committee constituted for the purpose by the Board and such allotments have been since ratified by the Board. 88 members have paid the cost of sites in cash to the extent of Rs. 1,06,795. Notices have been issued to others demanding the cost of the plots. Some have withdrawn their applications. Seven plots are vacant at present. These plots will be allotted to the applicants in the next meeting of the Board.

Ten type designs prepared for the society have been got approved by the Board of Directors and the Director of Town planning. The estimates therefor prepared by the local Engineer Sri R. Subramania Iyer, A.M.I.E. (T) (Lond) have been since revised by the society's Engineer. The revised estimates and detailed specifications have been submitted to the Registrar and got approved. The members have been given the option to select any of the designs to suit their requirements and financial conditions. But the members have been strictly informed that the houses will be constructed by the society only at the risk and expense of the members.

There are 135 members with a paid up share capital of Rs. 1,09,700.

68 loan applications involving Rs. 5,02,250 have so far been received by the society. 65 loan applications for a Government loan of Rs. 3,86,050 have been submitted to the Deputy Registrar. Out of the same 31 applications for Rs. 1,82,200 have been sanctioned by the Registrar. Out of remaining 34 cases, three applications have been since withdrawn by the members. 5 cases returned by the Deputy Registrar are pending resubmission by the society for rectification of defects pointed out by the Deputy Registrar. 26 applications for a Govt. loan of Rs. 1,60,050 were pending sanction by the Deputy Registrar at the end of June '52. Though some of the members have submitted their loan applications in the early 1951, there has been delay in sanction of the loans on account of the revision of the estimates by the society's Engineer after the submission of the loan applications to the Deputy Registrar.

Out of 81 loans sanctioned, twenty three members have executed the documents for the drawal of the Govt. loan. In respect of one case, the condition imposed by the Registrar is pending modification. Seven members have not so far executed their documents to facilitate the drawal of the Govt. loan and proceed with the construction of their buildings.

Tenders were invited for the construction of houses by advertisement in the Hindu & Mail. As the rates offered by the tenders were high, they were rejected. The construction work of 44 buildings has been entrusted to the local contractors who have agreed to execute the work within the estimate rates. M/S Sundaresam Pillai & Bros. Mayavaram is the first contractor who came forward to do the work at estimate rates. Though weak, entrusted with the construction of 10 buildings in the beginning

five more buildings have been since entrusted to him as desired by the members. He has executed work to the value of Rs. 31,248 of which works to the extent of Rs. 25,373 have been billed and paid up to 30-6-'52.

Mr. V. Nair, Engineer & Contractor has been entrusted with the construction 20 buildings. He has executed work to the value of Rs. 48,556 of which Rs. 33,235 has been billed and paid up to 30-6-'52. As some other members have expressed their desire to entrust the work to him, it will be considered by the Board and the construction of some more buildings may also be entrusted to him. Mr. C. Thandapani Padayatchi, a member has come forward to undertake construction of four buildings at estimate rates. Mr. T. V. Ponniah Pillai of Sirkali has since enrolled himself as the contractor in May '52. He has just commenced work and laid foundation for two buildings in June '52. The Department has undertaken construction of 12 buildings by engaging labour contractors. It is a matter for gratification to report that the contractors have been carrying out the work to the satisfaction of the Engineer without giving room for complaints by the members. It is hoped that they will continue to render good account of work in the ensuing year.

In all 56 buildings were under construction on 30-6-'52. The progress of construction is as follows:—

a. Excavation & concreting in progress	...	4
" " completed	...	6
b. Construction of basement in progress	...	2
" " completed	...	14
c. superstructure in progress	...	2
" " completed	...	19
d. Terracing in progress	...	8
" " completed	...	0
e. Construction first floor in progress	...	1
Total under construction	...	56

The total value of work done up to 30-6-'52 is Rs. 1,48,140. as per the report of the Engineer of the society. Of this work Rs. 1,04,380 has been billed and paid. The average turnover per month during 1951-'52 comes to Rs. 11,928 or Rs. 12,000 rounded. The monthly establishment charge of the society is Rs. 470. The average contingent charges for the month including rent for the godown and office is Rs. 115. Though the establishment and contingent charge for the year 1951-'52 is 4.87 per cent on the turnover, it is hoped that it will go low during the year 1952-'53 as the average value of work to be executed during the year 1952-53 is Rs. 30,000 per month.

MILK SUPPLY

The Coimbatore Co-op. Milk Supply Union*

SRI C. N. NAGAPPA GOUNDAR,
Vice-President, C.C.M.S. Union

Milk, as every one knows, is a most valuable and nutritious article of food, which is being consumed by all sections of the people in one form or another. It is nearly Nature's most perfect food containing all the vitamins needed for our food in our daily life. Our country possesses nearly 1/3 of the world's cattle population which is the largest number compared with any other country in the world. Owing to adverse climatic and economic conditions, the production value of cattle industry is not commensurate with the population of cattle. But the total output of milk in our country is exceptionally large compared with other countries and it stands second in the volume of production of milk, its output being exceeded by the United States of America. The milk production in our country is estimated to be over five times that of Denmark, which is considered to be the most advanced country in the dairy industry.

Owing to the density of human population in our country the per capita consumption of milk is however extremely low. It is estimated that the production of milk per head of population in our country is about 6 ounces per day. The consumption of milk per head in Sindh and Punjab is about 20 ozs. per day, whereas the per capita consumption of milk in our State is 3.6 ozs. only. It is also found to vary according to income level of the people. If consumption is to be increased, it is essential that the price of milk should be within the purchasing power of the majority of the population. It is therefore necessary not only to increase the existing output of milk, but to effect all possible economics in the costs of production and distribution of milk. This would be possible if the producers are trained in improved methods of feeding and breeding from the point of view of production side and availability of adequate communications and transport facilities on the handling side.

The Co-operative Milk Supply Organisations are the best agencies to tackle these problems. The first of its kind started in our State was at Madras and next to it, The Coimbatore Co-operative Milk Supply Union has come into existence. These Co-op. Milk Supply Organisations are composed of the milk producers, who have joined together to improve their economic conditions by obtaining a fair price for the milk produced by them. But on the other hand the consumers require pure and wholesome milk at cheaper rates. The Co-operative Milk Supply Organisations serve as a link between the producers and the consumers. They have to

*Welcome Speech delivered on the occasion of the opening of a Milk Bar at the U.M.S. Central Station on 30-4-52. The Bar was opened by Sri C.S. Ratnasabapathy Mudaliar.

THE COIMBATORE CO-OP. MILK SUPPLY UNION

satisfy the producer in giving him a better price for the milk supplied by him and the consumer in offering the milk at a reasonable rate. These Milk Unions are trying to bring down the cost of production of milk by making available cheap credit facilities in easy recovery system, issue of Government interest free loans for the purchase of milch animals, supply of fodder and providing salvage facilities for the maintenance of draught animals.

