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THE

Madras Journal of Co-operation

EACH FOR ALL AND ALL FOR EACH

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Thought for the Month

Responsibilities of Directors

The directors of any co-operative need to:

Be honest, loyal energetic and courageous;

Continually study all aspects of the association for increased efficiency of operation;

Learn how to analyse and interpret financial statements properly;

Place affairs of association above personal business;

Employ competent management (not a relative of a board member);

Lay down sound policies to be followed by management and to see that they are followed;

Accept the will of the majority;

Stand criticism;

Counsel with members at all times to determine their desires;

Inform members on operations of the association;

Allow manager to employ all personnel;

Loyally market products and purchase supplies through the society;

Attend all board meetings;

Support manager when he is right;

Spend association money as carefully as his own;

Consider welfare of neighbouring co-operatives;

Keep the association a members' association and not a director's or managers' association;

Represent the association as a whole and not just one community;

Look on position as that of rendering a service and not for personal, political, or religious benefit;

Realise that special favours will seriously jeopardise the association;

Discuss problems of board of directors in meetings and not with individual board members;

Maintain interest in the co-operative without participation in competing business;

Realise that management has a separate function from directors.

—*News for Farmer Co-operatives, June 1952.*

Editorial Notes

The "High Quarter" Textile Controversy.

Our readers are aware of the earnest appeal broadcast over the All India Radio in June 1952 by the Hon'ble Sri C. Rajagopalachariar, Chief Minister, to patronise handloom cloth and save the handloom weavers. It has been felt by some sections of the public in our State that this advocacy of the cause of the handloom weaver was one of the two surprises given by him to the people of this State—and probably of the entire country—the other surprise being the sudden decontrol of the food grains. For in championing the cuase of the handloom weavers in general, Rajaji has obviously modified the orthodox Congress policy of upholding the cause of the *Khaddar* industry alone and took the entire handloom industry under his benevolent care. He said "A social welfare movement should not deteriorate into an obscurantist. denominational doctrine or metaphysics. The weaver prefers to use mill yarn. Let him do it, for it enables him to produce enough to maintain himself against the competition of the weaving mills . . . Both hand-spun yarn and mill-spun yarn may be woven on the handloom and the cloth is handloom cloth." With his wealth of knowledge of socio-economic problems and ripe experience in administrative proprieties, the shrewd Statesman has perceived that the real progress of the country lies in the conferring of the greatest measure of benefit to the largest possible number of people. From the country's hard experience with the problem of resettling ex-servicemen and ex-tappers, he could foresee what it would mean for the nation and the Government to throw out of employment one in every twelve of their countrymen.

Rajaji followed up his public appeal with an earnest request to the Central Government to take a practical view of the situation of the handloom *vis-a-vis* the mill industry and to take early steps to protect the small weaver against the giant mill industry. He suggested that the production of dhotis and sarees should be reserved exclusively to the handloom and that the mills should be asked to confine their production to cloth required for tailored apparel and for export purposes. He based his proposal on three grounds; First the production of dhotis and sarees was by tradition the province of the handloom and it was the mill industry that "stole" the patterns of the handloom cloth and

captured the handloom's market. Secondly if the mills were not prevented from assuming a permanent hold on this line of production, the handloom industry would rapidly decline and render millions of weavers helpless. The mills cannot absorb all the weavers and the weavers are not capable of taking to other occupations. They would therefore be a menace to industrial peace and social security. Thirdly, it was due to the protection granted by the Government to the mill industry that the latter flourished and grew into a giant industry ; and therefore it is the Government that should compel the mill industry to surrender to the handloom its old custom and confine itself to the new lines like the production of coatings, shirtings and towels. Rajaji's suggestion is the outcome of humanitarian considerations and the realisation of the responsibilities ot a Welfare State and the recognition of the rights of a sizeable section of its people to live.

It is unfortunate that this suggestion of Rajaji has provoked some comment from the Centre, resulting in a keen controversy. Readers will find elsewhere in this issue a brief note on the statements issued in the matter by Rajaji, ihe Hon'ble Sri T. T. Krishnamachariar, Union Minister for Commerce and Industry and Sri M. Somappa, President of the Madras State Handloom Weavers' Co-operative Society, not to speak of numerous other eminent social workers and industrial enthusiasts.

The Hon'ble Sri Krishnamachariar keenly felt that this special favour towards the handloom would be definitely unfair for various reasons. His argument was based on three grounds: First the reservation as proposed by Rajaji would benefit only Madrss State which alone has the bulk of the handloom industry and therefore would be parochial. He felt that the cause of Madras might be dear to the Chief Minister of Madras, but not to the Union Minister who ought to view things in the larger interests of the entire country. To isolate a local problem and act would go against economic realities. Secondly, the handloom production of dhotis and sarees is no more than about 170 to 180 million yards as against a national requirement of about 2,000 million yards. The balance of the demand is now met by the mills. He feared that even if all the 3 million handlooms in the country were switched over to the production of dhotis and sarees, they might not be able to cope with the demand. Thirdly the question of consumer resistance. He said that the consumers all over India want mill cloth which is cheaper. "We cannot ignore the consumers' interest which is the primary one with which we are concerned."

It was a quarter century ago—in the later 'twenties—that Mahatma Gandhi made history by purging the Indian textile industry of an evil: He prevented the Indian Mills from producing spurious *Khaddar*. It, however, concerned only a small section of the textile industry. Here now we have for the first time in the history of our textile industry a high quarter controversy on an issue which concerns no less than a crore of our textile artisans. On the final outcome ot this controversy depends presumably the future of the weavers for some period of time.

A pure conflict of ideologies is indicated in the controversy. Both aspects of the problem have their respective supporters. The Chief Minister of Madras is supported not only by the weavers' organisations, but by eminent public and social workers like Sri Jayaprakash Narain, Sri Vinoba Bhave and the late Sri Mashruwala. Supporting the stand taken by Rajaji, Sri M. Somappa stated that the production figures given by the Union Minister were not correct, that the handloom could produce all the dhotis and sarees required for the country and that Rajaji's suggestion would help not only Madras but other States also since most of them produce very largely dhotis and sarees.

On the other hand the Eastern Economist of New Delhi observed that Rajaji is placing pity before progress and suggesting the fragmentation of Indian industry. It also stated that a "poll on handlooms" indicated that some mill owners, textile officials, Congressmen, and some middle class consumers did not favour the proposed reservation for fear that the handloom weaver might have a monopoly and this might upset the entire economy of the mill industry. Some ot the Madras newspapers too did not indicate their approval of the proposal of Rajaji.

It is unfortunate that on a vital issue like the present one, no reliable statistical data could be employed. Our statistics are not even approximations but simple guesses. Unfortunately neither the State nor the textile industry—handloom or mill—has properly appreciated the value of a periodical comprehensive survey and endeavoured to meet the need. In these circumstances, we fear that any final decision in the matter can at best have only a temporary effect.

Meanwhile it is highly essential that the handloom industry should realise its position and strive to build up its strength in all possible ways: For instance the use of handloom cloth must be exclusively encouraged. One finds with great dismay that few of the producers and still fewer of the workers in the weavers' movement ever clad themselves in the cloth they handle! It needs no mention that as long as they themselves eschew hand loom cloth, they cannot find patrons elsewhere. Secondly the weavers should develop business honesty and produce cloth of genuine quality for a fair price. Reliablity of quality draws many customers. Thirdly vigorous attempts should be made by weavers to produce yarn on co-operative basis so that they may be able to compete with the mills at every stage of production.

The Co-operative Weaving Industry has been striving to meet the mills on their own field. We have little doubt that it is the co-operative organisation of the industry at every stage that can make it withstand any eventuality. Co operative production by means of self help, coupled with the virtue of self-use will give moral strength to the industry and its workers. The present controversy must therefore open the eyes of the artisan and the co-operator to the grim realities and act as an incentive to the *real* progress of the weaver.

A Good Year For The Movement In Madras:

We have published in this issue extracts from the Administration Report of the Registrar of Co-operative Societies, Madras for the Co-operative year 1950–51 for the information of our readers. The year was one of all round progress for the Co-operative Movement in the State. The chief features of the progress were an expansion of the Movement in respect of number of societies, membership and working capital an increase in the activities like procurement and distribution of food grains, distribution of chemical fertilizers; fabrication and distribution of agricultural implements; an increase in the normal loan transactions combined with considerate treatment to some famine-affected areas; a notable part in the production of food materials: an appreciable development of the handloom industry and other cottage industries; an expansion of activities for the resettlement and rehabilitation of exservicemen and ex-tappers; increased attention to intensive co-operation in the *Firka* development areas; a large scale attempt to relieve housing shortage on a State-wide basis; and above all an increase in the interest of the Reserve Bank in the Movement.

There were as on 30–6–51 as many as 24,205 societies with a membership of 33·41 lakhs and a working capital of Rs. 85·32 crores. Of them the agricultural credit societies number 16,330, their loan transactions standing at about Rs. 7·65 crores. Of them over 10,000 societies undertook multipurpose activities. In the field of food production some 22 irrigation societies provided facilities for irrigating about 5,000 acres, while over 2,000 societies distributed as much as 55·5 thousand tons of chemical fertilizers. About 660 milk co-operatives supplied milk and milk products valued at about Rs. 1·3 crores. Twenty four Central Stores and about 1,650 primary consumer stores handled business amounting to Rs. 20·1 crores and Rs. 25·6 crores respectively. In the field of industrial co-operation it is seen that over a thousand weavers' societies consisting of over 1·76 lakhs of looms produced and sold cloth valued at over Rs. 10 crores; while some 279 other cottage industrial societies produced and sold goods to the extent of Rs. 49 lakhs. Resettlement and rehabilitation through co-operative agency helped no less than 1·27 lakhs of ex-tappers besides some thousands of ex-servicemen. In regard to the development of the Movement in the select *firkas*, we note that 278 more villages were brought within the co-operative fold either by organising new societies or by including them in the area of operations of existing societies. As on 30–6–51, out of 2 382 revenue villages in the select areas, 1,989 were served by co-operative societies and in 35 select *firkas*, every village was served by a co-operative society. 293 housing societies in the State were given loans to the extent of nearly Rs. 80·0 lakhs; and 678 houses were completed and 1,842 were in various stages of construction.

As against the target of 50 per cent of villages and 30 per cent of population fixed by the All India Planning Committee the rural societies covered 65·54 per cent of the villages and served 17·98 per cent of the population.

Considering the quantitative progress of the Movement in Madras, it cannot be denied that the progress was very rapid. It may be recalled that when the scheme of reorganisation of the rural credit societies was introduced early in 1949, the rural

societies covered only 41·4 per cent of the villages and served only 13·88 per cent of the population. The progress made in the eighteen months following the introduction of the scheme must therefore be considered spectacular, particularly when we are told that in States like the Madhya Pradesh the Movement has not reached more than 10 per cent of the population.

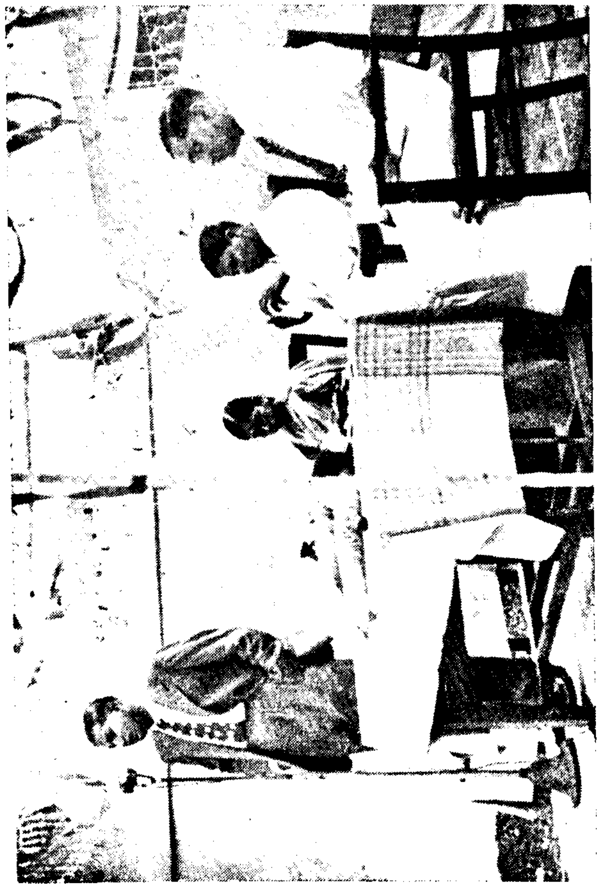
In respect of quality, however, it must be owned that much ground has to be covered. The real test of progress consists in how the Movement has impressed the average person in the country. Fairness and cheapness are the two criteria for the average individual to judge the value of the Movement. It is not infrequently that a Co-operator gathers from his talk with some persons either in the urban or rural areas that the Co-operative Movement has not made goods or credit cheaper and more readily available than some private dealers or merchants. The following observations made by a popular newspaper of Madras on the progress of the Movement are typical of this attitude of the general consumer. The paper says, "It is perhaps not unfair to say that consumer co-operation is not the best kind of co-operative activity; too often the co-operative shops are not much better and cheaper than ordinary shops. As the Report for 1951 says at one point, it often happens that the members of such societies do not often buy from their own stores but show interest in the society on election days...Domination by a few interested parties is also frequently found in credit societies...Similarly in regard to housing, it often happens that it is the well-to-do who patronise them though they necessarily do not occupy the houses after they are built but rent them to others."

