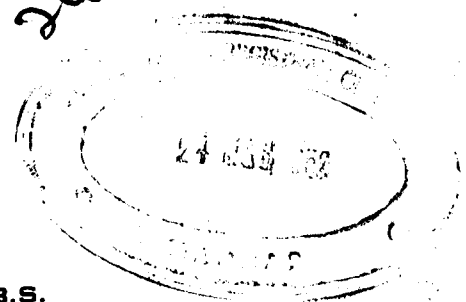


The Madras Journal of Co-operation

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THE

Madras Journal of Co-operation

EACH FOR ALL AND ALL FOR EACH

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

FEBRUARY 1952

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

Thought for the Month

Call to Action.

A great deal of work remains to be done. Not all the Co-operative societies which have sprung up in the under-developed countries are perfect; their methods of working and even their structure can and should be improved. Their number, however significant it may be, is still comparatively meagre and should be many times multiplied. The work has immense possibilities also, since, when co-operation has achieved that vast conquests which are possible in countries representing more than half the human race, it will have brought about a revolution: a silent but none-the-less profound revolution. To aid these conquests and this resolution, the co-operative organisations in the most favoured countries can bring their experience, their experts and their methods of instruction.

Co-operative Education is of the utmost importance in this context. Whether it aims at attracting a larger proportion of the population to the co-operative movement or whether the aim is, as here and now, to achieve a broader understanding, co-operative education remains the most exacting and never-ending task, as well as the most essential and the most rewarding, because it leads men to think and act in ways without which co-operation could not exist.

—M. Columbian, Former Chief of the
Co-operation Service, I. L. O.

Sri T. A. Ramalingam Chettiar.

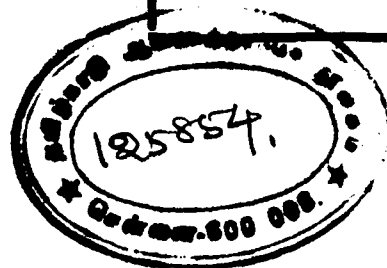
It is with the deepest sorrow that we announce the sudden demise of Sri T. A. Ramalingam Chettiar, President of the Madras State Co-operative Bank Limited, on 12-2-1952 at Coimbatore. Sri Chettiar, who was 72, had not been well for some time, but it was, however, felt that he had tided over the crisis and had been on the way to recovery. But suddenly there was another heart attack and the best medical help was of no avail.

Sri Ramalingam Chettiar was probably the best known co-operator in South India and one of the best known Co-operators in all India. After Sri V. Ramadas Pantulu, he became the virtual leader of the Co-operative Movement in South India and did much to develop and consolidate the Movement. He held numerous offices of responsibility in Co-operative Institutions and district and provincial levels and strained every nerve to keep them in progress.

Four outstanding features of Sri Chettiar's work mark him out among the public workers in our country. First, he had a wide experience and intensive knowledge of every aspect of co-operative and other matters. He gave a lead to the Movement during the hard years of war and post-war period; Secondly, he was a great fighter for right and justice and a man of great principles. He had a stern will and never compromised when his high ideals and principles were at stake. He gave moral strength to any cause and contributed to its success. Thirdly, though co-operation was his main item of public service, he was intimately connected with other nation building activities like the Panchayat Movement and even with public administration. He was the leader of the Panchayat Movement in the State and was also for a long time a Legislator. He also served on numerous Committees appointed by the State and Central Governments. Fourthly, in spite of all the public activities he took keen interest in literature. He was a good scholar in Tamil and was the author of interesting valuable articles bearing on Tamil Literature.

This great and versatile Indian is now lost for our country and the country is the poorer on that account. We feel that his loss has created a void in the Co-operative Movement which is hard to fill. On behalf of the Co-operators in our country, we offer our deepest condolences to his bereaved family.

May his soul rest in peace!