This Union was started in the year 1937 with the object of supplying pure milk to the residents of this city. It has organised milk supply societies in the neighbouring villages which act as feeder societies to the Union. It has 14 such societies supplying milk to the Union. Individuals who own milch animals are admitted as members of these feeder societies, The animals of these members are brought to a central milking place in each village and milked under sanitary conditions, under the supervision of the representatives of the Societies. The milk thus collected is put in sterilised cans, sealed and transported to the Union by means of cycles, carts, etc. The success of milk supply unions in procuring adequate supply of milk for consumption in the town, depends largely in the facilities for transport of milk from rural areas. Milk being an easily perishable article has to be consumed within 6 hours from the time of milking. The Union has therefore to depend upon its supply of milk from villages within a radius of about 10 to 12 miles only.

The Union acts as the marketing agency for the milk produced by its affiliated societies. On receipt of milk from the societies, the milk is tested at the Union for its quality and is then put in sealed cans and supplied to the consumers. The Union is supplying milk to about 1,700 families in this city, besides the Government Hospitals, Central Jail, and other public institutions. The total quantity of milk handled by the Union is about 4,000 measures a day, which works to about 10 per cent of the milk requirements of the city. A number of depots have been opened at important places for retail sale of milk.

The Union had the opportunity to supply milk to the Military Units of this area during the last war to the extent of about 10,000 measures per day. Milk intended for the army supplies was collected from far off centres by means of lorries, in such a way as not to affect the supply of milk to the public of this city in any manner. After the termination of the military contract, the Union had to face some losses in its business. However the military supplies have enabled the Union to build ample resources for the stability of the institution.

The Union has since recouped all its losses and its trying to make some headway. As has been mentioned already one of the main objects of milk supply organisations is the supply of pure and unadulterated milk to the public. These institutions are therefore entitled to every possible help and encouragement at the hands of the Municipal councils. One way by which the Municipality can help these institutions is to strictly enforce the provisions of the Prevention of Adulteration Act and thus prevent adulterated milk in the market. Laxity in the enforcement of this Act makes vain the efforts of co-operative milk institutions by their putting in the market pure and whole milk. The Co-operative Milk Supply organisations find it really difficult to compete with the private vendors who are able to find a ready sale for their adulterated milk from the people who are more particular about

the cheapness of milk rather than its quality. The strict enforcement of the Act will therefore go a long way to further the development of co-operative milk institutions.

The adulteration of milk in the market is increasing rapidly. Money has so to say become the only objective and for acquiring it profit is being made by the private vendors by all possible means. At the sight of the profiteering of one private milk vendor another proceeds to adulterate more and makes his commodity still cheaper to have yet more customers. This race has continued and has dragged more men into the pool with the result that a very large number of private milk vendors are found roaming in the streets. The poor consumers will find it certainly economical to buy pure wholesome milk rather than to purchase a watered product of uncertain milk content. It is a pity that most of the consumers do not realise this and go in for the adulterated milk. The efforts taken by Co-operative Milk Institutions to put wholesome milk in the market are not appreciated on account of the availability of the varying standards of adulterated milk in the markets at varying rates.

The legal standard of fat percentage of cow's milk is 3.5 per cent and buffalo's milk 4.5 per cent in our State. Ordinarily cow's milk contains 4.5 per cent fat and buffalo's milk up to 6.5 per cent. If milk containing 3 per cent fat is passed as genuine cows milk against 4.5 per cent fat actually present in cows, then there are chances for the genuine milk also, to fall below the real standard of 4.5 per cent. The standard of fat contents of milk fixed in our State is low and this also accounts for the increase in the adulteration of milk. The genuine milk with 4.5 per cent fat contents fetches the same market price as another who dilutes his milk with water in order to make his milk conform to the legal standard of 3.5 per cent. It is therefore seen that adulterated milk will pass off as genuine milk in the analytical test. When the milk goes below 3.5 per cent fat then only the deficit is regarded as a measure of adulteration. It is revealed that there is a vast difference between the legal limits of fat prescribed in each case and that actually found in the average composition of milk. It is therefore necessary that the standards fixed under legislation have to be changed to confirm to natural standards obtained from pure whole milk.

The milk offered by the private vendors is cheaper not only an account of its adulteration, but also due to the fact that the cost of production of milk is cheaper to him, because, he is passing off his animal to the butchery after the animals become dry. But generally, the members of Co-operative Milk Supply Institutions do not sell away their animals and they maintain them even during the draught period. The price paid for by the consumers for the pure and wholesome milk includes the maintenance cost for the animals during the dry periods and helps to save them for slaughter. The customers must therefore realise that they are doing a noble service to the cattle of this country by purchasing pure milk, not minding the cheapness of outside milk.

The Union is making efforts to popularise its pure and wholesome milk. As the first step to launch the campaign of "Drink More Milk" the Union has come forward to open a Milk Bar at the U.M.S. Central Station. As the very name of the place implies, the place is centrally situated in the heart of the town and is an important passenger traffic centre for very many bus routes. It is hoped that this milk Bar would be of much use to the public, in supplying pure and wholesome milk.

MULTIPURPOSE CO-OP. ACTIVITY

Multipurpose Co-operative Activity in Madras

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

1. The Panamarathupatti Multipurpose Co-operative Credit Society (Salem District)

This society was registered on 21-12-1906 and started on its work on 21-12-1906. This is one of the oldest societies in Salem Taluk. It is affiliated to the Salem Co-operative Union for supervision and the financing Bank is the Salem Co-operative Central Bank. On date there are 274 members on rolls with a paid up share capital of Rs. 1656. Its authorised share capital is Rs. 2,000. It has built up a Reserve fund of Rs. 17,336 and invested a sum of Rs. 8918-15-0 in the Salem Co-operative Central Bank. It has invested Rs. 50 under shares in the Salem Co-operative Central Bank, Rs. 400 in the Salem Co-operative Wholesale Stores and Rs. 50 in the Salem Co-operative Marketing Society.

Borrowings:—The society's maximum credit limit is Rs. 40,000. It has borrowed during the current year from the Central Bank to the extent of Rs. 10,150 under short term and Rs. 1,980 under medium term. The total outstandings on date to Central Bank is Rs. 9,525 S.T. and Rs. 1,980 M.T.

Members' loans:—The members' outstandings of the society is Rs. 10,300 under S. T. and Rs. 2,478 under M. T. There are no bad debts in the society except Rs. 54 for which a bad debt reserve of Rs. 66 has been created.

After the introduction of the multipurpose bylaws in the society it has been selected to deal in food grains. A relief shop has been opened during September 1951 and 900 cards have been registered. The total purchases and sales are given below. Total purchases made is Rs. 39,838-15-6 and sales effected Rs. 39,285-15-0.