While there may be some truth in these observations, they are largely the result of the average individual's being mis-informed or meagrely informed. It is to this vital matter that the Movement should now divert its attention. While the Movement should try by all means to prevent dis-honesty and promotion of vested interests it should endeavour vigorously to impress upon the average individual its achievements and potentialities. Only the other day the Hon'ble Sri C. D Deshmukh, Union Finance Minister, said at Nagpur that the Co-operative Movement is at the threshold of a new era. He also said that now that the landlord was dis-appearing and the money-lender had lost a great deal of importance, the vacuum thus created had to be filled by the

Co-operative Movement. The Five-year Plan and the Community Development Programme have made co-operation the basis of their national reconstruction programme.

It therefore behoves us Co-operators to bestow our attention in a large measure on the consolidation of the Movement and on propaganda for purifying the Movement and impressing on the average man the *quality* of service of the Movement in every branch of its activity. It is earnestly hoped that in the coming years there will be a shift of emphasis from quantitative expansion to qualitative development, so that the Movement may earn universal appreciation.

SRI MEDAI DALAVOI KUMARASWAMI MUDALIAR,
President, Tinnevelly Dt. Co-operative Central Bank, Ltd.
Vice-President, Madras State Co-operative Bank, Ltd.



CENTRAL CO-OPERATIVE INSTITUTE DAY 30-7-'52
(**Right to left**) Sri J. C. Ryan, M.A., I.A.S. (*Registrar*), The Hon'ble Sri D. Sanjivayya, (*Minister for Co-operation*), Srimathi C. Ryan, Sri A. Samuel M.A., S.Sc D., F.R.E.S. (London), (*Principal*)

Milk Co-operatives and State Hospital Supplies

K. KALIMUTHU, M. A., B. L.,
Hony. Secretary, The Velipalayam Co-operative Milk Supply Society Ltd., Nagapattinam

I The Basic Factors

Introduction

1. Every Urban Co-operative Milk Supply Society will sooner or later, be called upon to undertake the supply of milk to the State Hospitals of the place. This, to be sure, is a valuable bit of business, and the appropriate Societies and Unions should endeavour to secure the same for themselves. As a matter of fact, many of them are so engaged in it on some basis or other and to varying extents. At the same time, it is as well that all Milk Co-operatives understand the risks and responsibilities of such undertakings. There are quite a few difficulties which do stand in the way of smooth performance of these contracts. I endeavour to discuss here this question with reference to the affairs and experience of my Society.

The Contract

2. In this State, tenders are invited in January every year for the supply, among other articles, of milk to the various State Hospitals. The schedule of diet articles appended to the tender-notification stipulates for "cow's milk of good and wholesome quality, pint of 20 oz., each of 1 lb. 3½ oz. by weight, specific gravity not being below 1.025, and cows to be brought and milked within the Hospital premises, under the supervision of the Hospital staff—twice a day, morning and evening." While the approximate annual repuirements are indicated in the said Schedule, the Superintendent "has the right to order *any* quantity as may *from time to time* be required by him". The day's indents are prepared the previous evening, and the daily demand varies in quantity unpredictably from day to day. Besides, the Hospital authorities make out what are called supplementary indents for varying quantities presumably based on the nature and number of admissions during the earlier part of the day. These indents are handed in to the suppliers late in the afternoon for compliance within about an hour or two.

The Penalty

3. The penal provisions of this contract are set out in clauses 23 and 28 of the said tender-notification. A casual reading of the same will convince anyone that they are both onerus and all-pervading. It smacks of absolutism.

The Problem

4. Now, many milk co-operatives have found themselves unable in practice to draw all the requirements of milk directly in the Hospital premises. Is it possible, as a rule, for a milk contractor or even a milk co-operative, to undertake to perform the contract in terms of the very conditions set out above? What are the implications in a contract of this kind? What is the nature and extent of the contractor's obligations thereunder? Is this stipulation for direct supply necessary or desirable?

The Scope

5. What arrangements can be made and what accommodation can be accorded to co-operatives consistent with efficiency and quality of supplies? In what respects or details do the Standing Orders of the State on the subject require reconsideration and revision? I mean to speak for the Co-operatives, in particular.

The Cattle Wealth of India and its Features

6. In order to appreciate the difficulties of the suppliers, we should recall certain broad features of the cattle population of India. India, no doubt, possesses, since the Partition, about 180 million heads of cattle of all types. This is the largest total for any country, being about a fourth of the world's cattle population. Next comes the U. S. A. with about 65 million heads only.

(a) Low Productivity

But the total annual production in India is second (only) to the U.S.A. In other words, the productivity of Indian milch animals is very poor indeed. It works out to 525 lbs., per cow and 1270 lbs., per buffalo, per year (1942). In terms of hand-drawn milk (allowing for the needs of calves at 15 percent and for foam and wastage), the relative figures are estimated at 413 lbs., and 1100 lbs., respectively. Add to it, the political fact of 1947. By the Partition, India has lost three of the best breeds—Red Sindhi and Thar-Parkar (of Sind) and Sahiwal (of The Punjab). The above averages as, therefore, apt to be flattering in these days.

In the report of the Agricultural Marketing Department of the Government of India (1942), the following table of *per capita* production and consumption of milk is given in regard to the then Provinces of India :—

State or Province	Estimated (daily) *per capita*.	
	Production.	Consumption.
F.A.O.—U.N.O.		21 Oz. Recommended.
Australia.		45 ,,
Britain.	240 Oz.	42 ,,
Canada		58 ,,
Denmark	328 ,,	41 ,,
Germany		35 ,,
Finland		55 ,,
New Zealand	224 ,,	56 ,,
U.S.A.		38 ,,
India :—The Punjab	18·3 Oz.	9·9 ,,
Bihar & Orissa	6·4 ,,	3·2 ,,
Central Provinces (M.P.)	6·1 ,,	0·8 ,,
United Provinces (U.P.)	4·7 ,,	5·0 ,,
Bombay	4·7 ,,	4·0 ,,
Bengal	3·1 ,,	1·9 ,,
Assam	1·4 ,,	2·2 ,,
Madras	3·6 ,,	1·6 ,,

It is thus evident that the fundamental problem of milk supplies in India is the low productivity of its milch animals.

(b) The Dilemma of Supply and Demand

7. The wide disparity between production and consumption is explained by the fact that about 100 million heads out of the said total are superfluous and uneconomical.

Secondly, there are many practical difficulties involved in the way of marketing all the milk produced. It is estimated that over 95 per cent of the milch cattle in India live in rural areas, most of them being almost inaccessible villages far away from urban areas, where it is in good demand. The Economic Adviser to the Government of Madras, in his ***Report on an Enquiry into the Economics of Production of Milk in Madras City (1952)***, has given the following Statement of Distribution of Milch Stock in the State :—

1. Urban Areas :—

	Cows. Number.	Cows. Percentage.	She-buffaloes. Number.	She-buffaloes. Percentage.
(a) For Market milk.	2 lakhs.	4 per cent.	1·5 lakhs.	5·2
(b) For family use.	0 6 „	1·2	0·3 „	1
2. Rural Areas :— For all purposes.	47·39 „	94·8	26·89 „	93·8
Total ...	49·99 „	100	28·69 „	100

This is further verified by the fact that only about 27 per cent of the total milk supply is consumed as fluid milk while some 57 per cent is converted into *ghee*, 5·1 per cent into *khova* 5·2 per cent into curd, 1·7 per cent into butter, and the balance into other milk products. That this is no voluntary conversion or profitable diversion, is established by the note prepared in 1946 by the Director of Dairy Research, Bangalore, on "The economics of the manufacture and sales of by-products from milk." (*vide*—Madras Co-operative Manual, Vol. 1.)

Particulars of milk or milk product.	Cost price of 1,000 lbs. of milk. Rs.	As.	Ps.	Sale price. Rs.	As.	Ps.	Margin	Profit/Loss.
1. Milk fluid.	234	6	0	250	0	0	15–10–0	Profit.
2. Butter & Curd.	225	12	8	215	14	6	9–14–2	Loss.
3. Ghee & Curd.	226	12	2	178	0	6	48–11–8	„
4. Cheese & Butter.	227	3	9	167	4	0	59– 5–9	„
5. Butter & Casein.	224	15	3	140	7	0	84–8–3	„
6. Ghee & Casein.	225	14	9	102	9	0	123–5–9	„

Thus, the bulk of the daily milk production in the rural areas in India is stagnated for want of suitable marketing facilities. It is no wonder, therefore, that the individual Indian farmer, has not

taken to dairying, as an industry in itself. It is but an auxiliary to agriculture.

8. On the other hand, the problem of milk supplies in urban areas assumes quite a different complexion owing to inter-action of several other factors. It is estimated that only about 60 per cent of the urban supplies is produced within town limits, while the remainder has to be derived from the neighbouring villages. A large majority of the milch animals maintained in the towns are owned by persons of limited means, while quite a decent number of the rest are maintained by well-to-do persons, primarily for their immediate consumption. The latter source is not ordinarily open to regular trade. The former class are both producers and distributors, and are therefore obliged to keep their animals near themselves and their consumers. In cases, however, where well developed distributive agencies like co-operative milk supply societies are available, milk collection centres or depots are organised by them in various "milk pockets" of the town to tap the supplies at or nearly at the sources.

9. The result is that the urban producers have now for themselves well-knit business ventures in the shape of co-operatives for their collective prosperity. As on the 30th June, 1951, there were 620 milk societies and 38 unions in the State. Where they are not so organised or where they are out of such fold, they have ready consumers in their neighbours, all the same: For, after all, milk is in short supply and in a state of inelastic and almost irreduceable demand. It is significant that it is the distributive agency who has to keep the urban producer in good humour rather than *vice versa*. The loyalty of such producer is often thin and flickering to a touch. The stability of every urban milk supply society is ensured in the measure it develops rural areas.

10. It is said that there are some 23 million producers in India, engaged in producing about 22 million gross tons of milk per annum. It is very significant in this connection to note that out of this total production, the buffaloes account for 54 per cent cows 43 per cent and goats 3 per cent.

(c) *Some Urban Trends in the Trade*

Another widespread tendency noticed among urban milk producers is to own more buffaloes than cows. The Economic

Adviser to the Government of Madras, in the Report cited above obeserves as follows:—

"Of the 1388 adult animals in the possession of licensees in in the City of Madras, 534 are cows and 854 buffaloes, the relative proportion being 5.3 : 8.5 This is due to the fact that there is a greater demand for buffalo's milk than cow's milk. Buffalo's milk is widely used for coffee, curds and ghee, while the consumption of cow's milk is confined largely to the upper middle and the rich classes. From the licensees' point of view, a buffalo yields more than a cow, and its milk sells at a higher price.' Further, in view of its higher yield, the unit cost of production of buffalo's milk is a little bit cheaper than cows's milk. Another important feature is that the only strain of heavy milkers found in this State is of the Ongole Stock, popular in the Andra Districts. The same are conspicuous by their total absence in the Tamil Districts, where chiefly odd country breeds and cross breeds are reared. These then are some of the basic factors of the milk trade in India, with which every tradesman has to reckon.

(To be contiuned)

A note on the Salem Co-operative Central Bank, Ltd.

The Salem Co-operative Central Bank is the preimer Central Bank to be started in the Madras State, probably the whole of India. This was registered on 6-1-1909. This is the 43rd year of its working.

The Bank, at the time of starting, had 91 members with a paid up share capital of Rs. 10,000. It has now got 899 societies and 149 individuals as members and the present paid up share capital and working capital are Rs. 6 lakhs and Rs. 74 lakhs respectively. The reserves amount to Rs. 9.1 lakhs. It earned a net profit of Rs. 1.3 lakhs in the year 1950-51. The Bank has been placed under "A" class in the Audit Review, by the Registrar, for its good working.

Besides the deposits and borrowings from the Madras State Co-operative Bank by way of loans and cash-credit and from the local Imperial Bank of India by way of overdraft, the Bank is also getting financial accommodation to the extent of Rs. 15 lakhs from the Reserve Bank of India at concessional rate of interest for financing the agricultural operations on the recommendation of the Registrar. The total borrowings by way of deposits and loans amount to Rs. 127 lakhs. The Bank lends on an average Rs. 40 lakhs per year for agricultural operations and agricultural improvements.

Out of the first set of 7 Directors, 2 are alive. They are Dr. C. Rajagopalachariar, the present Chief Minister of Madras State and Sri B. V. Narasimha Ayyar. Sri B. V. Narasimha Ayyar was the first President and Dr. C. Rajagopalachariar succeeded him as President. The first deposits came from Dr. C. Rajagopaiachariar and Late Sri T. Adinarayana Chettiar.

The rapid progress made by the Bank during the Presidentship of the late Sri K.A. Nachiappa Gounder and as a result of the tireless efforts taken by the then Deputy Registrar of C. S. Sri J. C. Ryan, (Now Registrar of C. S., Madras), is evident from the statement given below:

Year.		No. of mem-bers	Paid up share capital in lakhs	Working Capital in lakhs	Loans to societies outstanding as on 30th June	Percen-tage of overdues	Reserve Fund in lakhs
			Rs.	Rs.	Rs.		Rs.
1943-44	...	699	1.9	46.6	21.0	0.8	2.7
1944-45	..	694	1.9	47.8	19.9	Nil	2.7
1945-46	...	692	4.0	78 2	36.7	Nil	2.7
1946-47	...	785	4.0	77.3	45.9	Nil	2.9
1947-48	...	850	5.0	84.0	47.7	Nil	3.1
1948-49	...	878	5.6	1,13.2	90.4	Nil	3.8
1949-50	...	891	5.9	82.0	50.4	Nil	4.0
1950-51	...	888	6.5	74 9	40.6	Nil	4.5

The Bank has built up a Building Fund of Rs. 1.9 lakhs and a sum of Rs. 0.8 lakhs under *Chatram* Fund. The Co-operative Rest House was built from out of the *Chatram* Fund and the office building from out of the Building Fund. The *ckatram* provides free lodging to the villagers and other co-operators, who visit Salem on their work. The villagers who are not easily able to get lodging, find it homely to be at the Rest House, whenever they go to Salem on banking business or their private work. This is one of the few co-operative institutions which own such spacious Rest Houses.