SRI T. A. RAMALINGAM CHETTIAR, B.A., B.L., M.P.
President, Madras State Co-operative Bank Ltd.,
(Born 1881—Died 12-2-'52)

Editorial Notes

The Recent Rural Savings Drive :

Two outstanding features of the development of the Co-operative Movement in our State during recent years have been the drive for the re-organisation of rural credit societies and the shifting of the emphasis from credit to thrift. The drive consisted in the great efforts for rapid increase in the number and membership of rural credit societies and the expansion of the scope of their activities, so as to meet the various needs of the rural dweller. The thrift movement consisted in the inculcation of the thrift habit by the celebration of Thrift Weeks, etc. and the distribution of *hundi*-boxes and homesafes for small periodical deposits.

As a result of the Re-organisation Drive, the number of rural credit societies and their membership rose from 12,056 and Rs. 8.44 lakhs in 1947-48 to 16,330 and Rs. 13.56 lakhs as on 30-6-1951. Of them 10,306 credit societies had undertaken multi-purpose activities.

Consequent on this expansion of the number and membership and activities of these societies, there is a demand for more credit. But since the thrift drive had not been, however, systematic and intensive, the accumulation of savings to meet the demand was not large. Increased dependence on the Reserve Bank of India and the Imperial Bank of India became necessary. The Reserve Bank of India was good enough to provide funds for agricultural co-operatives in an increasing measure at a concessional rate of $1\frac{1}{2}$ per cent. The Government also helped the movement by standing guarantee to the Imperial Bank of India upto a limit of Rs. 3 crores for procurement of foodgrains and an additional sum of Rs. 50 lakhs for the supply of chemical manures and agricultural implements. The loans disbursed to rural credit and marketing societies therefore rose from Rs.4.43 crores in 1947-48 to Rs. 8.61 crores in 1950-51. Yet it was found that the requirements had not been met adequately.

It therefore became imperative that a systematic and intensive effort should be made for finding more funds for the movement. This, it was realised could be done only by falling back in the first principles of co-operation, namely, thrift and self-help. This matter was considered by the 8th Tamil Nad Co-operative Conference held in September 1951 and it was decided that the Savings Campaign should be launched in the country-side forthwith. It was estimated that if all the 20,000 co-operatives in the State put their shoulder to the wheel and collected at least Rs. 1,000 each as fixed deposits, the movement would soon have additional short-term funds to the tune of Rs. 2 crores.

In pursuance of this decision of the Conference the Rural Savings Drive was launched on a State-wide basis. The Central Banks met at once and decided to collect savings with the help of the staff and every co-operative society within their jurisdiction. A special rate of interest at 3 per cent per annum was fixed and the period of deposits was also fixed at one year only.

Since the objective was to bring more money from outside into the Co-operative Movement, an endeavour was made by all co-operators and the paid staff—both official and non-official—to mop up savings wherever they were found and bring them into the co-operative Central Banks. One important feature of this Drive was that every effort was made to pool the savings of the countryside in the co-operative central banks and not in the primary co-operatives.

The Registrar and the Co-operative Department on their part took very keen interest in the savings campaign. The Registrar issued circulars to the local Deputy Registrars and others regarding the procedure to be adopted in collecting savings and remitting to the Central Banks. Targets were fixed for every district and the official and non-official staff in the districts were exhorted to make united efforts so that the target might be reached before the 31st December 1951. With a view to stimulate interest in the collection of savings, the central banks instituted trophies for awarding them to the society collecting the largest amount in the area of the central bank.

We take this opportunity to record our appreciation to the earnest efforts made by the Department and Societies to collect as much of rural savings as possible.

This savings campaign came to an end by the close of 1951 and we have pleasure to state that a sum of Rs. 1.06 crores was collected during the three months, during which the Drive was in full swing. We publish elsewhere in this issue the figures relating to the targets and collections made during the period by the 31 central banks.