It has also been sanctioned an overdraft of Rs. 1,000 for issue of short term loans for agricultural purposes.

2. The Manandangudi Multipurpose Co-operative Rural Society (Tanjore District)

The society is 26 years old, having been registered on 1-5-25, and started on 21-7-25.

The area of operations of the society is confined to two revenue vattams of Kadagakudi and Ayyampettai vattam with headquarters at Manandangudi, hamlet of Ayyampettai.

The society has invested Rs. 150 in Co-operative Central Bank, Ltd., Kumbakonam, and Rs. 50 in Tanjore Central Co-operative Stores Ltd., Tiruvarur, as shares.

The total amount of reserve fund is Rs. 915-4-0. Of this a sum of Rs. 507-6-0 is invested in Central Bank, Kumbakonam.

Besides the usual borrowings, the society enjoys cash credit accommodation from the Central Bank of Rs. 1,000 for issue of short term loans and Rs. 750 for multipurpose activities. The society borrowed Rs. 3,200 under open loans and Rs. 500 under cash credit for short term loans and advanced loans in 1950-51, amounting to Rs. 3,700. The total loans outstanding as on 30-6-51 were 20 amounting to Rs. 4,840.

The multipurpose activities of the society comprise chiefly of sugar and coffee seeds at controlled rates. The total sales in 1950-51 were Rs. 4,579-6-3.

The business profit in 1950-51 was Rs. 135-7-0 and the net profit Rs. 76-4-0.

3. Mandavalli Multipurpose Rural Credit Society (Krishna District)

The society was registered on 17-1-1918 and started on its work on 17-1-1918.

There are 159 members on the roll of the society with a paid up share capital of Rs. 3,850 as on 30-10-1951.

The society got itself converted into a Multipurpose Rural Co-op. Credit Society on 26-10-50, by amending its by-laws No. I. The maximum credit limit of the society is Rs. 50,000 and the individual credit limit is Rs. 1,000. The society has a reserve fund of Rs. 4,811-10-0, out of which a sum of Rs. 3,883-3-0 is invested in the Krishna Co-operative Central Bank and Rs. 170 in the National Savings Certificates. The Society has yet to invest Rs. 258-7-0 towards reserve fund. It has taken shares to the value of Rs. 1,200 in the Krishna Co-operative Central Bank and for Rs. 20 in the Agricultural Improvements Society, Gudivada.

The society borrowed an amount of Rs. 12,700 during 1951-52 and utilised it for non-credit purposes such as purchase and sale of iron and steel, manures etc. On 26-10-51, the society borrowed again Rs. 17,000 and it was disbursed to the members as loans. A sum of Rs. 33,000 is outstanding under loans to the Krishna Co-operative Central Bank of which Rs. 3,300 is overdue. A sum of Rs. 29,800 is outstanding against members out of which Rs. 4,545 is overdue. The society earned a net profit of Rs. 203-11-0 during 1949-50.

The society is doing fairly good business in non-credit lines and has undertaken the supply of food grains, agricultural implements and chemical fertilisers to the members as well as non-members.

The transactions from 1-7-51 to 30-11-51 are given below :—

Name of the commodity	Purchases.	Sales. (Last years balanced included)	Balance.
Food grains.	Rs. 11,779-8-9.	Rs. 12,527-8-0.	Rs. 277-15-0.
Agricultural Imple- ments.	1,939-2-0.	680-8-7.	1,351-3-11.
Chemical fertilisers.	2,995-0-9.	6,846-3-8.	...

4. The Valavanur Multipurpose Co operative Rural Credit Society (South Arcot District)

Valavanur is a village 5 miles away from Villupuram on the Villupuram Pondi road. A credit society was organised and registered in this village on 28-3-1918. It was started on work on 3-6-1918.

There are 81 members on its rolls with a paid-up share capital of Rs. 885-8-0.

The maximum borrowing power of the society is Rs. 12,000.

During the year the society borrowed a sum of Rs. 2,445 from the South Arcot Co-operative Central Bank and disbursed it to the members as loans. It has also collected a sum of Rs. 2,711 under short term and Rs. 266-10-0 under long term and remitted it into the Central Bank, Cuddalore.

The society amended its bylaws to undertake multipurpose activities and it was sanctioned a cash credit accommodation Rs. 5,000 to deal in chemical fertilisers and iron agricultural implements.

During the year the society purchased ammonium sulphate for Rs. 30,158-9-0 and agricultural implements for Rs. 291-10-0 and has distributed ammonium sulphate worth Rs. 31,629 and iron implements worth Rs. 224-13-0 to its non-members and members. The society has earned a net profit of Rs. 358-4-0 during the year.

The panchayatdars are taking keen interest in developing the multipurpose activities of the society.

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Extracts

Analysis of Successful Sales

Messrs R. C. Borden and A. C. Busse, of New York University, have listened to and analysed 15,000 actual sales arguments. They made stenographic notes and extracted from the material, six cardinal points for successful selling. These points were subsequently tested by several sales organisations, with the result that actual sales were increased. The following are the six cardinal points of the Borden-Busse formula for consistent sales arguments:—

1. Let Him Talk—Don't do too much of the talking yourself—If your protest is in earnest he will want to do some talking, he will want to ask questions or raise objections. If you do not give him an opportunity to talk, his objections grow and become more and more important in his mind. Repression inflates objections: expression deflates them. If you let the prospect talk he will voice his objections and many of them will die in his own mind when he puts them into words.

2. Don't Interrupt—Never interrupt to answer an objection the prospect is putting into words—This invariably irritates the prospect, no matter how courteous your attitude may be. There is a great temptation to break in on an objection when an effective idea in rebuttal strikes you. There is also temptation to jump to conclusions and interrupt with an answer to what you think the prospect is going to say before he has a chance to state his objection. Sometimes your conclusions are wrong. At any rate, it irritates the prospect. He has a right to the floor; let him speak freely, while you patiently listen. Then when he is through, answer his objection.

3. Don't Be Insolent—Don't slip into a belligerent or over-positive attitude in the argument—Your sales interview is, after all, an exchange of opinions—a friendly debate. There's nothing personal about the difference of opinions. Watch the inflection and volume of your voice, never get loud, and never let that little note of intolerance creep in. Facial expression, too is important: implied expressions or attitude may be worse than those expressed. There is no advantage in winning the argument and losing the sale.

4. Have Him Explain—During the opening phase of your argument, inquire before you attack an objection—Invite your prospect to enlarge on his objection and tell you why he thinks that objection is important. Invite other objections, find out which he considers trivial. Get a good idea of all his objections, and then organise your attack on that information. If you don't do this you are apt to waste time answering some objection in detail, only to find that he thinks it trivial any way. Concentrate on his big objections.