The Bank having greatly developed its business, it was felt that the present accommodation would not be sufficient. The Late Sri K. A. Nachiappa Gaunder, M.L.A., the former President of the Bank planned and commenced the construction of an additional building, the foundation stone of which was laid by Sri J. C. Ryan, M.A., I.A.S. the Registrar of Co-operative Societies, Madras, and which His Excellency the Governor of Madras kindly opened recently. The Late Sri K. A. Nachiappa Gouoder was long connected with the Co-operative Movement in this District and it was during his leadership that the movement made all-round progress in the District.

Co-ops. at work

i. The George Town Co-operative Credit Society, Ltd., Madras.

The Society is 28 years old. As on 30—6—1951 its Credit Branch had 2,878 members with a paid up share capital of Rs. 1,71,783.

It borrowed from the Central Bank Rs. 3,50,000 and repaid Rs. 3,90,544 leaving an outstanding balance of Rs. 4,05,000. The deposits from members and non-members showed an increase over the previous year and stood at Rs. 6,57,441 as on 30—6—51. The loans issued during the year amounted to Rs. 3,05,402 and the loans outstanding as on 30—6—51 amounted to Rs. 2,88,537. The overdues were Rs. 18,397, towards principal and Rs. 918-13-0 towards interest.

The society earned Rs. 20,434-11-0 as net profit during the year and declared 6¼% as dividend and Rs. 532,-10-0 towards Common Good Fund besides other funds and reserves.

The expenditure for 1950-51 was Rs. 8,370-13-0.

With regard to the Monthly Savings and Loan Fund Branch the number of units as on 30—6—51 were 40,722, the amount of paid up subscription being Rs. 8,08,418. A sum of Rs. 8,50,000 was outstanding due to the Credit Branch as on 30—6—51. The loans issued to subscribers under simple loans, jewel loans and house mortgage loans amounted to Rs. 5,60,089 and the outstandings as on 30—6—51 were Rs. 17,68,689. The over dues stood at Rs. 79,704 towards principal and Rs. 20,491 towards interest. The fund earned a net profit of Rs. 21,593-9-0 during the year out of which 25 per cent was carried towards reserve fund. The expenditure during the year was Rs. 7,794.

ii. The Yemmiganur Weavers' Co-operative Production and Sale Society, Ltd.

The society is 12 years old. It had 1,674 members with a paid up share capital of Rs. 96,533 as on 30—6—51. The society has 1,738 looms distributed in four villages including Yemmiganur. A sum of Rs. 58,697 was collected towards thrift fund from members at the rate of One-anna for every Rupee of wage earned by the members. The borrowings of the Society during the year amounted to Rs. 2,43,548-11-0. It invested Rs. 6,40,238-5-0 in weavers' colony and Rs 3,15,267-2-0 in other investments. The value of its production was Rs. 15,06,118-13-0 and sales Rs. 20,30,578-6-0. The wages paid to members amounted to Rs. 5,78,058-5-0. The society has a dyeing section with 11 dyers and a calendering machine. It has also a handloom factory with 24 frame looms producing popular varieties and a printing section producing 200 yards per day. The weavers' colony of the society provides accommodation for 400 families. 65 houses have been completed and were occupied and 30 were nearing completion.

THE TWENTY-EIGHTH
Madras State Co-operative Conference

THE MADRAS STATE CO-OPERATIVE
UNION, 379, ESPLANADE, MADRAS-1.
25th September 1952.

CIRCULAR

(To all State Societies, Language Federations, Central Banks, District Wholesale Stores, Local Unions, Limited Primary Societies, Urban Banks, Land Mortgage Banks, Non-credit Societies and Unlimited Primary Societies with a working capital of Rs. 50,000 and above.

DEAR SIR,

The Twenty-Eighth State Co-operative Conference will be held at Madras in December 1952. Lt. Col. Shyam Nandan Sahaya, Chairman, Bihar Pro. Co-op. Bank has kindly consented to preside. The 27th and 28th of December 1952 have been provisionally fixed for the Conference. The exact dates and place of the Conference will be announced shortly.

This Conference is of vital importance. The Co-operative Movement is the most vital organisation in our Country. It has been definitely recognised by all politicians, parties and leaders and social reformers that true co-operation is the most essential element for the progress of the Nation. For achieving this it has been the accepted policy of the Central and State Governments to allow the co-operatives to play their part for the establishment of the Co-operative Commonwealth. But the work so far done by the co operatives is very little when compared with the ideal we aim at.

The controls have been removed and free trade has been allowed by the Government. When the controls were in existence it was not possible for the consumers' stores to expand its scope of activity and be of service to an unlimited number of customers. After the removal of controls, there is free trade and there is competition in the trade from the local merchants who always try to make huge profits at the expense of millions of people. It is now the opportune time for the Stores Movement in this State to devise ways and means to check the ever-growing prices of commodities, compete with the local profit-seeking merchants and serve the needs of the common man and thereby bring down the high cost of living.

It is the duty of every co operator to see that the handloom industry and other cottage industries do not suffer. There are many ups and downs in handloom industry and still the handloom industry has not received any appreciable support or encouragement to the extent it deserves.

Financing agriculture is one of the main credit operations of the country. The agriculturists form 68 per cent of the total population and there can be no better movement than the one which looks after the needs of the major community in the Indian Union. The Co-operative Movement has met to a certain extent the agricultural indebtedness. To augment this the Reserve Bank has come forward

to help the agriculturists and has advanced nearly Rupees 2½ crores at cheap interest on a short-term basis to help the progress of agriculture. In addition to this the agriculturists need medium and long-term loans for various other needs. The Reserve Bank of India is taking an increasing interest to meet the demand of the agriculturists. This will be the proper time for the Co-operators to meet and discuss and to present the demand of the agriculturists to the Government and the Reserve Bank.

During recent years housing and milk supply etc., have assumed increasing importance and have given rise to numerous problems. There are numerous other socio economic problems like Community development and tapping rural savings and re-settlement of Ex-service men and amelioration of ex-tappers. It is quite necessary to review the socio-economic progress of the State and the contribution of the Co-operative Movement to the progress made. It is also necessary to chalk out our programme of work for the coming years against the back ground of the Five-year Plan. All this could be done only at a Conference at State level.

This Conference is also the opportune time when Co-operators in the State should meet and press their point of view on the popular Ministry. *So I appeal to all Co-operative Institutions in the State to take part in the Conference by sending delegates to the Conference and make it a success.*

Delegates:—Information regarding the number of delegates each type of institution can elect and send, the delegate fee payable, the form to be filled up has been printed and enclosed.

Donations:—The success of the Conference depends upon the financial support that Co-operatives give. The delegate fee alone will not be sufficient to meet the cost. *So I appeal to all Co-operative Institutions to send liberal donations.*

Boarding:—Boarding arrangement will be made by this Union for the convenience of the delegates. The fee for boarding is Rs. 6 per delegate for both the days of the session of the Conference. If arrangements are desired for boarding, intimation must be given to this Office on or before the 1st December 1952. If no previous intimation is given under no circumstances can boarding be provided.

Resolutions:—Institutions are also requested to communicate to this Office resolutions for consideration at the Conference so to reach this Office on or before the 1st December 1952.

All communications, money-orders, cheques etc., should be sent to the General Secretary, Madras State Co-operative Union, M. S. C. Bank Buildings, 379, Esplanade, Madras-1.

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

B. VENKATARATNAM, *President*

Sri T. NARAYANA PILLAI, B.A., B.L.,
,, P. S. GURUVA REDDY,
Hon. Joint Secretaries.

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SCHEME FOR REPRESENTATION AT THE CONFERENCE

1. The Madras State Co-operative Union, the Madras State Co-operative Bank, the Madras Central Co-operative Land Mortgage Bank, the Triplicane Urban Co-operative Society, the Central Co-operative Printing Works, the Madras Provincial Co-operative Marketing Society, the Madras Handloom Weavers' State Co-operative Society, the South India Co-operative Insurance Society, the Co-operative Fire and General Insurance Society may each elect tive delegates.

2. The Andhra Sahakara Sammelanam and the Tamil Nadu Co-operative Federation may elect ten delegates each.

3. The Central Banks may elect three delegates each.

4. District Central or Wholesale Stores may elect three delegates each.

5. Co-operative Training Institutes may elect two delegates each.

6. Local Supervising Unions may elect one delegate each.

7. Limited Primary Societies, Urban Banks, Land Mortgage Banks and Non-credit Societies (Primary Stores, Producer Societies, Marketing Societies, Cottage Industries Societies etc.) may elect one delegate each.

8. Unlimited Primary Societies with a working capital of Rs. 50,000 may elect one delegate each.

9. Societies in which other registered societies are members, other than those mentioned above, may elect one delegate each.

10. The Registrar may nominate ten delegates to represent the Department, if he wishes to do so.

11. Such of the members of the Executive Committee of the S.C.U. as are not elected by any of the above constituencies shall be deemed *ex officio* delegates.

Scale of Delegation Fees.

		Rs.
All Primary Societies (Urban and Rural) and Supervising Unions, and Training Institutes	...	3
Central Banks and Wholesale Stores	...	5
State Societies and Language Federations	...	10

The above delegation fee is irrespective of the number of delegates that the institution may send.

EXHIBITION

Along with the Conference there will be an Exhibition of Industrial and Agricultural Products. Co-operative Societies which are producing societies are requested to take part and intimate in advance so that arrangements for accommodation may be made for all the exhibitors.

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. Emmiganur Multipurpose Co-operative Society, (Bellary Dt.)

This society in Kurugodu firka of Bellary taluk is 7 miles from north-east of Kambli an important trading centre along the Tungabhadra river. The village of Emmiganur is a minor panchayat with a population of 3,800. About 2,000 acres of dry lands will be converted into wet by the low level canals of the Tungabhadra Project and the village has a good future. The society was registered on 2-4-1949 and started on work on 30-4-49. It has now 236 members on rolls with a paid up share capital of Rs. 3,645 and serves more than 30 per cent of the village population as per target fixed in the scheme for intensive supervision of credit societies. The latest property statement discloses the net assets of the members at Rs. 3,53,100. The maximum borrowing power of the society is Rs 30,000 while that of an individual member is Rs. 500. It is managed by an enthusiasiic and influential panchayat and one of its panchayatdars is also a member of the Bellary district Board. It has the following investments as on 30-6-52.

Investments,

		Rs.
Invested on Reserve Fund	...	100
Shares in Hospet Co-operative Central Bank	...	1,600
Shares in Bellary Co-operative Central Stores	...	150
Loans due from members	...	22,451
Revenue Deposits	...	50
Furniture	...	132
		24,483

Its working capital amounts to Rs. 28,181-1-0 as detailed hereunder.

		Rs.	A.
Hospet Co-op. Central Bank cash credit	...	1,889	7
Do. shor term loan	...	22,429	0
Do. share capital	...	3,645	0
Reserve Fund	...	217	10
		28,181	1

During the year 1951-52 it borrowed from the Hospet Co-operative Central Bank Rs. 23,150 for disbursement as loans to its members and so far a sum of Rs. 1,363 was repaid to the Central Bank. It is gratifying to note that neither the loans taken from the Central Bank nor the loans outstanding against members are overdue.

The society has been dealing in controlled articles like cloth, iron and steel, kerosene oil, food grains and cattle feed even from the second year of its working. The Central Bank has sanctioned Rs. 1950 as cash credit to the society for the purpose. Details of purchases and sales for the last three years are furnished below.

Years.	Purchases.			Sales.			Gross Profit.		
	Rs.	A.	P.	Rs.	A.	P.	Rs.	A.	P.
1949-50	6,970	7	0	6,764	2	0	550	4	0
1950-51	15,686	9	0	16,208	9	0	871	15	0
1951-52	14,987	6	2	14,771	5	7	611	0	0

	1951-52			1951-52			(Tentative)
Sugar	5,290	14	8	5,983	7	2	
Cloth	5,179	13	6	4,049	13	5	
Iron	867	11	3	1,365	2	10	
Kerosene oil	854	2	9	830	6	0	
Cotton seeds	431	10	3	500	0	0	
Foodgrains	2,363	1	9	2,042	8	2	
	14,987	6	2	14,771	5	7	

Due to decontrol of foodgrains, the sale of food grains has naturally come down, but the villagers continue to evince great interest in purchasing from the society, other controlled commodities including cattle feed. In July 1952 the society purchased corrugated iron sheets to the value of Rs. 716-9-10 and the sale of foodgrains etc. was for Rs. 212-2-7 due to decontrol of foodgrains. It has amended its by-laws regarding ameliorative activities and the ameliorative fund amounts to Rs. 8-7-0.

The society also proposes to take up earth-work relating to the construction of the low-level canal of the Tungabhadra Project area after amending its by-laws suitably. The village and consequently the society stands to benefit immensely by this irrigation canal and the lands of the members will be valued much more than what they are valued now besides increasing their produce manifold.

The society employs a clerk on Rs. 30 P. M. and taken up a room for conducting its non-credit business at a monthly rent of Rs. 5. The society has worked at a profit for the last three years 1949-50, 1950-51 and 1951-52 of Rs. 81-6-0, 321-0-0 and Rs. 48-1-0 respectively.