It will here be interesting to note the nature of the response from the various districts and from the various regions in the State, namely Tamil Nad, Andhra Desa and Rayalaseema. The highest target fixed was Rs. 14.87 lakhs for Coimbatore and lowest target was Rs. 2.85 lakhs for Madras. In respect of collections, Guntur topped the list with Rs. 13.28 lakhs collected as against a target of Rs. 11.89 lakhs, while Srikakulam had only Rs. 0.53 lakhs, collected as against Rs. 7.67 lakhs fixed as target. The study of the figures on regional basis is still more interesting. The target fixed for the fifteen central banks in Tamil Nad and West Coast was Rs. 135.39 lakhs, averaging at Rs. 9.03 lakhs per central bank. Against this the collection was only Rs. 55.37 lakhs averaging at Rs. 3.69 lakhs per central bank. For the eleven central banks in the Coastal Andhra the target fixed was Rs. 73.87 lakhs averaging at Rs. 6.76 lakhs per central bank; and the collection was Rs. 42.37 lakhs averaging at Rs. 3.85 lakhs each. In the case of the five banks in Rayalaseema, the target fixed was Rs. 30.28 lakhs averaging at only Rs. 6.06 lakhs per bank, and the collection was Rs. 8.01 lakhs averaging at Rs. 1.60 lakhs each.

It will thus be seen that while the target fixed was high in Tamil Nad, the collection was less than in the Coastal Andhra. The collection was only about 38 per cent of the target in Tamil Nad, 58 per cent in the Coastal Andhra and 28 per cent in Rayalaseema. The factors contributing to this lack of uniformity in the collection are not yet known and we invite information on these various factors for future guidance in such undertakings.

This Drive is the first largest and most intensive effort made in the co-operative field for collection of rural savings and we feel that the over-all result is very encouraging; for the collection has amounted to over Rs. 1 crore at 3 per cent even when tight money market conditions are prevalent everywhere. We congratulate the non-official and official co-operators on their great effort. The present Drive has not only augmented the resources of the co-operatives at the moment, but also disclosed the great potentialities and popularity of the movement. Co-operators would certainly feel encouraged by this achievement and we earnestly hope that this will be followed shortly by other intensive and large scale effort to collect some more rural savings for the movement so that the dependence of co-operatives on Government and other agencies may be minimised.

An Appeal:

As a token of the appreciation of the services of Sri T. A. Ramalingam Chettiar to the Co-operative Movement in our country, we propose to bring out a special number of our Journal in March 1952 with special articles, interesting incidents from the life of Mr. Chettiar and other important features, relating to Mr. Chettiar and his work. We request the Institutions and Co-operators and other public men who were acquainted with Chettiar to send us the information which they can furnish for the purpose. Since the time before us is not much, we request that the matter may be sent before 7-3-1952, so that the publication of the number may not be hindered.

The Madras State Co-operative Union Esplanade, Madras.

Announcement

The First Madras State Co-operative Housing Societies Conference.

The First Madras State Co-operative Housing Societies Conference scheduled to be held on **Sunday the 16th March 1952** stands adjourned to a later date on account of some unavoidable circumstances. The exact date, place and other details will be published later.

P. NATESAN,
General Secretary.

The Madras State Co-operative Union.

CIRCULAR NO. I.

To
All the Delegates to the General Body of the Madras State Co-operative Union.

Dear Sir,

The Annual General body meeting of the Madras State Co-operative Union will be held on Sunday the 30th March 1952 at 3-30 p.m. in the premises of the Madras State Co-operative Bank, 379, Netaji Road, Madras..

The Administration Report and Audit Review for the year 1950-51 has been sent to the Member-Societies with a request to hand over the same to their delegates.

The delegates are requested to see that the Societies from which they are elected to the General Body of the Union are not in arrears of annual contribution for the current or previous years.

You are requested to be present for the meeting.

CIRCULAR NO. II.

To
All the Member-Societies of the Madras State Co-operative Union.