5. Restate His Objection—When the prospect raises an important objection, before answering it restate that objection briefly and fairly in your own words—This point cannot be over-stressed. The practice of this principle will save your time and the prospect's, for if you don't repeat the objection the prospect may get the idea that you don't understand him, and repeat himself several times. Repeat his objection for him, and make it as strong as he did, or stronger, and he will understand that you realise his objection and that you are ready to answer it. It gives him more respect for you than if he gets the idea that you are trying to evade his objection, or don't hear him.

6. Concentrate—Finally, when the preliminary manoeuvres are over if possible stake everything on one key issue—The prospect will usually specify one issue uppermost in his mind. Once you have the issue

EXTRACTS—ANALYSIS OF SUCCESSFUL SALES

nailed and a solution for his problems in your mind, stick to it and don't permit digression. If the prospect drags in some minor issue, admit it if necessary, but get rid of it and return to the main issue. If you can overcome the key objection you can sell your prospect, because the other little objections will melt away.

To illustrate the importance of the part of the salesman in the loss of sales the following extracts relating to investigations made into the reasons for lost sales may be quoted:—

The School of Business Administration of the University of Oregon made a special effort to learn why customers stopped trading at particular stores. Actual reasons given by customers, secured from 1,483 stores, are shown in the following table:—

Why Customers are Lost			
Indifference of sales people	9%	}	30%
Ignorance and misrepresentation of goods	8,,		
Haughtiness of sales people	7,,		
Over-insistence of sales people	6,,	}	33%
Errors and delays in service	17,,		
Unwillingness to exchange goods, and tricky methods	10,,		
Attempted substitution of goods	6,,	}	14%
High Prices			
Slipshod stores methods			
Poor quality of merchandise			10,,
Total			100%

These figures show: That 30 per cent were lost because of inefficient salesmanship; That 33 per cent more were lost because of poor service. The human element in business caused 63 per cent to discontinue their patronage. This emphasises the importance of higher standards for personnel; of better training; of greater effort to please and hold customers.

A large retail grocer recently had a careful analysis made of 200 failures to sell. The customers gave the following reasons for refusing to buy:—

1. Fault of the sales force (total)	121 cases or 60.5% of total
Indifference	47 „ 23.5% „
Errors	18 „ 9.0 „ „
Over-insistence	16 „ 8.0 „ „
Insolence	14 „ 7.0 „ „
Lack of tact	11 „ 5.5 „ „
Poor arrangement of stock	9 „ 4.5 „ „
Ignorance of goods	6 „ 3.0 „ „
2. Fault of store policy	39 „ 19.5 „ „
3. Fault of other services (total)	30 „ 15.0 „ „
Slow deliveries	17 „ 8.5 „ „
Other service faults	13 „ 6.5 „ „
4. Unknown	10 „ 5.0 „ „

—Extracts from *Salesmanship in Drapery Dept.*
(Reproduced from *Sahayog* Oct. 1951.)

G.Os. and Circulars

G. O. No 1305, 27th March 1952, Dev. Dept.

Co-operative Societies—Central Banks—Financial statements for the half-year ended 31st December 1951—Recorded.

Read the following paper:—

Letter from Sri J. C. Ryan, M.A., I.A.S., Registrar of Co-operative Societies, to the Secretary to Government Development Department, Fort St. George, Madras, Dated the 16th March 1952, Rc. Pdl. No, 2/52A.

[Co-operative Societies—The Madras State Co-operative Bank and the Central Banks—Financial statements for the half-year ended 31st December 1951—Report—Submitted.]

1 Submit the consolidated financial statements (in 5 parts) of the Madras State Co-operative Bank and the District Co-operative Central Banks for the half-year ended 31st December 1951.

2, *Share Capital*.—The paid-up share capital of the Madras State Co-operative Bank rose from Rs. 14,86,600 on 30th June 1951 to Rs. 14,91,300 on 31st December 1951. The total paid-up share capital of all the Central Banks in the State rose from Rs. 1,36,56,481 on 30th June 1951 to Rs. 1,44,83,096 on 31st December 1951.

3. *Proportion of owned capital to liabilities*—(a) *Madras State Co-operative Bank*.—During the half-year ended 31st December 1951, the Madras State Co-operative Bank continued to borrow funds up to the 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, yarn and mill cloth and distribution of chemical fertilizers, agricultural implements and compost. The total borrowings of the State Co-operative Bank on 31st December 1951 amounted to Rs. 836.09 lakhs as against the maximum credit limit of Rs. 1,193.26 lakhs permitted.

(b) *District Co-operative Central Banks*.—The total borrowings of all Central Banks on 31st December 1951 amounted to Rs. 1,812.71 lakhs against the maximum credit limit of Rs. 2,890.79 lakhs. The maximum credit limit of 17 central banks was enhanced for financing procurement and distribution of foodgrains, distribution of chemical fertilizers and agricultural implements (iron and steel for agricultural purposes) and composts undertaken by co-operatives in their respective jurisdiction.

4. *Fluid resources*.—As the Madras State Co-operative Bank continued to finance procurement and distribution of foodgrains, yarn and mill cloth and distribution of chemical fertilizers and agricultural implements and composts, undertaken by the co-operatives, in the State, it maintained fluid resources of the standard relaxed in G. O. Ms. No. 4365, Development, dated 3rd October 1951. During the half-year ended 31st December 1951, all the Central Banks, except the Vellore Co-operative Central Bank, maintained the required standard of fluid resources. The Vellore Co-operative Central Bank failed to maintain the required standard and the causes for this failure are being investigated.

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

	Loans outstanding against societies.		
	As on 31st Dec. 1951 Rs. in lakhs.	As on 30th June 1951 Rs. in lakhs.	As on 31st Dec. 1950 Rs. in lakhs.
(1) Madras State Co-operative Bank.	537.07	599.79	484.11
(2) Central Banks	... 1,459.49	1,400.83	1,244.60

6. *Overdues*.—Out of the total loans of Rs. 1,459.49 lakhs outstanding against societies on 31st December 1951, a sum of Rs. 185.09 lakhs was overdue. The percentage of overdues to outstanding was 12.7. Of the sum due from the Central Banks to the Madras State Co-operative Bank (viz., Rs. 537.07 lakhs), Rs. 17.91 lakhs were overdue, which formed 3.3 per cent of the outstanding.

7. *Reserves*.—On 31st December 1951, the statutory reserve of the Madras State Co-operative Bank was Rs. 44.75 lakhs and its other reserves amounted to Rs. 9.09 lakhs. The total statutory reserve of all Central Banks was Rs. 66.64 lakhs while the total of their other reserves amount to Rs. 46.56 lakhs on 31st December 1951.

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

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

R. D. 83909/50 A.

Dated 22-6-1952,

Sub:—Special By-laws relating to service conditions of employees—Amendments for appointment of B. Com (Hons) and B. Com degree holders as Secretaries, Assistant Secretaries—Managers and Executive Officers of Central Banks and other institutions.