The society has a good future after the water begins to flow in the proposed irrigation canal when the society may have to go in for a godown of its own to store the produce of its members.

2. The Chowtapalli Multipurpose Rural Co-operative Credit Society, (Krishna Dt.)

This society was registered on 26-11-1916 and started on its work on 9-1-1917. The society converted itself into Multipurpose Rural Co-operative Credit Society on 11-8-'49. There were 212 members on rolls with a paid up share capital of Rs. 3,646 as on date.

The society is able to carry on its business obtaining fixed, thrift and homesafe deposits from members and non-members and without having

the need to approach the Central Bank for finance. The funds thus obtained are given below :—

Fixed deposits (non-members	Rs. 4,500 over one year
do do	„ 7 950 within one year
Thrift deposits (members)	„ 9,934-14-0
Homesafe deposits	„ 10

The society took shares of Rs. 1,700 in the Krishna Co-operative Central Bank, Rs 100 in Agricultural Improvements Co-operative Society, Gudivada and Rs. 50 in the Andhra Sahakara Sammelanam, Rajahmundry.

During the year, the society disbursed Rs. 17,495 under short-term loans and Rs. 4,500 under long term loans to members and Rs. 10,745 and Rs. 5,300 were collected from them under short term and long term loans respectively. The amount of Rs. 20,825 and Rs. 4,700 were outstanding as on date under short term and long term loans respectively against the members. Out of the above outstandings, a sum of only Rs. 3,270 is overdue under the short term only.

The society undertook cloth business since 1949. The following are the transactions under cloth business during the period from 1-7-51 upto date :

		Rs.	A.
Stock on hand—Purchases	...	8,368	15
Sales	...	8,730	11
Stock as on date of inspection...		Nil.	

The society earned a gross profit of Rs. 327-4-0 during 51-52.

The Society has Rs. 10,809-4-0 under reserve fund out of which Rs. 10,374-9-0 was invested in the Central Bank. It purchased National Savings Certificates worth Rs. 400 out of its reserve fund. It earned a net profit of Rs. 280-15.6 as on date of inspection.

The management is taking keen interest in the development of its business and is catering to the requirements of the people in the area served by the society.

3. The Vasudevanur Multipurpose Rural Credit Society, (South Arcot).

The Vasudevanur Multipurpose Rural Credit Society No. E. 1676 in Chinnasalem Development Centre in South Arcot District was registered on 14-11-48 and started on its work on 25-11-48. Vasudevanur is a village, four miles from Chinnasalem. The area of operation is confined only to Vasudevanur village. A present there are 60 members with a paid up share of Rs. 1,118. The society has been doing fairly good work ever since its starting.

The society is affiliated to the South Arcot District Co-operative Central Bank, Cuddalore and it is financed by the Central Bank. The society has taken shares in the Central Bank to the extent of Rs. 550. The maximum borrowing power of the society is Rs. 10,000 and the individual maximum borrowing power of a member is Rs. 500. On 1-7-51 the loans due from member amounted to Rs. 9,975.

During the year 1951-52 the society received two loans amounting to Rs. 3,850 from the South Arcot District Co-operative Central Bank, Cuddalore and disbursed the amount to sixteen members.

Besides affording credit facilities to its members the society has also undertaken multipurpose activities to help the members. During the year 1-7-51 to 30-6-52 the transactions in multipurpose activities are given below :

		Purchases.			Sales.		
		Rs.	A.	P.	Rs.	A.	P.
Sugar	..	102	1	6	105	7	6
Iron	..	165	0	0	182	9	0

Thrift scheme through hundi boxes has been introduced by the society and the members are regularly saving in hundi boxes. The amount saved through hundi boxes in Rs. 37-3-0.

The society purchased a radio during the year 1949-50. The radio is in good condition being placed in a separate building in a public locality to which people have access to hear the news and enjoy the advantages of a radio set.

The Co-operative Movement in Madras State—1950-51*

I. General Progress of the Co-operative Movement

1. *Review of progress.*—Co-operation aims at the establishment of a new economic order—an order in which the evils of capitalism which often exploits the weak for the strong, is eliminated, and the attractions of Communism, whose *intention* is to distribute wealth among the masses, are retained. It is a system which recognizes the right to private property and advocates that every one should help himself in company with others in a spirit of mutual service. An ideology of this variety takes decades to spread and gain ground. But it has been the particular good fortune of the Madras State that co-operation has not only come to stay but bids fair to develop extensively in almost every walk of economic life. This is, thanks to the vast body of non-official leaders whom the co-operative movement has been able to secure, to a succession of able Registrars of Co-operative Societies who in the early years laid the foundations of the movement on strong and stable lines, and, last but not least, to the actively helpful attitude taken by a Government which believes in building up a Co-operative Commonwealth.

The year under report was one of all-round progress. The statistical table given in Appendix No. 1 gives a bird's-eye-view of the financial condition and working of the societies at the end of the last two years. The figures given there do not include those of the 107 producers-*cum*-consumers' co-operative societies in Malabar, which are under the administrative control of the Collector of Malabar. The number of co-operatives in my charge, their membership, share capital and working capital recorded notable increase during the year. On the 30th June 1951, there were 24,205 societies with 34.53 lakhs of members and Rs. 85.32 crores of working capital as against 22,784 co-operatives, 31.22 lakhs of members and a working capital of Rs. 71.11 crores at the end of the previous year. This is evidence of the rapid and varied expansion of the movement and of its steady influence over the different social strata in the State. It is evidence, too, of the increasing faith of the people in co-operation and of continued State support.

2. *Co-operative Credit*—(a) *Financing Banks.*—The diversified expansion of the co-operative movement increased the demand for funds from the financing banks. The increase in the number of village credit societies and their membership and activities, the increasing tightness of the money market and rise in rates of interest, the expanded business of weavers' co-operatives and the more active participation by retail consumers co-operatives in the distribution of food stuffs and other controlled commodities, made a larger demand on the financing banks than usual and it is pleasing to record that their needs were met fully.

*Extracts from the Administration Report of the Registrar of Co-operative Societies for 1950-51.

As against Rs. 4,340 lakhs lent out by the banks in 1949-50, the loans and advances made during the year amounted to Rs. 4,542 lakhs, an increase of over Rs. 200 lakhs. The central banks were able to meet the demands made upon them partly from an increase in their deposits, partly from an increase in the advances provided by the Reserve Bank of India and partly from the accommodation given by the Imperial Bank of India on Government guarantee. The deposits in all the 31 central banks amounted to Rs. 1,183 lakhs at the end of the year as against Rs. 1,109 lakhs at the end of the previous year. Similarly the credit made available by the Reserve Bank of India to the central banks rose from Rs. 167 lakhs in 1949-50 to Rs. 330 lakhs in 1950-51. The Government made Rs. 300 lakhs available from the Imperial Bank of India on their guarantee for financing the local procurement of foodgrains and the purchase of imported food stuffs together with an additional sum of Rs. 50 lakhs for financing the distribution of chemical fertilizers. The amount outstanding on this guarantee from the Imperial Bank at the end of the year was Rs. 223.89 lakhs.

Even so, the indications are that on account of the increase in rural credit co-operatives and their reorganization on a wider basis both in respect of their business and membership, there will be greater need for funds in the years to come. In 1948-49, rural credit co-operatives lent Rs. 496 lakhs; in 1949-50, their loans to their members were Rs. 644 lakhs an increase of Rs. 148 lakhs; and, during 1950-51, they lent out Rs. 765 lakhs, a further increase of Rs. 121 lakhs. It is therefore, essential that the co-operatives should tap more funds to meet their increasing requirements. I brought this need to the notice of the VIII Tamil Nad Co-operative Conference and recommended a Rural Savings Campaign to gather at least Rs. 200 lakhs by mopping up the savings of the people in the country-side by the end of December 1951. The conference welcomed the proposal warmly. Then, I made an appeal to my officers and non-official co-operators to launch the campaign and to make every endeavour to reach the target. They have taken it up with earnestness and enthusiasm and I hope that our efforts will prove fruitful. The campaign originates from the basic co-operative principles of self-help and thrift: Co-operatives should find the funds they need by their own efforts and not depend on State-help for it. Co-operators should put by the surpluses they come across, so that they may be of use to them when needed.

I should not in this connection fail to refer to the growing interest which the Reserve Bank of India has evinced in assisting the co-operative movement. It provides funds to the Provincial Co-operative Bank by discounting eligible pro-notes of central banks endorsed by the Provincial Co-operative Bank for financing seasonal agricultural operations and for the marketing of crops. These funds are provided at one and a half per cent less than the Bank rate. Under this arrangement, the Reserve Bank provided credit for 14 central banks in 1948-49 up to Rs. 100 lakhs, to 21

central banks in 1949-50 up to Rs. 167 lakhs and to 26 central banks in 1950-51 up to Rs. 330 lakhs. By an amendment to the Reserve Bank of India Act, the period of bills discounted and advances made for financing seasonal agricultural operations and for the marketing of crops, has been raised from 9 to 15 months. This will be of great help to the agricultural co-operative movement in this State as well as in other States. Further, the Reserve Bank has reduced the fees for remittances by co-operative banks and societies by 50 per cent; as against a remittance fee of one anna per hundred up to Rs. 5,000 and half anna per hundred over Rs. 5,000, the current rates are half anna per hundred up to Rs. 5,000 and quarter anna per hundred over Rs. 5,000.

The Reserve Bank of India appointed an Expert Standing Advisory Committee in July 1951 to advise it on rural finance. The President of the Madras Provincial Co-operative Bank and I are two of its members. On the recommendation of the informal conference of co-operators held in last February which preceded this committee, the Reserve Bank of India has under consideration other measures such as the provision of financial accommodation to co-operatives for mixed farming activities and processing of crops, for medium-term loans extending up to five years, and for cottage and small-scale industries. When the necessary legislation to the Reserve Bank of India Act is undertaken, these measures should prove to be of very great help to the co-operative movement.

(b) *Agricultural Credit Societies.*—The number of agricultural credit societies and their membership increased from 15,348 and 11.91 lakhs to 16,330 and 13.58 lakhs. The policy as regards these co-operatives which was introduced in February 1949, has two principal objectives. One is to increase the number of societies so as to bring within their jurisdiction 50 per cent of the villages and 30 per cent of the rural population; the other is to reorganize the societies into multi-purpose co-operative societies so as to enable them to serve the varied economic needs of their members in addition to providing them with credit. This policy is being pursued with all vigour and its results are now in full evidence. When the scheme was introduced, the rural credit co-operatives covered only 41.4 per cent of villages and served only 13.88 per cent of the population. On 30th June 1951, they covered 65.54 per cent of villages and served 17.98 per cent of the rural population. Their business in the distribution of controlled commodities, such as cloth, manure and agricultural implements amounted to Rs. 67.7 lakhs only in 1948-49, whereas the value of business done by them in this regard in 1950-51 was Rs. 246.24 lakhs. The amount of loans issued by them during the year was Rs. 765 lakhs as against Rs. 496 lakhs only issued during the year 1948-49. It must, however, be admitted that the rural credit societies are still largely borrowing institutions. They have not promoted thrift to any great extent. The total amount of deposits from members held by these societies at the end of the year was only Rs. 40.23

lakhs. It is hoped that the rural savings drive referred to elsewhere will pave the way for more deposits. It is necessary that the societies should make the savings campaign a normal and permanent feature of their future programme.

(c) *Non-agricultural credit societies.*—There were 1,217 societies of this class which together disbursed as much as Rs. 1,020 lakhs as loans to their members during the year. It is gratifying to observe that nearly all of it was disbursed from their own resources, of which they held Rs. 191.98 lakhs as shares, Rs. 91 lakhs as reserves and Rs. 706 lakhs as deposits.

(d) *Land mortgage banks.*—The amount of loans issued by the Central Land Mortgage Bank during the year, viz., Rs. 82.27 lakhs, was the largest ever given in any single year since its inception. There was equally an increase in the amount of loans made for land improvements; as against Rs. 3.90 lakhs in 1949–50, the amount advanced in 1950–51 was Rs. 6.75 lakhs. The tightness in the money market became a matter of anxiety to the bank and it appeared as if money could not be found on the usual terms of 3 per cent interest and issue price of Rs. 99–8–0 per cent. This would have meant an increase in the lending rate to the ultimate borrower. I had to intervene on two occasions. I appealed to co-operative central banks to under-write the 45th series of debentures for Rs. 40 lakhs and to advise co-operative institutions to invest their uninvested reserves in the debentures. For the 46th series of debentures floated for Rs. 30 lakhs, I had to request the co-operative banks and my officers to tap non-co-operative sources as well, namely, local bodies, religious endowments and institutions and private individuals. I am happy to record that the co-operators responded to my appeal and made the flotation of both the series a success. It is also a matter of great satisfaction that the Reserve Bank of India which used to subscribe to the extent of 10 per cent of any one issue of debentures, raised the limit to 20 per cent and bought debentures for Rs. 14 lakhs out of the 70 lakhs floated during the year.

3. *Co-operative Production.*—Co-operatives of different types continued to play an increasing role in agricultural production by bringing waste lands under cultivation, by providing credit for the installation of pump-sets for irrigation, by distributing chemical manures and agricultural implements, by providing timely credit for seasonal agricultural operations by stimulating and improving the production of milk, eggs, etc.