Dear Sir,

The Annual General Body meeting of the Madras State Co-operative Union will be held on Sunday the 30th March 1952 at 3-30 p.m. in the premises of the Madras State Co-operative Bank, 379, Netaji Road, Madras.

The name of your delegate on the General Body of this Union may also be communicated to this office together with a copy of the resolution at which the delegate was elected.

Please remit if you have not already done so, the annual contribution due by your Society, current as well as arrears, without any further delay and oblige.

The Administration Report and Audit Review for the year 1950-51 which has been sent to you may kindly be handed over to your Delegate.

B. VENKATARATNAM,
President.

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Joint Secretary, M.S.C. Union

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SPECIAL ARTICLES

Consolidation of the Movement—Some Suggestions

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

**II. Integration and Amalgamation
(Belter and Bigger Co-operatives)**

A. Co-operatives—The Big Business

1. The Co-operatives undoubtedly represent an important development of a different type of social control in many aspects of our economy. Co-operative selling by farmers and other producers and co-operative buying by these same groups and other consumers, displace the competition previously existing among these individuals. While it is true that during any crisis "the primitive man was always driven to co-operate, to meet the same, throughout the centuries no one had reduced this basic human urge to a formula of action. When such a formula did appear, it came as a result of demanding co-operative action. A little over a century ago, the masses of workers in England were in desperate straits. Wages were pitifully low. Out of the urgent need for some sort of reform, came the Consumers' Co-operative Movement. In Rochdale, England, 28 Weavers propounded the theory that since the whole economy functioned for the consumer, it was only just that the consumers had some say as to *price levels* and *distribution-costs*. The result of their thinking was the set of rules that have since become known as the "Rochdale Principles"¹

2. In the past century, the consumer co-operative movement has spread all over the globe. "The out-break of the World War II found it with well over a hundred million members. In Great Britain, Consumer Co-operatives dominated the retail trade of the British Isles. In the Scandinavian countries, consumer co-operatives were an integral and dominant part of economic life. In Sweden, for instance, it was the one powerful yardstick of the consumers. Through their co-operatives, the Swedes checkmated trust after trust and brought the hitherto strictly controlled prices down to an economic level fixed by the Co-operatives."²

"The rise of Nazism in Europe wiped out the democratic co-operatives in many countries. In Russia, the Communist Party took over the Urban Co-operative Movement and converted it to the uses of the State. World War II practically destroyed the Co-operative Movement in many more countries. However, to-day the Co-operative movement in Europe is once more on the march."³

^{1, 2 & 3} Duke University Symposium on Co-operatives—
The Co-operative Yardstick by Betram B. Fowler.

"The present is a period of renewed interest in and increasing attacks upon Co-operatives. On the one hand, in Western Europe, co-operatives have quickly revived since the termination of hostilities and even expanded.

"In the U.S.A., the marketing and purchasing co-operatives of the farmers have enjoyed the benefits of the current and wide-spread prosperity of agriculture. In addition to rising prices and shortages in housing, medical care and consumer goods and services have intensified public interest in co-operative ventures in all these fields and have led to many new and interesting developments. On the other hand, the recent sharp increases in prices and business-costs as well as unprecedented tax burdens have brought into sharp focus a vigorous assault upon not only allegedly favoured-tax-status but also their aims, methods and accomplishments!"⁴

3. The Story of Co-operatives in India, however, is one of steady, if slow, development. The Co-operative Movement came to this country early in this century. At that time, the Indian economy was quite mediaeval. The political set-up was colonial. There were no big or basic or capital industry; the pattern of agriculture was primitive, the diffusion of knowledge and science limited and academic; accumulation of capital, meagre; big business was negligible; and Indian capital—shy and traditional. In this context, came the Co-operatives. They have not on the one hand become so big and so efficient as to constitute a formidable rival to private trade and business, "as a logical economic system for transacting business based upon all that is fundamentally lasting and good in human nature. It is perfect democracy in action". (*Co-operation*: Sathianathan and Ryan). It has touched the imagination of the people of this country also and having stood the stress and strain of half of a century, has come to stay.