Ref:—Registrar's Circular Rc. 81189/51 N, dated 29-6-1951.

In the Registrar's Circular cited a list of Candidates who had passed the B. Com (Hons) degree examination with Co-operation as a special subject in the Madras University examination held in March 1951 was communicated to the Central Banks and Central Stores. They were requested to appoint these candidates in preference to others as Executive Officers, Secretaries and Managers, whenever vacancies arose. But the model Special By-laws relating to service conditions of employees of Co-operative Institutions do not provide for the appointment of B. Com (Hons) degree holders to these posts. Nor do these rules exempt them from undergoing a course of training in the Co-operative Institutes or from passing the Government Technical Examinations or the Central Co-operative Institute Examination. It is necessary to amend the special by-laws so as to help these B. Com (Hons.) candidates who have studied Co-operation and have been given practical training in Co-operation during that course.

2. Again, under model Special By-law 2-1 (a), a B. Com degree holder is qualified for appointment as Secretary, Assistant Secretary, Manager or Executive Officer in a Central Bank or as Secretary or Manager in other societies having a working capital of Rs. One lakh. The note under the Special By-law 2 exempts B. Com degree holders of the Andhra University from undergoing the Co-operative training referred to in Sub-Clause (b) of Special By-law 2-1. As other Universities also have instituted

the B. Com degree course it is necessary to recognise the B. Com degree of all Universities.

3. The question of exempting the B. Com degree holders from undergoing the Co-operative training referred to in sub-Clause (b) of Special By-law 2.1 relating to service conditions and from passing the examinations in the subjects referred to in sub-Clause (c) has been examined by the Madras State Co-operative Union, the Madras State Co-operative Bank and the Registrar. It has been finally decided that a B. Com degree holder who had Co-operation as his special subject might be exempted from undergoing the Co-operative training referred to in sub-Clause (b) of Clause I of special By-law No. 2, provided that he has undergone a special training of six months arranged by the Madras State Co-operative Union or has put in three years of service in a Co-operative Central Bank or in the Madras State Co-operative Bank in respect of appointments in Central Banks. For appointment in other Co-operative Institutions, it is enough if he undergoes training in a Co-operative Urban Bank or a Co-operative Central Bank, or the Madras State Co-operative Bank in respect of appointments. It was also decided to exempt these candidates from passing the examinations conducted by Government or the Central Co-operative Institute or the State Co-operative Union in subjects which they studied for the B. Com degree course. The State Co-operative Union has agreed to arrange for the 6 months' training.

4. To give effect to these decisions the model Special By-law No. 2 is amended as shown in the statement appended. All Central Banks and other societies which have adopted these Special By-laws regarding service conditions are requested to adopt the amendments.

J. C. RYAN,
Registrar.

APPENDIX.

Model Special Bylaw No. 2 of the Special Bylaws Relating to Service Conditions of Employees of Central Banks.

<i>As existing</i>	<i>As amended.</i>
	<i>By-law No. 2</i>
2. No person shall be eligible for appointment to the posts mentioned below unless he possesses the qualifications specified against them.	2. No person shall be eligible for appointment to the posts mentioned below unless he possesses the qualifications specified against them.
1. Secretary, Assistant Secretary, Manager and Executive Officer:—	1. Secretary, Assistant Secretary, Manager and Executive Officer:—
(a) The degree of B.A., or B. Com., or B. Sc., of any of the recognised Universities; and	(a) The degree of B. Com., (Hons) or B.A., or B. Com., or B. Sc., of any of the recognised Universities; and
(b) A course of training undergone in the Government Institute of Commerce, Madras or in the Central Co-operative Institute, Madras or a course of training undergone before 1938 in any of the Mofussil Institutes; and	(b) A course of training undergone in the Government Institute of Commerce, Madras or in the Central Co-operative Institute, Madras or a course of training undergone before 1938 in any of the mofussil Institutes; and

As existing.

(c) A pass in the Government Technical Examination in Book-keeping, Banking, Co-operation and Auditing or the examinations in these subjects held by the Central Co-operative Institute, Madras.

As amended.

(c) A pass in the Government technical examinations in Book-keeping, Banking, Co-operation and Auditing or the Examination in these subjects held by the Central Co-operative Institute, Madras.

Note(i): A person who has taken the B. Com. (Hons) degree of the Madras University (with Co-operation as special subject) shall be exempted from undergoing the training in sub-clause (b) of clause I above; but such person should pass the examination in subjects mentioned in sub-clause (c) if he has not studied them for his Hons. Course.

Note(ii): A B. Com., degree holder of any recognised University with Co-operation as optionals shall be exempted from undergoing the training referred to in sub-clause (b) of clause I above, provided, he has undergone a special training of six months arranged by the Madras State Co-operative Union or has put in a service of not less than three years in a Co-operative Central Bank or the Madras State Co-operative Bank.

II. Accountants, Clerks, Supervisors and Inspectors:—

(a) S.S.L.C. Completed or eligible for admission to University or Government Service;

(b) A pass in the examinations in Book-keeping, Banking, Co-operation and Auditing held by the Government Institute of Commerce, Madras or the Central Co-operative Institute, Madras or any of the mofussil Institutes.

III. Shroffs:—

S.S.L.C. Examination (eligible for college course or completed).

Note: A person who has taken the B. Com. Degree of the Andhra University, or who has taken the diploma of any of the mofussil training institutes shall, however, be exempted from undergoing the train-

II. Accountants, Clerks, Supervisors and Inspectors:—

(a) S.S.L.C. Completed or eligible for admission to University or Government Service.

(b) A pass in the examinations in Book-keeping, Banking, Co-operation and Auditing held by the Government Institute of Commerce, Madras or the Central Co-operative Institute, Madras or, any of the mofussil Institutes.

III. Shroffs:—

S.S.L.C. examination (eligible for college course or completed)

Note:(1). B. Com., Degree holders shall be exempted from passing the examinations referred to in sub-clause (c) of clause I in subjects which they studied for the B. Com., degree course.

As existing

ing referred to in sub-clause (b) of clause (1) above; but such person should pass the examination mentioned in sub-clause (c) of clause (1)

As amended

Note:(2) A person who has taken a diploma of any of the mofussil training Institutes shall be exempted from undergoing training referred to in sub-clause (b) of clause I above but such person should pass the examinations mentioned in sub-clause (c) of Clause I.

Model Special Bylaw No. 2 Relating to Service Conditions of Employees of Societies other than Central Banks.

2. No person shall be eligible for the posts mentioned below unless he possesses the qualifications noted against them :—

I. Secretary or Manager :—

(a) The degree of B.A., or B. Com., or B. Sc., of any of the recognised Universities in the case of societies having a working capital of Rs. 1,00,000 or more and S.S.L.C. (eligible for college course) in others; and

(b) A course of training successfully undergone in the Government Institute of Commerce, Madras or in the Central Co-operative Institute, Madras or in any of the mofussil Institutes; or

(c) A pass in the Government Technical examinations in Book-keeping, Banking, Co-operation and Auditing or the examinations in these subjects held by the Central Co-operative Institute, Madras or the Madras Provincial Co-operative Union.