(i) *Production of food crops—(a) Cultivation of fallow lands.*—Twenty-one rural credit societies in the seven districts selected for intensive cultivation, viz., South Kanara, Tirunelveli, Nellore, East Godavari, Guntur, Coimbatore and Madurai, obtained 1,226, acres of fallow lands on lease and 15 of them sub-leased 1,000 acres to their members for cultivation. Land colonization societies (ex-servicemen and civilian) reclaimed 19,457 acres and their members cultivated 13,277 acres of land during the year. Land Reclamation Co-operative Societies in the Pattukkottai taluk of the

Tanjore district reclaimed 525.31 acres for the production of food crops. Four hundred and sixty-seven tenants' societies obtained the lease of 37,100 acres of *padugai, lanka* and other Government lands and sub-leased them to their members for cultivation.

(b) *Provision of irrigational facilities.*—Twenty-two irrigation societies provided facilities for irrigating 4,894 acres. Twelve rural credit societies gave Rs. 6.19 lakhs as loans to their members for the purchase of pump-sets. The primary land mortgage banks issued 289 loans for Rs. 6.08 lakhs for the same purpose. Thirty-six producers'-*cum*-consumers' societies in Malabar purchased pump-sets at a cost of Rs. 2.41 lakhs and 593 ryots used them for irrigating 5,571 acres of their lands.

(c) *Supply of seeds, manure and agricultural implements.*—Two thousand and twenty-six societies were entrusted with the distribution of chemical fertilizers: 44,421 tons of ammonium sulphate and 10,153 tons of super-phosphate were sold by them to agriculturists. Marketing societies supplied improved seeds, agricultural implements and compost manure worth Rs. 1.66 crores; 25 agricultural improvement societies distributed improved seeds worth Rs. 14,645. Seven hundred and fifty-eight societies sold 8,868 tons of iron and steel valued at Rs. 36.33 lakhs; 54 societies, approved as fabricators, manufactured agricultural implements worth Rs. 1.89 lakhs and the value of their sales was Rs. 2.76 lakhs; 496 societies selected as distributors for fabricated agricultural implements sold implements worth Rs. 8.06 lakhs.

(d) *Provision of tractors.*—Six producers'-*cum*-consumers' societies in Malabar purchased 6 tractors for Rs. 91,868 and 13 societies of other types bought 18 tractors for Rs. 2.84 lakhs and hired them to agriculturists. The total acreage ploughed with the aid of the tractors was 2,230.

(e) *Provision of credit.*—Rural credit societies advanced loans to their members to the extent of Rs 7.33 crores for meeting agricultural purposes. Of the 1,020 lakhs of rupees issued as loans by non-agricultural credit societies, Rs. 125 lakhs represent loans issued for agricultural expenses.

(ii) *Production of other foodstuffs—(a) Milk.*—Thirty-eight milk supply unions and 620 milk supply societies supplied milk and milk products to the value of Rs. 132.45 lakhs. Their services are not confined to the general consumers. State hospitals, jails, child-welfare centres, hostels and others are among their notable customers.

(b) *Eggs.*—Forty-four egg marketing societies supplied 2.56 lakhs of eggs for Rs. 32,525. The Madras Milk Supply Union distributed 1,28,760 eggs in the Madras City, collecting them from its feeder milk supply societies.

(c) *Fish.*—Two hundred and fifty-seven fishermen societies issued Rs. 5.86 lakhs as loans to their members. Yarn and fishing tackle worth

Rs. 2.69 lakhs were sold by them. Some societies took lease of inland fisheries for Rs. 1.31 lakhs and sub-leased them to 3,415 members.

(*d*) *Fruits and vegetables*.—Fourteen fruit growers societies sold fruits for Rs. 6.13 lakhs. Nilgiris Marketing Society sold Rs. 1.27 lakhs worth of potatoes and 0.22 lakh worth of English vegetables grown by its members. It exported 55,000 lb. of vegetables to Ceylon.

(*e*) *Salt*.—Five salt workers' co-operative societies and 2 salt licensees' societies obtained 1,140 acres of land from Government for the production of salt. The value of salt produced was Rs. 2.66 lakhs.

(*f*) *Sugar and Sugarcane*.—Members of 13 sugarcane growers societies raised 80,181 tons of sugarcane valued at Rs. 35.37 lakhs and supplied 28,593 tons of cane valued Rs. 13.73 lakhs to sugar factories for crushing. Two thousand and seventeen palmyrah jaggery manufacturing societies produced jaggery worth Rs. 136.88 lakhs.

(iii) *Production of textiles*.—In addition to food production, co-operatives made a remarkable contribution to the production of cloth. The weavers' co-operatives in the State numbering 1,017 with 1.76 lakhs of looms produced about one-third of the handloom cloth manufactured in the State. Their sales exceeded Rs. 1,000 lakhs and were effected not only in the premises of the 1,017 weavers' co-operatives but also in the 104 emporia maintained by the Madras State Handloom Weavers' Co-operative Society both within the State and outside it.

(iv) *Production of cottage industrial goods*.—During the year cottage industrial co-operative societies increased their production of cottage industrial goods, particularly metalware, coir goods, potteries, baskets, oil, leather goods and toys. The value of goods sold by these societies to the public during the year amounted to Rs. 49.01 lakhs as against Rs. 44.37 lakhs in the previous year.

4. *Co operative distribution*.—Co-operatives continued to take an active part in the distribution of controlled commodities and other goods in an equitable manner and generally to exercise a salutory influence on private wholesale and retail trade. The 24 co-operative wholesale stores supplied affiliated primaries and ration or fair price shop-keepers goods to the value of Rs. 2,017 lakhs. The primary or retail stores distributed food-grains and other commodities to consumers to the value of Rs. 2,561 lakhs to members and non-members. Employees' co-operative societies, rural credit societies and producer-*cum*-consumer co-operatives also undertook equitable distribution and their total sales during the year exceeded Rs. 1,640 lakhs.

5. *Prohibition (Amelioration)*.—Ameliorative work constituted an integral part of prohibition. The contents and range of this work increased and exerted considerable influence upon the economic and social life of ex-tappers in particular and upon village uplift in general. Palmyrah

jaggery societies numbering 2,017, engaged 1.50 lakhs of ex-tappers in gainful occupation. Land colonization, cottage industrial and milk supply co-operatives provided employment to some others. The promotion of thrift, the provision of counter-attractions to drink, recreational activities, propaganda through films and magic lantern slides, etc., continued to enliven the ameliorative programme.

6. *Firka development*.—Of the firkas selected for intensive rural development work, 35 were fully covered by co-operatives. In the three firkas selected by Government for the organization of multi-purpose co-operatives of the full-fledged type, namely, Tirumangalam in the Madurai district, Dendulur in the West Godavari district and Kumbla in the South Kanara district, fourteen multi-purpose co operative societies were formed during the year and the 79 multi-purpose co-operatives in the three firkas undertook varied activities. The procurement and supply of raw materials to village artisans in the selected firkas through co-operatives was taken up during the year. It is a new co-operative service designed to promote rural industries. The results of this scheme can be assessed when it is fully implemented in the current year.

7. *Resettlement of ex-service men*.—The ex-servicemen co-operatives continued to provide employment to demobilized personnel. The co-operative workshops had 1,058 members on their rolls and their production during the year amounted to Rs. 6.31 lakhs as against Rs. 5.71 lakhs in the previous year, and the salaries and wages paid to their members amounted to Rs. 1.87 lakhs as against Rs. 1.50 lakhs in the previous year, The reorganization of six of the ten workshops by equipping them with up-to-date labour saving machinery was undertaken. The buildings to house the workshops and, in some cases, to provide quarters for ex-servicemen workers and supervisory staff were built or remodelled. The installation of machinery in all the six workshops is almost complete. All items of work preliminary to undertaking machine production is nearing completion. It is expected that the remaining four workshops will soon switch on to machine production, The proposals for the reorganization of the Strathie Co-operative Engineering Workshop pending from June 1948 were, at the instance of Government, re-examined and revised. It will be taken up as a Part II Scheme in 1952–53.

The eleven ex-servicemen colonization societies brought under cultivation 4,682 acres and raised mostly food crops. The execution of capital works such as construction of huts, reclamation of land, sinking of drinking water wells, excavation of irrigation channels, etc., has been vigorously speeded up and new settlers are being enrolled. Government have, since the close of the year, approved two more schemes, one in Tanjore district and the other in Guntur district, for settling 195 ex-servicemen on an extent of 980 acres.

Thirteen motor transport co-operative societies for ex-servicemen employed 651 ex-servicemen and paid Rs. 6.90 lakhs as wages and allowances. The societies switched on to passenger transport and put 20 buses on the road as against two buses in the previous year. At the end of the year the societies owned 303 vehicles including buses. Every effort is being made to meet the demand from ex-servicemen for starting transport societies in other districts and the matter has been taken up with the Resettlement Section, Ministry of Defence, Government of India.

8. *Co-operative housing.*—Co-operative housing recorded another year of progress. There was an increase in the number of societies as well as in housing construction. At the end of June 1951, there were 293 urban housing societies; 678 houses were completed during the year and 1,842 houses were in various stages of construction. We are now delivering about three houses a day. As against Rs. 122.29 lakhs sanctioned loans for Rs.79.96 lakhs were disbursed to the societies before the close of the last financial year. For the year 1951-52, Rs. 80 lakhs have been provided in the budget and I expect that the whole of this amount will be utilized before the end of March 1952.

At the instance of the Housing Advisory Committee, I submitted a scheme to Government for the grant of State loans for five years to people belonging to the low-income groups in the City of Madras to enable them to acquire house-sites. It is under consideration of Government.

Under the special arrangements in force, co-operative housing societies obtained during the year 3,330 tons of steel, 86,000 running feet of pipes and tubes and 9,683 tons of cement. For the financial year 1950-51, 1,040 tons of logs were supplied by the Forest department timber depots to the societies at concessional rates.

The Special Land Acquisition Officer passed 46 awards covering 670.60 acres during the year and 52 applications in respect of 667.45 acres were pending with him at the end of the year.

Co-operative housing schemes received a setback during the year owing to the injunction orders issued by the High Court on the applications of 26 parties for writs. They questioned the land acquisition proceedings initiated by the State Government on the ground that the acquisition was not for a public purpose and that it affected the fundamental rights of property owners under section 30 (2) of the Constitution Act. Fortunately the High Court upheld the right of Government to acquire lands for co-operative housing societies so as to relieve housing scarcity. It is hoped that these societies will now carry on the schemes with added vigour.

Many of the housing societies are confronted with common problems arising from their actual working and a conference of the representatives of these societies may prove helpful. I am thankful to the Madras State Co-

operative Union for having taken the initiative to convene a conference in December 1951.

9. *Committees and conferences.*—The State Co-operative Advisory Council met once during the year. The Government of India deputed me as their representative to the Asian Conference of Technical Experts on Co-operation which met at Karachi in December 1950 under the auspices of the International Labour Office. I was also appointed as a member of the State Planning Committee and of the Indian Council of Agricultural Research and as member of the Standing Advisory Committee on Agricultural Credit set up by the Reserve Bank of India. I may add that I am making full use of my contacts with the Reserve Bank of India and other committees for the benefit of the movement.

10. *Administration.*—I held charge of the post of the Registrar all through the year except for a period of two months when I proceeded to the Far East as Consultant on Co-operation on an assignment with the Rural Welfare Division of the Food and Agricultural Organization of the United Nations Organization and for a month on my return from the Far Eastern tour. Sri K. Subrahmanyam acted as Registrar during my absence. Sri A. Palaniappa Mudaliyar, Joint Registrar and Deputy Commissioner of Prohibition (Amelioration), was on leave for a period of six weeks when Sri K. Subrahmanyam held additional charge of the post. The Joint Registrars Sri K. Subrahmanyam, Sri A. Palaniappa Mudaliar, Sri G. Viswanatham Chetti and Sri K. Muthukrishna Nayudu helped me much in the discharge of my duties. Sri K. Sarvothama Rao continued as the Chief Officer of the Agricultural Credit Department in the Reserve Bank of India. The officers of the department and all ranks of the subordinate staff generally discharged their duties with devotion and industry. The expansion of the movement in varied directions has been throwing additional work and responsibilities on all grades of my staff and I must place on record that they are working at high pressure and with cheer. I wish to express my thanks to the co-operators all over the State for the uniform courtesy shown to me and my officers and the help rendered by them to the progress of the movement. I am indebted to the leading journals and newspapers for their helpful criticism of the movement and the Department of Information for the publicity given to co-operative news and events. The relations with the other departments of Government were cordial.

ii

DEVELOPMENT DEPARTMENT

G. O. No. 802, 29th February 1952

Administration Report—Co-operative department—1950-51—Recorded with remarks.

Read—the following paper :—

Letter from the Registrar of Co-operative Societies, Rc. No. 88028/51-Q, dated 3rd December 1951.

Order—No. 802, Development, dated 29th February 1952

Recorded.

2. The year 1950-51 was another year of all round progress for the movement in this State. This progress was particularly evident in the number of societies, their membership and their share capital and working

capital. On 30th June 1951 there were 24,205 societies with 33.41 lakhs of members and Rs. 85.32 crores of working capital as against 22,784 co-operative societies, with 31.22 lakhs of members and a working capital of Rs. 71.11 crores at the end of the previous year. The Government continued to use the co-operatives for the procurement and distribution of food grains, distribution of chemical fertilizers, and fabrication and distribution of agricultural implements. The Government also entrusted during the year the distribution of iron and steel to co-operative societies. The Government have also ordered the reallotment of mill cloth quota to co-operatives which had been stopped in January 1950. Co-operatives of different types continued to play an increasing role in the production of food, textiles and cottage industrial goods. The Reserve Bank also evinced a growing interest in assisting the co-operative movement in this State by providing Central Banks with credit facilities for financing seasonal agricultural operations and marketing of crops. It assisted the movement also by reducing the fees for remittances by co-operative banks and societies by 50 per cent.