With the impact of the World War II on Indian economy, many essential goods and supplies were found in acute shortage. Rationing became inevitable and the first responsibility and foremost anxiety of Government. The latter found in the co-operatives the best agencies to whom may be entrusted the democratic function of equitable distribution. This factor has thus accounted for a phenomenal increase and wide-spread popularity of the Co-operatives. To-day, the co-operatives have spread at any rate, in this State, almost to every town and village. These Societies which are set up

⁴ *Ibid*, Editor's Foreword.

on a uniform pattern and common ideal and objective possess potentialities of great consequence. Given, therefore, a good lead, a broader outlook and a courageous organisation, it can build up these Co-operatives into a mighty big business, capable of furnishing a variety of goods and a wide category of services far beyond the capacity and resources of any other agency now in the market. The private sector of retail trade and consumers' business is not so highly organised and as efficiently worked as, for instance, in the U.S.A. There are, again, no big departmental stores or chain shops in India. The Co-operatives in India have the best potentialities for shaping as such.

B. The Present Opportunities and Future Prospects

4. The present offers, therefore, the best opportunities. There are a number of ways in which we must both improve and develop. I venture to suggest a few fruitful lines.

Mr. John Voorhis, Executive Secretary of the Co-operative League of America, says:⁵

"What many people think of when they hear the words Consumers' Co-operatives, is a Store. Generally, they think of a grocery store. It is true that in England, Scandinavia and other countries, where co-operatives have grown largest and accomplished most, the heart of the co-operative business has been the grocery stores. It is around such a store that the basic consumer interest necessarily centres; and it is there accordingly that the best chance for the development of a genuine co-operative spirit among members exists. Unfortunately for America, it is also in the grocery business that the *greatest integration has taken place in the trade* of United States. Retail margins have in the case of many items been reduced to vanishing point. Thus, except where circumstances have combined to enhance the chances for success, grocery stores urban co-operatives have had a hard time in this country."

On the other hand, Ceylon presents the best illustration of what timely action and prudent development and wise consolidation can achieve.

⁵ Duke University Symposium—Recent Trends in Urban Co-operative Development—John Voorhis.

"The Co-operative Movement in Ceylon did not appear till 1942 to be different in any way from what it was in India. It was mainly a credit movement as weak and ill-developed as in India. The period subsequent to 1942, however, shows a remarkable change and should be described as epoch-making. The number of societies and members and the amount of working capital and their character recorded a sudden and tremendous improvement. From about 7 per cent of the population reached by the Movement till 1942, the proportion rose to nearly two-thirds of the population of the Island in 1947. The number of societies, members and amount and working capital which at the end of 1938-39 stood at 1512; 66,307 and Rs. 47 lakhs, rose to 6,383; 11,06,573; and Rs. 260 lakhs respectively in 1944-45. The progress during the subsequent two years was of the nature of consolidation, the number of societies, members and working capital being 6,512; 11,57,202; and Rs. 332 lakhs respectively in 1946-47. The increase in the figures has been phenomenal. Almost every village now claims a co-operative society. A most fundamental development in this period was that a Movement which was essentially a credit one in 1941-42, became essentially a non-credit movement in 1944-45, the number of societies other than credit constituting almost 75 per cent of the total—a position held by the credit structure before the war." (Co-operation in Ceylon—Reserve Bank of India Bulletin.)

5. Now, let us see the position in the leading State of Madras. In his Administrative Reports for the years ending 30th June 1949 and 1950, the Co-operative Registrar of Madras gives certain facts and figures, in regard to consumers' co-operatives (primary and wholesale) which are detailed in the Tables appended.