2. No person shall be eligible for the posts mentioned below unless he possesses the qualifications noted against them.

I. Secretary or Manager :—

(a) the degree of B. Com., (Hons) or B.A. or B. Com., or B. Sc., of any recognised Universities in the case of societies having a working capital of Rs. 1,00,000 or more and S.S.L.C. (eligible for college course) in others; and

(b) a course of training successfully undergone in the Government Institute of Commerce, Madras or in the Central Co-operative Institute, Madras or in any of the mofussil Institutes; and

(c) A pass in the Government technical examinations in Book-keeping, Banking, Co-operation and Auditing, or the examinations in these subjects held by the Central Co-operative Institute, Madras or the Madras State Co-operative Union.

Note:(i) A person who has taken the B. Com., (Hons) degree of the Madras University (with co-operation as special subject) shall be exempted from undergoing the training referred to in sub-clause (b) of clause I above, but such person should pass the examination in subjects mentioned in sub-clause (c) if he has not studied them for his Hons. course.

As existing.

As amended.

Note:(ii) A person who has taken the B. Com., degree of any recognised University shall be exempted from undergoing the training referred to in sub-clause (b) of clause I above, provided that he has undergone a special training of six months arranged by the Madras State Co-operative Union or has put in a service of not less than three years in a co-operative urban bank or Co-operative Central Bank or the Madras State Co-operative Bank.

II. Accountants and Clerks :—

(a) S. S. L. C. examination, (eligible for college course or completed);

(b) A pass in the examinations in Book-keeping, Banking, Co-operation and Auditing held by the Government Institute of Commerce, Madras or the Central Co-operative Institute, Madras or the Provincial Co-operative Union, Madras or of the mofussil Institutes.

III. Shroffs :—

S.S.L.C. Examination (eligible for college course or completed).

Note: A person who has taken the B. Com., degree of the Andhra University or who has taken the diploma of any of the mofussil training Institutes shall, however, be exempted from undergoing the training referred to in sub-clause (b) of clause (1) above; but such person shall pass the examinations mentioned in sub-clause (c) of Clause (1).

II. Accountants and clerks :—

(a) S. S. L. C. Examination, (eligible for college course or completed);

(b) A pass in the examinations in Book-keeping, Banking, Co-operation and Auditing held by the Government Institute of Commerce, Madras, or the Central Co-operative Institute, Madras or the State Co-operative Union, Madras or of the mofussil institutes.

II. Shroffs :—

S.S.L.C. examination (eligible for college course or completed)

Note: A B. Com., degree holders shall be exempted from passing the examinations referred to in sub-clause (c) of clause I in subjects which they studied for the B. Com., degree course.

Note: B: A person who has taken a diploma of any of the mofussil training Institutes, shall be exempted from undergoing training referred to in sub-clause (b) of clause I above; but such person should pass the examinations mentioned in sub-clause (c) of clause. I.

THE MADRAS JOURNAL OF CO-OPERATION

Circular of the Registrar of Co-operative Societies, Madras

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

Re. No. 129547/50A

Dated, 16-12-1951.

Sub : Co-operative Societies—Provident Fund of Employees of Co-operative Societies—approval under section 84(2) (i) of the Madras Shops and Establishments Act, 1947—Amendments to rules governing provident funds of employees of co-operative societies—Instructions issued.

Ref : G. O. Ms. No. 3519, Development dated 30-7-51 communicated with Registrar's endorsement Re. No. 129547/50A dated 18-8-51.

According to section 84 (2) (i) of the Madras Shops and Establishments Act, 1947, deductions from wages of an employee can be made for subscriptions to and for repayment of advances from, any provident fund to which the Provident Funds Act, 1925 applies or any recognised provident fund as defined in section 58A of the Indian Income-tax Act, 1922, or any provident fund approved in this behalf by the State Government during the continuance of such approval. The Provident Funds Act, 1925 does not apply to the Provident Funds of employees of Co-operative Societies nor are these provident funds recognised in general, under section 58-A of the Indian Income Tax Act, 1922. In the absence of the recognition either under the Provident Funds Act or under the Income Tax Act and in the absence of its approval by the State Government, Co-operative Societies can not make deductions from the salaries of their employees for subscriptions to and for repayment of advances from provident funds of such employees. On a representation made by a Central Bank to get the approval of Government for its staff provident fund rules, the Registrar addressed Government to approve the provident funds of employees of co-operative societies in general, under section 84 (2) (i) of the Madras Shops and Establishments Act. In their order Ms. No. 3519, Development dated 30-7-51, Government *approved* the provident fund of employees of co-operative societies registered under the Madras Co-operative Societies Act 1932 as Provident Funds for payments to which deductions from the wages of persons employed in the societies may be made, subject to the following conditions being incorporated in the model Provident Fund Rules of Co-operative Societies.

- i. The employer's contribution may be withheld from a subscriber if he is dismissed from his employment or if he resigns his employment within five years of the commencement of such employment.
- ii. The investments of the funds should be restricted to trustee securities or to Co-operative Central Banks.
- iii. A copy of the rules certified by the Registrar should be with the co-operative institutions in the same manner as the societies bye-laws are kept. A copy of the Provident Fund Rules of each society and the amendments passed to them from time to time shall be sent to the Commissioner of Labour, if he so desires.

2. In pursuance of this G. O. the following model amendments to the Provident Fund Rules (communicated with Registrar's Circular No. BI-9410-37 dated 9-7-1938) are framed for adoption by Co-operative Banks and Societies (including Land Mortgage Banks).

1. Rule 17.

Recast the existing rule as follows :—

"The Fund shall be managed by the Board of Directors. Its finances shall be invested in trustee securities or in Co-operative Central Banks."

2. Rule 26.

Add the following at the end of the rule :—

"But the Bank shall not pay the contribution made by it under Rule 14 and interest thereon",

3. Rule 27.

Substitute the following rule for the existing rule :—

"When a subscriber resigns within five years of his service in the Bank, he shall have no claim to anything more than the amount actually contributed by him and interest calculated thereon upto the end of the year immediately preceding his resignation. The Bank *shall not* pay the contribution made by it under Rule 14 and interest thereon".

4. *Deletes the existing rule 28 and renumber existing rules 29 to 44 as 28 to 43 and add the following rule as rule 44:—*

New Rule 44.

"44. A copy of the Rules approved by the Registrar shall be kept in the same manner as the registered by-laws of the Bank. A copy of the Rules and the amendments passed to them from time to time as approved by the Registrar, shall be sent to the Commissioner of Labour, Madras, if he so desires."