3. The two fold scheme in respect of agricultural societies, viz., one for increasing their number so as to bring within their fold 50 per cent of villages and 30 per cent of rural population and the other for re-organizing them into multipurpose societies, was continued during the year with full vigour. On 30th June 1951, there were 16,330 agricultural credit societies as against 15,348 societies at the end of the previous year and they covered 65.54 per cent of villages and served 17.98 per cent of the rural population as against the target of 50 per cent of the villages and 30 per cent of the population set by the All-India Planning Committee on Co-operation. Out of the total number of agricultural credit societies, 10,305 societies had undertaken multipurpose activities by the end of 30th June 1951. Their non-credit activities included supply of agricultural, industrial and domestic requirements of members, sale of agricultural produce, construction of godowns and encouragement of subsidiary occupations. Some of them even partook in Government measures for food production, distribution of controlled commodities and provision of lands on lease to members for cultivation. The loans issued by agricultural credit societies during the year amounted to Rs. 7,65.29 lakhs as against Rs. 6,44.00 lakhs during the previous year. Loans issued for productive purposes amount Rs. 7,33.45 lakhs during the year whereas the corresponding amount during the previous year was Rs. 6,13.57 lakhs. In the 7 districts chosen for intensive cultivation, agricultural credit societies obtained 12,25.76 acres of land on lease for cultivation. The societies also lent Rs. 6.19 lakhs to members for buying pump sets.

4. Even though the money market was tight and the expansion of the movement in various directions led to increased demands for funds from the central financing institutions, it is noteworthy that these institutions met the demands made on them in full. The loans issued by Central Banks amounted to Rs. 4,542 lakhs as against Rs. 4,340 lakhs during the previous year. The credit made available by the Reserve Bank of India to the Central Banks rose from Rs. 1,67 lakhs during 1949-50 to Rs. 3,30 lakhs during 1950–51. The Central Land Mortgage Bank also provided increased loan facilities to its members. In fact, the amount of loans issued by the Central Land Mortgage Bank during the year, viz., Rs. 82.27 lakhs was the largest ever given in any single year since its inception. The amount of loans issued for land improvement during the year also showed an increase from Rs. 3.90 lakhs to Rs. 6.75 lakhs. The flotation of both the 45th and

46th series of debentures for Rs. 40 lakhs and Rs. 30 lakhs respectively by the Central Land Mortgage Bank was a success, not withstanding the fact that the money market was very tight at the time.

5. The State subsidized scheme to provide loans at reduced rates of interest, viz., 5 per cent to the ryots in Rayalaseema was introduced in the remaining 3 banks, viz., the Kurnool, Anantapur and Hospet Central Banks during the year, and an amount of Rs. 40,264 was paid by Government as subsidy to the five Central Banks during the year at the rate of 1 per cent on loans issued to the agricultural credit societies and marketing societies under the scheme. An amount of Rs. 11,561 was also paid by Government as subsidy to the five Central Banks for employing additional supervisors for the supervision of agricultural credit societies. Another subsidized scheme by Government which continued to be in force during the year was the one for the provision of long-term loans to the ryots in Rayalaseema through the Madras Co-operative Central Land Mortgage Bank at a concessional rate of interest of 4 per cent. The loans given under the scheme however amounted only to Rs. 4.87 lakhs during the year against a target of Rs. 8.06 lakhs. As the progress was disappointing, the Government sanctioned the proposals submitted by the Registrar of Co-operative Societies for the employment of additional supervisors to popularize co-operative mortgage banking in this backward area. The Government also continued during the year the remission, in full, of fees for the registration of documents by or on behalf of land mortgage banks in the Rayalaseema and for obtaining encumbrance certificates. The special staff of Senior Inspectors for the development, management and supervision of marketing societies in the Rayalaseema area was also continued.

6. The scheme sanctioned in 1949 for the grant of subsidies to the extent of 50 per cent of the cost of construction of godowns put up by co-operative marketing and credit societies continued to be popular. Seven marketing societies and 35 rural credit societies were given free grants amounting to Rs. 2,32,856 during the financial year 1950–51.

7. Co-operatives again played a notable part in the production of food crops during the year. Twenty-two irrigation societies provided facilities for irrigation 4,894 acres. Two thousand and twenty-six societies undertook distribution of chemical fertilizers and they distributed 44,421 tons of ammonium sulphate and 10,153 tons of super-phosphate to agriculturists. Marketing societies supplied improved seeds, agricultural implements and compost manure worth Rs. 1.66 crores. Seven hundred and fifty-eight societies undertook retail distribution of iron and steel and sold 8,868 tons of the materials valued at Rs. 36.33 lakhs. Four hundred and ninty-six societies selected as distributors for fabricated agricultural implements sold implements worth Rs. 8.06 lakhs. Government would like multi-purpose societies orientated more definitely to the work of increasing the yield from land, particularly by introducing better agricultural practices. Production of other foodstuffs also by co-operative may be mentioned. Thirty-eight milk supply unions and 620 milk supply societies supplied milk and milk products to the value of Rs. 1,32.45 lakhs to general consumers, State hospitals, jails, child-welfare centres, hostels, etc. Forty-four egg marketing societies supplied 2.56 lakhs eggs valued Rs. 32,000. Other kinds of societies, which were engaged in food production were 257 fishermen societies, 14 furit growers' co-operative societies 5 salt workers societies, 13 sugarcane growers' societies, not to mention over 2,000 palmyra jaggery manufacturing societies.

8. In addition to food production, co-operatives made a remarkable contribution to the production of textiles. The weavers' co operative in the State uumbering 1,017 with 1.76 lakhs of looms accounted for about one-third of the handloom cloth produced in the State. Their sale exceeded Rs. 1,000 lakhs.

9. There was increased production by ce-operatives during the year particularly of metal waie, coir goods, potteries, basket, oil, leather goods and toys. At the end of the year, there were 279 cottage industries societies as against 269 at its beginning and the value of goods sold by these societies to the public during the year amounted to Rs. 49.01 lakhs as against Rs. 44.37 lakhs during the previous year. During the year, a sum of Rs. 45,600 was placed at the disposal of the Registrar for the development of these societies and, out of this, a sum of Rs. 23,702 was disbursed to 50 as subsidies towards establishment and contingent expenses and the cost of equipment, etc. The question of bringing all cottage industries in various departments under a unified control with a view to secure their rapid development is under consideration of Government.

10. Harijans and backward communities continued to receive State assistance through special types of societies. At the end of the year, there were 2,445 societies for scheduled castes and other backward communities with a membership of 1,69,491 and a paid-up share capital of Rs. 10.9 lakhs. The members contributed Rs. 78,188 towards thrift deposits during the year. They invested their earnings also in other forms of deposits to the extent of Rs. 22.1 lakhs. A sum of Rs. 26,820 was disbursed to deserving societies during the financial year ended 31st March 1951 as scriptory grants. In the Rajahmundry circle, there were 28 credit societies specially organized for Hillmen. The exemption granted to Scheduled Caste societies and schedule Case members of other societies from the payment of registration fees was continued during the year. Scheduled Caste societies were also exempted from the payment of contributions from their net profits to the Audit Fund.

11. Co-operati e housing societies recorded another year of progress. The number of housing societies of all types increased from 280 to 293 during the year. Six hundred and seventy-eight houses were completed by these societies during the year and 1,842 houses were in various stages of construction. As against an amount of Rs. 1,2.23 lakhs sanctioned, loans to the extent of Rs. 79.96 lakhs were disbursed to the societies during the financial year 1950–51. The rural housing scheme introduced last year was continued, the Government having permitted the organization of a second society in each district in the second year of the scheme. At the end of the year there were 32 rural housing societies. On account of the poor resources of these societies the Government extended to them some extra concessions such as exemption from payment towards cost of the land acquisition staff.

12. The ex-servicemen co-operatives continued to provide employment to demobilized personnel. The value of goods produced by the Co-operative Workshops amounted to Rs. 6.31 lakhs during the year as against Rs. 5.71 lakhs during the previous year and the salaries and wages paid to their members amounted to Rs. 1.87 lakhs as against Rs. 1.50 lakhs in the previous year. The eleven ex-service men colonization societies brought under cultivation 4,682 acres and raised mostly food crops. Thirteen motor transport societies for ex-servicemen employed 561

exservicemen and paid Rs. 6.90 lakhs as wages and allowances. The Government permitted the societies to undertake passenger transport and they put on the road 20 buses during the year.

13. The department also continued its useful work of rehabilitation of ex-tappers. At the end of the year there were 2,017 palm jaggery societies with 1.5 lakhs of ex-tappers as members as against 1,881 societies with 1.27 lakhs of ex-tapper members at the end of the previous year. The societies produced jaggery to the value of Rs. 1,36.88 lakhs during the year. Small loans to the extent of Rs. 3.46 lakhs were issued by the societies to the ex-tappers to enable them to meet expenses in connexion with the manufacture of jaggery and to undertake subsidiary occupations. There were also 10 milk supply unions, 173 milk supply societies, 8 land colonization societies and 61 field labourers and tenants' co-operative societies with 5,734 ex tappers and 11,276 ex-addicts as members.

14. Another scheme to which the department devoted special attention was the one for the development of co-operatives in selected firkas and centres. During the year, 278 more villages were brought within the co operative fold either by organizing new societies or by including them in the area of operations of existing societies. At the end of the year out of 2,382 revenue villages in the select areas, 1,989 were served by co-operative societies and in 35 select firkas, every village was served by co-operative society. These co-operatives also undertook procurement and supply of raw materials to village artisans in selected firkas.

15. While recording the all-round progress made by the movement during the year, the Government are particularly glad to note its contribution towards increasing production of food and cottage industrial goods. It is noteworthy that weavers' co-operatives contributed nearly 1/3 of the handloom cloth manufactured in the State. Other notable items of progress are in the work of resettlement of ex-servicemen, rehabilitation of ex-tappers, equitable distribution of controlled commodities and relief of the housing shortage. The Government desire to place on record their appreciation of the continued efforts of the Registrar of Co-operative Societies, his officers and staff and the whole-hearted co-operation of non-officials which made progress in these directions possible.

The Madras State Co-operative Union.

CO-OP. SUPERVISORS EXAMINATION RESULTS—MARCH 1952.

Erratum slip to March 1952 examination results published at pages 58 to 67 of July 1952 issue of the Madras Journal of Co-operation.

ERRATUM SLIP

Full Pass—Second Class:

Coimbatore Centre.

Read for			*Read as*		
S. No.	Name of the Candidate.	Regd. No.	S. No.	Name of the Candidate.	Regd. No.
43	Ramaiah, T.K.	4257	43	Ramaiah, T. K.	4357
55	Sivagurunathan, K.S	4374	55	Sivagurunathan, K.S	4378

Tanjore Centre.

195	Sethuramalingam, T.V.	4979	195	Sethuramalingam, T.V.	4579
212	Subbanaidu, E.	4004	212	Subbanaidu, E.	4604

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SUPPLEMENTAL LIST

PASSED IN PART IV :

Coimbatore Centre

S. No.	Name of the Candidate	Regd. No.
1.	Kannan, K.	4311

Tanjore Centre

2.	Srinivasan, P.R.	4598

(This candidate Sri P. R. Srinivasan underwent Co-op. Training in Tanjore Institute during 1951-52 and came out successful in the theory examination in March 1952. As per letter dated 17-9-52 of the Madura Central Bank he came out successful in Practical examination also. Thus he completely passed the examination in full.)

The Handloom at the Cross Roads

SRI VISWANATHAN TEKUMALLA,

Madras Journal of Co-operation

The Hon'ble Sri C. Rajagopalachariar, Chief Minister of Madras broadcast over the A.I.R. on 11th June 1952 and an earnest appeal to the people to patronise the handloom cloth and save the handloom weaver from starvation. He followed up this appeal with a request to the Central Government to reserve some varieties of cloths exclusively for production on the handlooms He revealed it at a meeting held at Saidapet (Madras) on 20th July 1952. He said, ' I know their (weavers') difficulties are mainly due to the competition from the mill. Unless what they have woven is sold they cannot hope to live. They simply cannot go on borrowing The people should therefore make it a habit to buy only handloom cloth. Yarn and cloth pertain to the Central Government......We have asked the Centre to reserve to the handloom weavers certain varieties of production of cloth like bordered dhotis and sarees. Any other help to the weavers may relieve their of difficulties only temporarily but not permanently. If this suggestion is accepted handloom weavers live happily. The mills may be asked to confine their production to making cloth for coat, shirt and trouser and for export purposes."

Rajaji reiterated his suggestion at a Press Conference on 18th August 1952. He said, "In my opinion it is the legitimate right of the cottage industry to produce and supply sarees and dhotis, but the textile mill industry, protected by the Government of India, "Stole" the patterns and captured the market ......It is amusing, if not tragic, that we should try to find foreign markets for our handloom products when there is an internal market ready for them ... The demands for the dhoties and sarees being a traditional rural custom, why should the rural weaver yield the home market and search for purchasers in other countries? Restriction of old rights enjoyed for generations, often looked like revolution and long standing exploitation attained the status of a vested right......I want the Government of India to compell the mill industry to agree, because it has protected it for so many years and brought prosperity to it."

While addressing the Piece Goods Merchants Association and other commercial bodies on 1st September 1952 the Hon'ble Sri T.T. Krishnamachari, Union Minister for Commerce and Industry referred *inter alia* to the reservation suggested by Rajaji and said "I am one of those who believe in the progress of the handloom industry as it provides employment for large numbers of people ; but there must be a pragmatical approach to its difficulty. The Central Government is very much interested in the handloom industry, but at the same time it must be noted that while there were 3 lakhs looms before the war now there are 8 lakhs looms working in the industry. That shows how people have flocked into the industry seeking higher profit. So there are some difficulties in the trade consequent on this rush into the industry not of the government's making.