6. From a cursory study of those tables the following inferences may be drawn :—

(i) The consumer co-operatives do not still constitute the bulwark of the movement. They represent a small percentage only, unlike in the West and nearer home in Ceylon. The movement is still largely one of credit.

(ii) The essential and rationed goods like food-stuffs and cloth constitute nearly 80 per cent of their sales. The controls were relaxed for a time in the latter half of 1948, and most of these societies had an unpleasant "taste of what peace-time conditions could be like".

(iii) The over-head charges and distribution costs are far too heavy, and disproportionate. For instance, while 1389 societies earned in 1949-50 a gross profit, only 801 among them showed net profits. At the same time, it should be noted that the margin of difference between purchases and sales ranges from about 8 per cent to nearly 20 per cent. Again, establishment and contingencies alone take away nearly 75 per cent of the gross profits.

(iv) About 50 per cent of the consumer co-operatives are uneconomic units of business, while the position of 10 to 25 per cent of them is anything but happy. They are nearly hopeless.

This, in my opinion, is partly attributable to "mass production" methods adopted by the Department in the mere multiplication of societies. The example of Ceylon is once again to the point in this connection. "In that Island, the Department does not seem to be so anxious to multiply numbers. Before a Society is started in a place, the authorities see to it that the background is favourable and the foundation is likely to prove strong. The people are first apprised of the proposal and their reactions and criticisms watched. Until the Department is satisfied that a Society will have good support and efficient management, no move is made."

(v) The internal financial resources are neither adequate nor commanding. A people's movement must be capable of greater strength in this respect.

C. Ways and Means : Integration.

7. It is therefore clear that all is not well with our consumer co-operatives. The question of the hour is : what then must we do ?

(i) *Production costs* :—We must strive for efficiency of service and reduction of "production and distribution costs." We must first realise that muscle power in whatever form it is used is the most inefficient form of power. "The great revolution in American Industry was the application of power. Into the hands of the workman in the production lines, in factory, mill and mine, was placed highly efficient power machinery. It was because of this the American workman became the most efficient unit capable of greatest production per unit of man-hour." The production co-operatives in India are chiefly organised on the basis of village handicrafts, with traditional, ancient and non-power methods. It is no wonder, therefore, that consumer co-operatives are hard put to marketing such goods and supplies owing to high cost of production.

The present renaissance of the cottage industries in India has not been properly appreciated. Unfortunately, there is the much mistaken impression that revival of cottage industries means the restoration of olden methods of production. The imaginative people of Japan have, with the aid of simple and portable powertools, converted every home into a power-house of the nation and a unit in the production line. Similarly, 80 per cent of the industrial output of Germany was organised as cottage industries.

Let me illustrate this point. We may design and develop a type of a handy power-machine by which the cottage weaving industry is set to power. The quick outturn may cut the costs of production. In this connection we may note with satisfaction the organisation of a co-operative spinning mill for the supply of yarn to the weavers' co-operatives. It is a ground-step in the integration of the industry.

(ii) *Salesmanship* :—But, it is to the reduction in distribution costs that consumer co-operatives as such can and must devote immediate attention. Further, there is the third aspect viz., efficiency of service. The Registrar of Co-operative Societies, Madras records that during the year 1948-49 and 1949-50, a policy of discouragement to the registration of new societies and to the weeding out of dormant ones incapable of revival, was adopted. This is good. But the Registrar has not referred to the fall in the value and volume of business and has not indicated how he proposes to advise the societies to arrest this trend. Consolidation is no negative concept, but a positive strategy of action.

To do this, it is obvious that the co-operatives must organise to serve a greater number of people in a variety of ways. Firstly, the co-operatives must arrange to take to the consumer their goods and services instead of fondly hoping him to go to them. The growth of pial-shops and petty stalls on the streets of any urban area are, in my opinion, indication of the situation that there is need for street-hawking and door-to-door delivery. The pattern of domestic living is now increasingly becoming single-family-unit of a man and wife and their children. Taking the average middle class, the bread-winner, tired after the day's work, naturally drops into the nearest or his familiar shop for his household requirements, unmindful of the high price he may have to pay. The housewife is confined to her home and does not ordinarily go for shopping. The street-hawkers

and pial-shops come in handy to her needs. This is a class of people, I submit, whom we must press into more useful service.