8. Deputy Registrars are requested to see that the societies in their charge adopt these amendments early.

J. C. RYAN,
Registrar.

Co-operative News

Unveiling of the portrait of Sri N. R. Samiappa Mudaliar

The portrait of Sri N. R. Samiappa Mudaliar, President of the Kumbakonam Co-operative Central Bank, and of the Hood Co-operative Institute, Tanjore was unveiled by Sir P. T. Rajan at the premises of the Bank on 27-7-1952. Sir K. Seetharama Reddiar, President, Co-operative Central Bank, South Arcot District presided. A number of non-official Co-operators from all parts of the State and some officials of the Co-operative Department in the district attended.

Sri M. K. Vaidyanatha Iyer a local co-operator welcomed the gathering.

The Chairman, in his opening speech, described the present state of the Co-operative Movement. He paid a compliment to the Kumbakonam Central Bank for its smooth working and having been promoted from "C" class to "A" class. The prosperity of the institution was very largely due to the interest and efforts of Sri Samiappa Mudaliar in the institution. He knew him and his work for over 30 years.

Numberous messages from distinguished gentlemen were read by the Secretary of the Bank.

An Address of Felicitation was presented to Sri Samiappa Mudaliar by Sri K. R. Singaram Chettiar on behalf of the Portrait Committee and the Directorate of the Bank. Sri Venkatakrishna Pillai, one of the Bank's Directors presented the portrait. He mentioned some of the best qualities and most valuable services of Sri Samiappa Mudaliar which he always admired. Sri Samiappa Mudaliar is always generous and has always kept up his promises at any cost and thus earned the admiration of all. Sri M. A. Jagannatha Pillai, another Director of the Bank accepted the portrait on behalf of the Bank and thanked the Portrait Committee for their gift.

At the request of the Chairman Sir P. T. Rajan unveiled the portrait amidst loud acclamation. Sir P. T. Rajan said that he is a firm believer in the efficacy of prayer for it gives one peace of mind and thus helps maintain his health.

Touching the qualities of Sri Samiappa Mudaliar he said that the speakers who preceded him had referred in detail to the qualities and record of public work. One noteworthy feature about him was his consistency in spite of "changing vicissitudes". Consistency has got its own regard always. As an organiser Sri Samiappa Mudaliar always exhibited rare courage. The very large and representative gathering present indicated his work and popularity. He wished long life and robust health to Sri Samiappa Mudaliar.

Sri Samiappa Mudaliar made a suitable reply. Sri M. Ramadas Mudaliar one of the Directors proposed a vote of thanks.

Refresher Course for Stores Employees and Stores Conference, Tinnevely

A refresher course, Stores Conference and General Body Meeting of the Stores were held at Courtallam in the third week of June 1952.

16 employees of the Stores underwent training in Co-operation, salesmanship etc. for a week.

The Stores Conference was held on 24-6-52, Sri Veerabahu, President of the Central Stores presiding. Some placards of the Madras State Co-operative Union and of Tamil Nadu Co-operative Federation were exhibited. The President explained the aim of the Consumers' Movement which is to help the common man to obtain goods at fair prices. He described how the trade suffered on account of decontrol and other factors

CO-OPERATIVE NEWS

and appealed to the co-operators to meet the situation united. A number of resolutions bearing on some immediate problems to be solved were passed.

The general body meeting held on 25-6-52 approved the budget for 1952-53.

Opening of Nachiappa Buildings, Salem

The Bank Annexe of the Salem Co-op. Central Bank, Ltd., named "Nachiappa Buildings" was declared opened by H. E. Sri Prakasa, Governor of Madras on 28-6-52. Sri D. Krishnamurthy Goundar, President of the Bank, presided. His Excellency paid a tribute to the great service of Sri K. A. Nachiappa Gounder after whom the building has been named.

General Body Meeting of Tiruppattur Co-operative Town Bank

The General Body Meeting of the Tiruppattur Town Co-operative Bank, (N. A.) was held on 13th July 1952. Sri G. Swaminaidu, President of the Bank presiding. The annual report and audit certificate for the year ending 30th June 1951 were adopted. The Bank earned a net profit of Rs. 9,580-8-0 and declared a dividend of 6½ per cent. The Bank's help is of immense value to lower middle class, poor and the merchant community. During the year its working capital was Rs. 4 lakhs and its loan to members was Rs. 4.75 lakhs.

New Business Manager for the Madras State Handloom Weavers' Society

Sri W. Gnanasambandam having gone on leave, Sri Punniiah, Regional Marketing Officer, Rajahmundry has been appointed as Business Manager of the Society. He has taken charge of his new office.

The Mettupalayam Co-operative Urban Bank

The Mettupalayam Co-operative Urban Bank has contributed Rs. 105 to the Rayalaseema famine relief fund. This amount was the collection made from the Directors and Members of the Bank.

Inaugural function of the Hood Co-operative Institute Students' Union Tanjore

Dr. P. Natesan, General Secretary of the Madras State Co-operative Union delivered the Inaugural Address of the Hood Co-operative Institute Students Union on 22-8-1952. In his Address he explained to the trainees their role in the co-operative movement and appealed for honest and efficient service in the interest of the movement.

The Rayalaseema Institute Trainees' Association, Anantapur

Sri M. Ramachandra Reddy, M.A., Organiser, Bharat Gurukula Movement, Cuddapah, delivered the inaugural address at the Rayalaseema Institute Trainees Association, Anantapur on 20-7-52. Mrs. Norah Jacques, presided. In his Address, Sri Reddy stated that cultural knowledge is essential for an individual's upkeep and human welfare. But it is purposefully absent. The minds of the youth are like liquid metal. It is therefore necessary to mould the youth into good, wise, noble and gentle citizens. The scheme of Gurukula system of education is very useful for the purpose. The President explained how integrity, courtesy, salesmanship and variety of goods presented helped the stores movement in England to thrive and appealed to the Indian rural stores to imbibe those virtues. She also said that women must also serve the Movement side by side with men.

Co-operative Notes

Salem Co-operative Central Bank

For the eighth year in succession the Salem Co-operative Central Bank collected the entire demand both under principal and interest from the societies for the year 1951-52. The principal was Rs. 29,32,266 and interest was Rs. 1,90,131.

The Tinnevely Central Bank

The Tinnevely Central Bank collected long before the close of the co-operative year (i.e. early in June 1952) the entire demand both under principal and interest from the affiliated societies. This is the ninth year in succession for this nil balance.

Co-operative Society for Authors

The first co-operative society for authors in Ceylon will embark on its publication work shortly. The society has received manuscripts from several of its members. These will be considered by a special board and on its recommendation publication will be proceeded with.

Apart from scrutinising manuscripts, the Board is prepared to help would-be authors who need assistance. The Board will further recommend to writers the price at which particular publications should be put on the market.