To say that the production of sarees and dhoties should be exclusively reserved for the handloom industry means that certain facts are not realised. The handloom industry only produces 180 million yards of sarees and dhoties whereas the mills produce 1,700 million yards of these. So if the reservation proposed is accepted there would be great short of supply, apart from the fact that it would be unfair."

At a Press Conference held on 8th September 1952 Rajaji referred to the statements made by the Union Minister in the matter and said, "I am convinced that this reservation is the only proper, fair and just and also economically sound solution for the conflict that has arisen between the unprotected handloom industry and the long protected mill industry. We are not concerned with the private feelings but with the merits of the handloom industry and its present position arising out of its dependence for yarn on will industry and the competition of the mills in a field which was entirely the monopoly of the Indian handloom all through the ages till recently......Dhoties and sarees are peculiarly Indian and can give adequate employment to the fifty lakhs people engaged in the handloom industry. The total number of people engaged in the weaving section of all mills in India would be much less than 1 lakh workers. Actually it has been calculated that they would be only about 60 thousand. The number of men, women and children depending on the handlooms in Madras State alone is I think 50 lakhs. The question is not therefore one of yardage, but of human families whose care is the obligation of the State government and therefore the Union Government also. I am afraid the Union Minister has made some error in his statistics but nothing much hangs on that argument.

The production of cloth is about four thousand million yards per annum for the mills and the production of cloth by the handlooms may b e taken to about two thousand million yards. The most of the latter is dhoties and sarees whereas the production of dhoties and sarees by mills has not been even upto 50 per cent. Dhoties and sarees have been a good field for exploitation for mills only in recent times. . . . It is really ridiculous to talk of the handloom weavers of India going over to other occupations and it really amounts to a policy of allowing a million families in Madras or 3 times that number through out India to be wiped out of existence. This will not happen. Human beings do not allow themselves to be wiped out. Problems will be created in the mean while, which the Government will not be able to solve peacefully. I wish to avoid this and have suggested a fair and practicable compromise which can be smoothly worked. . . . It has been stated that there will be a cloth famine if dhoties and sarees are reserved for the handloom cottage weavers. This is a groundless apprehension . . . The people in general and the weavers will adjust among themselves on the question of cost. If the people cannot bear the cost of handloom cloth, they cannot bear the starvation of weavers either."

At a Press Conference held on 11-9-52, the Union Minister said that he proposed to recommend to the Government the setting up of a "high-powered committee which would go into the whole question of the textile industry covering the mills, power looms and handlooms, with fairly wide terms of reference." During the course of his statement he said, "I had also indicated (to Madras Government) that I had schemes to re-organise the handloom control at the Centre and had been investigating the possibilities of increasing the area of reservation now made for handlooms. It must be realised that the existing reservations have

in some cases led to some further difficulties as in the case of towels, bed-spreads etc., stocks of which are considerable . . . The facts are that while we have detailed statistics of mill production, we have no such statistics of handloom production and we have to make a rough guess on the basis of the yarn supplied. Yarn supplied to the handlooms is not all woven into dhoties and sarees . . . On the basis of yarn supplied to handlooms the production of sarees and dhoties in Madras would be in the region of 170 to 180 million yards or a little more. For the whole of India the estimate is probably round about 600 million yards of handloom dhoties and sarees. On the other hand taking the consumption figures as the basis the country needs about 2,000 million yards of dhoties and sarees, about 1,400 to 1,700 million yards of which are being supplied by mills and 600 million yards by the handlooms. Even this may not indicate the optimum consumption needs of the people. Of late there has been a demand for dhoties and sarees in certain areas, particularly West Bengal and Bihar etc. With this demand for dhoties and sarees is hardly possible that even if all other conditions are ignored our handloom industry would be able to produce any thing like the required quantity for All India.

It seems that consumers all over India want mill cloth which is cheaper. We cannot ignore the consumers' interest which is the primary one with which we are concerned . . . This is the back ground of this question. What the Government of India are going to do is that they propose to set up a high powered Handloom Board I propose to ask the Textile Commissioner to make himself responsible for the distribution of yarn to handlooms .....I have circularised all the State Governments asking for their opinion whether this reservation cannot be abolished ..... The whole aim of Government is one of providing sufficient cloth at prices which are within the reach of the consumer and at the same time providing for maximum employment. It is for this purpose that we have to check rapid transformation in the contour of industry which would leave in its trail unemployment and misery to human individuals. Isolating any part of complex problem and simplifying it and suggesting a remedy goes against economic realities........The task of the Central Government therefore is to adjudicate betweed conflicting interests and at the same time see that nobody is wiped out."

Sri M. Somappa, President of the Madras State Handloom Weavers' Co-operative Society, issued a statement on this question on 8th Sept. '52 in the course of which he said as follows:

"The Minister has said that the entire handloom industry in the country had been able to produce only 170 to 180 million yards annually. This figure is not correct. The Madras State Handloom Weavers' Society which has just about 2 lakhs of looms, has been producing annually about 100 million yards, though the yarn supplied to it is hardly sufficient for ten days in a month. The society and its affiliated primaries are capable of producing about 250 million yards annually if adequate yarn is supplied. The fact is that the handlooms of the country totalling approximately 29 lakhs have been producing annually not 170 to 180 million yards but 1,500 million yards. They are capable of producing a minimum of 3,000 million yards, if enough yarn is supplied......The total production of cloth in sarees and dhoties by mills was 600 million yards during 1950-51 and 1,300 million yards during the peak year 1951-52 but never 1,700 million yards..............It is not without serious consideration that Sr C. Rajagopalachariar. Chief Minister said that sarees and dhoties could be reserved for the handloom industry.

Sri Somappa reiterated the need for reservation even in his statement issued on 18th September 1952. He said, " As regards the Union Minister's contention that the reservation sought by the Madras Government should not be parochial but should be examined in an All-India outlook be it remembered that handlooms in Bombay, Madhya Pradesh and Orissa produce on average 80 per cent of their production as sarees and dhoties. Madras production of sarees and dhoties form less than 70 per cent of its total product on. Bombay alone has 95 per cent of sarees and dhoties production. Punjab does not suffer at all as sarees there are not in vogue. The reservation sought by the Madras Chief Minister thus helps to a far greater extent to the other States mentioned ....the vital need of the hour is action to product the famishing industry and not further constitution of fresh committees with all the attendant delays."

Books in Brief

Village ABC.-F. L. Brayne-Oxford University Press.—Illustrated by C. H. G. Moorhouse-Double Crown 1/16 pp. 186 price Rs. 3.

This book contains brief hints on rural reconstruction. Mr. F. L. Brayne is not unfamiliar to the public of India and particularly social workers as the author of "Socrates in an Indian Village." and some other books. Ma. Brayne did immense works for Rural Punjab and gained immense experience in Rural Reconstruction work during a period of over two decades. This book sums up all the wealth of experience which he collected during the course of his Rmral Reconstruction work. Village and the home are now the most important units for all planning for the promotion of welfare and happiness of the people. It is therefore necessary to find out what is needed to rebuild our homes and villages so that our country may be happy and prosperous. As the author himself states, this book tries to help in the work. It is not a book of wisdom. It is a book of tips, in which the author has tried to point out some of the simple ways in which we can make our homes, and our lives more healthy, more happy, more comfortable and more prosperous.

The book contains 456 hints in the form of a dictionary or rather an encyclopaedia on Rural Reconstruction. Every word printed in the dictionery in alphabetical order is the subject of a special paragraph explaining clearly the idea contained in the word. There is very little in this book which is new; yet the suggestions and explanations are based on successful experiments carried out in many places by the author and his team of workers.

The book is more than a mere dictionary : Some of the ideas contained in it drive home to the mind of the reader powerfully some of the basic requisites for a comphehensive system of Rural Reconstruction. For instance while explaining "Research" the author says "*We must always encourage our government to spend more and more on researoh and we must never let government stop research on the excuse of insufficient money. Research makes money and it is madness to stint it for money.*"

Under the heading "Wolf Childern" the author discribes how wolves have taken and brought up human children and how it has been impossible to undo in the case of such children the whole of the training given by the wolf mother. Following this idea the author impresses upon the reqder the need for proper training of the child by his words : "*Does not this show how extremely important it is that those who are responsible for the training of children during should their early years when what they learn has such a lasting effect, themselves be very carefully trained?*"

Under "Tidying up the home" and "Tidying up the village" the author gives valuable suggestions relating to gardening, water subply, house building, recreation, sanitation, etc.

The book indicates the masterly study of the needs of the village by the author and therefore is indespensible for any rural worker or propagandist. The value of the book in these days of planning for the countryside and rural development through community projects cannot be over emphasised.

V. N. T.

Agricultural Finance in India :—with special reference to Co-operative Movement–by Sri D. K. Rangneker, M. Com.–foreward by Prof. D. R. Gadgil, M. A., M. Litt. Cant.–published by Co-operators Book Depot, 9 bake house Lane, Fort, Bombay–Demp 1-8. Pp. 241–cloth bound with an art-paper jacket–price Rs. 15.

The book is largely based on a thesis submitted by the author for the M. Com. Degree of the Bombay University. The author subsequently revised the original chapters added some more chapters and of these in the light of recent developments of agricultural finance and agrarian reforms.

The book is divided into 12 chapters. The first chapter an introduction desbrices the nature of agriculture and the peculiarly inferior position of the agriculturists. The second chapter entitled "The Problems of Rural Finance in India" describes briefly the economic transition in the country. It describes how the condition of the cultivators has become miserable and how they have ceased to produce for themselves and how they produce for the money lenders who finance the production. In the third chapter the various agricultural credit needs and the various credit agencies, the interest rates, the various practices of money lenders and other agencies are described. The fourth chapter describes the business methods and practices of the indeginious banker, the nidhis and chit funds and the commercial banks. The progress of the Takkavi loan system of the State in also discussed. Chapter five deals with marketing finance in India. The author has described briefly how the village money lenders and traders play a very large part in providing marketing finance to the agriculturist and how the agriculturist is handicapped by his being placed in the hands of his money lender. The next two chapters deal in some detail with the problems of rural indebtedness and savings and of debt relief. The author has shown how the rural prosperity is a myth and how the ryot is grouning under the burden of debt. Regarding the question of rural savings the author had indicated that there might be a little surplus money lodged in the hands some of the upper classes. He, however, has made it clear that these small surplus funds should not be mobilieed for financing the expenditure of the Central Government but should be utilised for reorganising the rural economy. The various causes of rural indebtedness and their consequences are dealt with at length. Dealing with debt relief the author has suggested the regulation of private money lending and the need for a practical out look in the administration of debt relief, debt conciliation and othet relief measures. He pleads for looking a-head and for evolving corporate planning on the lines adopted by western countries like Russia.

The next two chapters deal fairly exhaustively with the progress of the Co-operative Movement in India and the working of co-operative societies. The author has dealt in some detail the system of short and medium term credit and the various problems involved in it. The working of the credit societies, mutti-purpose societies, central banks and the Apex Bank and the system of controlled credit and crop loans is described. The author has endeavoured to evaluate the Co-operative Movement on the basis of the experience of co-operators and the actual working of the societies. He has shown lack of spontaneity, official control and supervision, inefficient management, lack of co-operative eduction and propaganda have been to a large extent responsible for the slow and at times

unhealthy progress of the Movement in our country. The need for co-operative planning and reaponsibility of the State in the building up of a co-operative community has been properly and adequately stressed.

The question of long term credit has been dealt with in a separate chapter. The chapter contains the working of the Land Mortgage Banks in Madras, Mysore, Bombay and elsewhere. Basing on the experience of the long term credit movement in the country the author has endeavoured to bring out the defects and to suggest ways and means of building up a healthy Land Mortgage Bank Movement. The last two chapters deal with the financial reconstruction and the role of the Reserve Bank of India in the role of agricultural finance. The proposals of the Gadgil Committee, the Saraiya Committee and the Nanavati Committee (of Bombay) and also of the Rural Banking enquiry Committee are discussed and some suggestions regarding the reorganisation of the credit machinery for short, medium and long term credit are given. The author has stated that the problem of agricultural credit cannot be tackled on a narrow plane and that the agricultural problem must be viewed as a whole and tackled as a whole. The role of the Reserve Bank with regard to financial accommodation for agricultural operations and marketing is briefly described and finally the future role of the bank with regard to the provision of short, medium and long term credit is indicated. The author has suggested that only a liberalisation of procedure on the part of the Reserve Bank could achieve this necessary objective.

A note on crop insurance is appended. In it have been discussed the need for crop insurance in our country and the progress of such insurance in America. The author has pleaded for top priority for such a measure in the programme of rural development of our country.

The book is undoubtedly an excellent analysis of the working of the various rural credit agencies and a comprehensive presentation of the various problems relating to rural indebtedness, savings and financial accommodation. The place of co-operation in agricultural finnnce is clearly shown, though of necessity the conditions of Bombay are given greater importance than those obtaining in the other States. The book makes a good text book for any student of agricultural economics and excellent study for one interested in building of Rural India on the financial side.

V. N. T.

G.Os. and Circulars

IN THE HIGH COURT OF JUDICATURE AT MADRAS.

(Special Original Jurisdiction).

Wednesday, the twentieth day of August

One thousand nine hundred and fifty two.

PRESENT:

THE HONOURABLE MR. JUSTICE SUBBA RAO.

Writ Petition No. 319 of 1952.