The society will offer every encouragement to writers of historical novels in the manner of such Victorian novelists as Scott and Thackeray, and this stimulate interests not only in literature but also in the culture and history of Ceylon.

It is further proposed to make available to the average reader popular editions of rare or expensive books. Reprints are also to be made of Ayurvedic books and translations of interesting old books.

The object of the society is to encourage authorship by providing facilities for economic printing of manuscripts and enabling authors to benefit fully by the publication of their works. Another object is to see that these books reach a wide circle of readers by having them priced fairly.

The Printing Press of the Co-operative Wholesale Establishment will undertake the society's printing work.

The Madras State Co-operative Union

MARCH 1952 CO-OPERATIVE SUPERVISORS EXAMINATION RESULTS SUPPLEMENTAL LIST.

The following candidates have passed the Theory examination of Co-operative Supervisors Course in March 1952 examination. Since they were not present for the Oral test part of the Practical examination conducted by the Central Banks in June 1952 their results in Practical Training could not be published. These candidates appeared for the Oral Test part of the Practical examination at their respective Central Banks and they have come out successful at the Practical Training also. Thus they have completely passed the examination and are entitled for the certificates of pass.

Passed in Part IV, (Practical Training)

S. No.	Name of the Candidate	Regd. No.
1.	Devaraj, K.	...
2.	Muthuswamy, V.	...
3.	Swaminathan, S.	...
Tanjore Centre		
4.	Kariyappa, D. R.	...
Anantapur Centre		
...	...	4481
...	...	4501
...	...	4621
...	...	4753

THE SALEM CO-OPERATIVE CENTRAL BANK, LIMITED.

No. 151

GRAM: COPCENBANK "

P. B. No. 8.

PHONE: No. 2.

(THE PREMIER CENTRAL BANK TO BE REGISTERED IN THE STATE IN 1909.)

	RS.
Paid up Share Capital	5,37,530
Reserve Fund	5,00,964
Other Reserves	4,87,683
Working Capital	138,24,517
Loan Transactions	101,58,976
Overdraft transactions	304,98,603

Deposits are accepted at the following rates: -

Fixed Deposits: -

6 months	2 %	3 years & above.	3 1/2 %
1 year	2 1/2 %	4 years & above.	3 1/2 %
2 years & above	2 1/2 %		

Savings Deposits and Thrift Deposits	1 1/2 %
Current Deposits	1 %
Provident Deposits	3 %

An ideal Co-operative Bank for safe investments.
All Banking business transacted.

P. MANICKAM, B.A.,
C.A.I.I.B., D. COM. (I.M.C.),
Secretary.

D. KRISHNAMURTHY GOUNDER,
M.L.A.,
President.

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

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TEL: {GRAMS: "RAMCENBANK".
{PHONE 444.

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Karaikudi. & Aruppukottai.

Authorised Capital	Rs. 10,00,000
Paid up Share Capital	Rs. 9,05,900
Reserves	Rs. 4,55,670
Working Capital Exceeds One Crore	

Deposits are accepted at the following rates:

Fixed Deposits:	6 months 2 1/2 %	3 years 3 1/2 %
	1 year 3 %	4 years 3 1/2 %
	2 years 3 1/2 %	5 years 4 %

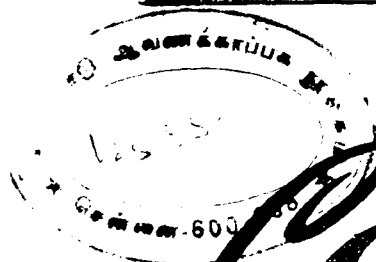
Season Deposits for Rs. 5,000 and above	
for 4 months onwards	3 %
Savings Bank Deposits	1 1/2 %
Current Deposits upto Rs. 5,000	1 %
Provident Fund Deposits	3 1/2 %

Season Deposits are accepted in our Karaikudi Branch and Aruppukottai Branch at decent rates

All kinds of banking business transacted.

D. N. Duraisamy Mudaliar,
Deputy Registrar and Secretary.

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



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DHOTIES — SAREES — SHIRTINGS — TOWELS
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KERCHIEFS, ETC.

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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.

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

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

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

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

A Purely Policy-holders' Concern
with

SERVICE AS ITS MOTTO.

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

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

**THE
Tiruchirapalli District Co-operative Central Bank, Ltd.,**
No. 178.

Fort Station Road, Teppakulam P.O., Tiruchirapalli.

ESTABLISHED IN 1909
Tel:—"CO-OP. BANK." Post Box No. 324. Phone No. 189

Branches:—KARUR & ARIYALUR.
Authorised share capital ... Rs. 10 lakhs
Paid up share capital ... " 3.40 "
Reserves ... " 9.88 "
Working capital ... " 1.3 crores

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

Interest allowed on Current Accounts (upto Rs. 25,000 only)	1/2	% P.A.
do Savings Deposits (upto 5,000 only)	2	% P.A.
do Recurring Deposits	3	% P.A.
do Provident Deposits	3	% P.A.
do Fixed Deposits 6 months	3	% P.A.
do do 1 Year	3 1/2	% P.A.
do do 2 Years and above	3 1/2	% P.A.

All banking business transacted. For further particulars apply to:

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

T. S. MUTHUKUMARASWAMI PILLAI,
President.

Telegrams:—"JILLABANK"

Telephone No. 203

**The Malabar District
Co-operative Bank, Limited.**
KOZHIKODE-2.

Share Capital:	Rs.
Authorised ...	15,00,000
Paid up ...	9,00,125
Reserve Funds:	
Statutory ...	3,75,000
Others ...	2,06,750

**ALL SORTS OF BANKING BUSINESS DONE
&**

**EVERY KIND OF DEPOSITS ACCEPTED
AT FAVOURABLE RATES OF INTEREST**

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

TELEGRAMS: "CENMORBANK"

TELEPHONE: 8230

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

LUZ, MYLAPORE, MADRAS.

President:

SRI BHOGARAJU VENKATARATNAM,

Authorised Capital	...	Rs. 50 Lakhs.
Paid up Capital	...	Rs. 20,25,600.
Reserves	...	Rs. 30,94,300.

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

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

Summary of Balance Sheet as on 30-6-'51.

Liabilities.		Assets.	
	Rs.		Rs.
Paid up Share capital.	17,34,700	Cash on hand & balance with Banks.	80,908
Reserve and other Funds	28,61,242	Loans to Primary Banks	4,35,77,279
Debentures	5,08,77,100	Sinking Fund Investments	81,37,780
Deposits, Loans and Overdrafts	10,08,275	Other Investments	46,65,859
Sundry Liabilities	3,57,122	Sundry Assets	7,36,118
Profit	3,60,205		
Total Rs.	5,71,98,644	Total Rs.	5,71,98,644

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

Secretary.