Between:

M. D. Krishnamurthy, Director, T.U.C.S. Triplicane, Madras. ... *Petitioner.*

and

1. The Deputy Registrar of Co-operative Societies, Chepauk, Madras
2. Secretary, Triplicane Urban Co-operative Society Limited, Triplicane
3. State of Madras represented by the Registrar of Co-operative Societies Chepauk, Madars.

... *Respondents.*

Petition under Article 226 of the Constitution of India praying that in the circumstances stated in the affidavit filed therewith the High Court will be pleased to issue a writ of certiorari calling for the records relating to the order in R. C. No. 37540/51 C dated 15—4—1952 on the file of the Deputy Registrar of Co-operative Societies, Chepauk, Madras and quash the order made therein.

ORDER:

This petition coming on for hearing on Monday and Tuesday the 18th and 19th days of August 1952 upon perusing the petition and the affidavit filed in support thereof and the Rule Nisi herein dated 23—4—1952 and the counter affidavit filed herein and the other papers material to this application and upon hearing the arguments of Mr. K. V. Venkatasubramania Ayyar and Mr. T. P. Gopalakrishnan, Advocates for the Petitioner and of the Government Pleader for the Respondents 1 and 3 and the 2nd Respondent not appearing in person or by advocate and the case having stood over for consideration to this day, the Court made the following

ORDER:

This is an application for issuing a writ of certiorari to quash the order of the Deputy Registrar of Co-operetive Societies dated 15—4—1952.

The petitioner was elected as a Director of the Triplicane Urban Co-operative Society Limited in February 1952. One of the paid employees of the said society is one Rajagopalan. The petitioner and Rajagopalan have married sisters. On 26—3—1952 the Deputy Registrar of Co-operotive Societies issued a notice to the petitioner calling upon him to show to cause why he should not be removed from the Baard of Directors on the ground that he was a near relative of one of the paid employees of the society. The petitioner offered his explanation by his letter dated

9—4—1952. On 15—4— 1952 the Deputy Registrar made an order declaring that the petitioner would cease to be a director of the Triplicane Urban Co-operative Society. The aforesaid petition has been filed to quash that order.

The learned counsel for the petitioner raised before me three points. (i) The bylaws and the rules governing the society provided for an election petition and as no election petition was filed within the time prescribed the petition and election to the directorate cannot be questioned. (ii) The rule prescribing that near relationship is a disqualification is ultra vires the Constitution. (iii) The Deputy Registrar has no power to direct the removal of a person elected to the directorate.

To appreciate the first contention and to provide an answer for the same the relevant provisions of the rules made under the Madras Co-operetive Societies Act, the bylaws of the Triplicane Urban Co operative Society and the rules of the society may be extracted. Rule 65 (i) says:—

> "The Provincial Government may, for the whole or any part of the Presidency of Madras, and for any Registered society or class of such societies make rules to carry out all or any of the purposes of this Act.

Rule 65 (2) (i) says:

> "In particular and without prejudice to the generality of the foregoing power, such rules may provide for the appointment, suspension and removal of the members of the committee and other officers and for the procedure at meetings of the committee and for the powers to be exercised and the duties to be performed by the committee and other officers".

In exercise of the said power the Provincial Government made rules. Rule XXVII (i) says:

> No person shall be eligible for appointment as a member of the Committee of any society, if he is a near relation of a paid employee of the society; provided that if any question arises whether a person is or is not a near relation of a paid employee of the society, the question shall be referred to the Registrar and his decision shall be final.

Rule 2 of the Co-operative Societies Act states:

> With every application for registration, the applicants shall submit a draft of the bylaws agreed upon by them. The bylaws shall be consistent with the Act and with the rules made by the local Government thereunder and they shall deal with the matters specified in clauses (a) to (z) and may deal with such other matters incidental to the organisation of the society and the management of its business as may be deemed necessary".

Rule 19 (ii) (a) of the bylaws of the Triplicane Urban Co-operative Society states:

> "The Board of Directors shall have the power to draw up and enforce rules not inconsistent with the bylaws for the following among other purposes:
>
> (v) The election to the Board of Directors and to the Local Panchayats".

Rule 21 of the bylaws of the T.U.C.S. States:

"No election shall be called in question except by an election petition presented by any voter or voters of the branch in which the election has taken place within 3 days after the publication of the elections at the branch concerned".

Rule 24 states:

"All election objection petitions be tried by an adhoc committee of 3 independent advocates appointed by the Board of Directors from among the members of the society who do not hold any honorary office and their services be purely honorary. There shall be a right of appeal from such decisions of the committee within 3 days after the communication of the decision of the committee. The Board's decision on appeal will be final".

It will be seen from the aforesaid provisions that under Rute 27 (a) of the rules made under the Madras Co-operative Societies Act, the Registrar shall decide when a question is raised whether a person is a near relation of the paid employee, whereas under the rules framed by the Co-operative society an election of a person to the directorate can be questioned only by an election petition filed within 3 days from the date of the election and that election petition will be disposed of by a committee of 3 advocates subject to an appeal to the Board. It is, therefore, manifest that the rule in so far as it encroached upon the right of the Registrar to decide the question under Rule 23 (a) is inconsistent with the rules made under the Madras Co-operative Societies Act The Registrar may hold that a director is a near relation of the employee whereas the ad-hoc committee, or an appeal, the Board may hold that he is not a near relation. There may be inconsistent decisions. It, is therefore, a clear case of inconsistency between Rule 27 (e) and the rules made by the Society. If so, the bylaw which is inconsistent with the provisions of the Act is bad. The Registrar is given a clear power under Rule 27 (c) to decide whenever a question arises whether a person is or is not a near relation.

The learned counsel then contended that Rule 27 (e) is invalid as it confers upon the Registrar a naked arbitrary power. In appreciating this argument a distinction must be made between a rule conferring a power and an authority on whom such a power is conferred abusing that power. Taking the first aspect of the question, I find it rather difficult to hold that the rule conferred an arbitrary power upon the Registrar. The question to be decided is a simple one, namely, whether A is a near relation of B. The power to decide that question is conferred upon the Registrar who is accustomed to discharge judicial functions under the Act and who is expected to decide the question judicially. As the Registrar discharges his duty judicially and as his order is subject to revision to the Government he is expected to give his reasons for his decision. If he goes wrong the Government under Section 57 of the Act can rectify the mistake. In these circumstances the power conferred upon the Registrar cannot be held to be an arbitrar power. It was said that under this rule the Registrar may hold a person remotely related is a near relative. As I have said, the Registrar exercising his functions judicially is not likely to abuse his power to such a degree and if he does so a revisional tribunal is there to rectify it. At the same time to avoid such an abuse the Government may consider the

question of adding a new rule prescribing the degree of relationship which would be a disqualification under rule 27 (1) of the rules.

I cannot also hold on the facts that the Registrar acted arbitrarily in the present case. The families of persons who married sisters are often more attached to each other than other families. Such families would be mutually interested in the welfare of each other, and they are therefore prone to help each other. The right to inherit the property of another is not the only test of near relationship. It cannot be satd that the relationship in question is not a near relationship in the ordinary sense of the term. In these circumstances when the Registrar said that they are near relations, I cannot say that he acted arbitrarily.

I therefore, hold that the rule is valid and the Registrar has not acted arbitrarily in exercising the power conferred on him under the rule.

Even so, the learned counsel contended that there is no provison under the Act empowering the Registrar to remove the petitioner from the directorate. It is not necessary to express my opinion on the question as the Registrar did not purport to do any such thing in exercise of the power conferred on him. He decided that the petitioner is disqualified to be the director of the society. What would be the consequence of such a declaration I need not dilate upon.

In the result, I hold that no case has been made out for issuing a writ of certiorari. The petition is dismissed with costs.

Memo of Costs.

1 and 3 Respondents costs.

	Rs.	A.	P.
Stamp for vakalathama	0	0	0
Advocate fee allowed.	100	0	0
Translation and Printing charges.	0	0	0
Total ...	100	0	0

To be paid by the petitioner to the Respondents 1 and 3.

(True copy.)

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES, MADRAS.

Endt. 57295/22 B2.

Dated 15—9—1952.

Copy communicated.

G. VISWANATHAM,
For Registrar.

Co-op. News

Foreign

Practical International Co-operation.

A striking increase in the number of projects for technical assistance to under developed countries in the fields of Co-operatives and handi-crafts has been reported by the International Labour Organisation.

The international agency, principally concerned with co-operatives under the Expanded Programme of Technical Assistance, the ILO has registered, during the past five months, a 80 per cent increase in the number of such projects.

Twenty-seven countries are now scheduled for thirty-six projects in these fields.

Experts have recently left Geneva for Burma, Haiti, Iran and Mexico and members of the Staff of an Asian Co-operative Field Mission are now assembling in Geneva prior to leaving for Lahore (Pakistan) where the mission will have its headquarters.

Experts are already in Burma, Ceylon, Salvador and Haiti and missions have been completed in Ceylon, Iran, Iraq, Jordan, Lebanon, Libya, Syria and Thailand.

The aid provided by the ILO covers a wide field of Co-operative activity, including cottage and small scale industry, consumer and marketing societies, training and such key questions as legislation and accountancy.

Provincial

Conference of Bank Supervisors and Union Representatives, Tinnevelly.

The 24th Business Conference of Supervisors and Union representatives of Tinnevelly Co-operative Central Bank was held on 7—6—52 at Tinnevelly, Sri Medai Dalavoi Kumaraswamy Mudaliar presiding. About 30 Supervisors and 5 Inspectors and representatives of 10 Unions attended, besides some officers of the Co-operative Department. Among the subjects considered were those relating to food production and cultivation of Government waste lands and patta lands, distribution of chemical fertilisers, iron and steel and improved seed, purchase of tractors etc., membership drive, introduction of multipurpose activities and amelioration work. The work done during the past half year was reviewed, ways and means were decided on for carrying on the work on a more intensive scale. The President appealed to the Conference to take an increasing interest in the promotion of the Movement in all its aspects.

Conference of Supervisors and Sub-Registrars of L. M. Banks, Rajahmundry.

The 2nd regional conference of the Supervisors, paid Secretaries, Co-operative Sub-Registrars for Land Mortgage Banks in the North circle was held at Rajahmundry on the 19th and 20th June 1952. The conference was well attended by the non-official and official wings of the Land Mortgage Banks Movement. Some of the recommendations made by the Conference are the appointment of 3 reserve Co-operative

Sub-Registrars for the North, Central and South circles so that they may be deputed to work where the work is particularly heavy so that the loan work may be expidited; the investing of Co-operative Sub-Registrars with power to recommend loan applications upto Rs. 500 and also power now vested with the Deputy Registrar for the execution of Land Mortgage loan recoveries in the primary banks: the introduction of an uniform method in discharging prior debts due to village credit societies whereby debts which are not overdue may not be required to be discharged by Land Mortgage Banks even though they are prior debts of the applicant on the date of his application for loan ; and an amendment to Rule 18 of the Madras Co-operative Societies Act enabling the employees of Land Mortgage Banks to be members of the land mortgage banks and have benefit since otherwise they may have difficulty in obtaining long term loan from other sources.

Tambaram Co-operative Building Society.

At its General Boby Meeting held on 17—8—52 Sri P Krishnan presiding the General report and audit certificate of the Tambaram Co-operative Building Society were approved for the year ending 30—6—51. The society has on its roll 229 members, with a share capital of Rs. 1,04,084, the amount of loan advanced being Rs. 3,21, 085. Forty houses have been completed and 20 more are under construction. The society is trying its best to tackle successfully the housing problem ef the middle and lower middle class people in the outskirts of the Madras City.

The Kalakad Co-operative Stores, Ltd.

The Kalakad Co-operative Stores invested Rs. 1,000 in the 4% loan bonds of the Madras Government.

Tirupatur Town Co-operative Bank, Ltd., (N. Arcot Dt)

At the General Body Meeting of the Tirupatur Town Bank held on 31—8—1952 Sri G. Swaminaidu presiding a new board of directors was elected. Sri G. Swaminaidu was re-elected as its President. It was also resolved to construct a meeting hall and also celebrate the Silver Jubilee of the Bank in view of its solid work for the past 36 years.

The Thiruppathur Co-operative Marketing Society, Ltd., (Ramnad Dt.)

At the Annual General Body Meeting of the Thiruppathur Marketing Society held on 14—9—52 with Sri V. K. Meenakshisundaram Pillai in the chair, the administration report and the audit certificate for the year 1950-51 were approved. The General Body declared a dividend of 6½% to the share holders. A new board of directors was elected. Sri A. Ramachandram Pillai, Secretary of the society was elected as delegate to the Madras State Co-operative Union and Tamil Nad Co-operative Federation.

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 long-term agricultural credit and issues debentı on the security of first mortgages transferred to Primary Land Mortgage Banks and its assets.

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

Summary of Balance Sheet as on 30—6—'52

Liabilities.	Rs.	Assets.	Rs.
Paid up Share capital.	20,47,600	Cash on hand & balance with Banks.	48,5
Reserve and other Funds ...	31,38,519	Loans to Primary Banks ...	4,84,96,9
Debentures ...	5,59,49,000	Sinking Fund Investments ...	1,02,18,1
Deposits, Loans and Overdrafts ...	23,34,832	Other Investments ...	42,91,8
Sundry Liabilities ...	3,66,639	Sundry Assets ...	11,21,
Profit ...	3,36,279		
Total Rs. ...	6,41,72,869	Total Rs. ...	6,41,72

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

Secretary.

Edited and Published by Dr. P. Natesan, M.B., B.S., at M. S. C. Bank Buildings Esplanade, Madras. Printed by Sri S. Sundaresan, L. P. T., at the Central Co-operative Printing Works, Ltd., 1/17, Mount Road, Madras—1,700—9-52.