The Consumer Co-operatives will do well, in suitable places, to run a mobile stores, motor-van on the model of the Travelling Stores prevalent in the Railways. The Scheme under which the Government advances funds for the purchase of motor vehicles to co-operatives may be availed of with advantage. Let us take a given urban area, chalk out a programme of visits by these vans to important and also out-lying streets and advertise in the locality the details of the same. These vans should be stocked with a wide range of goods which must be tastefully displayed. The prices should be fixed. We may equip the vans with loud-speaker arrangements. At the same time, it should be found easy to draw up a list of persons who would like home delivery facility at a small fee for such service on the basis of the value of purchases or period of time. In big urban areas, the telephone may well be used for placing indents. The mistress of the home will relish nothing better than doing her shopping all by herself.

Best of all, the mobile vans should also visit the neighbouring villages, say, once a week or on local shandy days.

As for the staff involved, the motor van driver may be used as a bills-clerk and cashier, while the 'conductor' may act as a salesman. They shall jointly and severally be responsible for the stocks and stores charged to their care and shall render accounts at the head office from time to time as directed. They may also be paid a fair commission on net turnover and sales effected by them in addition to usual basic pay and allowances. Some cash security may be taken from them. Thus honesty can be ensured.

Secondly, a householder must ordinarily be able to get practically all that he needs from a co-operative stores. The Co-operatives must trade right from, vegetables, groceries, stationery, cloth, medical stores and what not. In fine, they must be developed on the lines of Departmental Stores in the United Kingdom and United States of America.

At any rate, a section for "business on orders" must be opened, and people encouraged to order any sort of goods they may require. This section will incidentally help the co-operatives to study the various lines of consumers' demands.

Thirdly, the primary co-operatives should organise themselves into a well-knit and effective co-ordinating structure. Where a

particular commodity is not readily available in any particular co-operative, it must invariably be offered to the purchaser/indentor concerned to secure the thing for him on a firm order to that end. The co-operative may in turn go to the neighbouring co-operative for any such goods unless they can with advantage be secured in bulk from wholesale agencies. And a tradesman's pact must be found not to make any profit on such indents but to make the goods available to the needy societies at or nearly at landed costs. The idea is that every consumer should be given the impression and the confidence that he can get all his requirements through his consumer co-operative.

(iii) *Distribution costs*:—It is obvious that whatever the services and amenities that a co-operative may offer to a consumer, it is ultimately the retail prices that govern his calculation. The consumer co-operatives must therefore purchase in the best markets at the right time. It means that they must have up-to-date and even forward information on various market conditions from time to time. At the same time, it is clear that this involves a heavy strain on the primary stores which are organised as sales-shops. In my opinion, primary co-operative stores should simply specialise in salesmanship, happily entrusting expert procurement to other specialised agencies. This will avoid duplication of functions by each and every primary store.

The role of the wholesaler

It is in this context that the wholesale stores—a "speciality in Madras State"—have a vital part to play. They must maintain contacts with primary co-operatives and ascertain their needs by periodical enquiries and visits by canvassing agents.

The Registrar of Co-operative Societies, Madras, records that, of the total purchases for Rs. 21.99 crores Rs. 9.45 crores worth of goods were purchased during 1948-49 by the retail co-operatives from the wholesale stores. This represents only 43 per cent of the total purchases. Again, of the total sales in 1948-49, of the Rs. 24.13 crores (by wholesales), Rs. 13.8 crores worth of goods were sold to the primary co-operative institutions and the rest amounting to Rs. 11.75 crores were made to non-members. Similarly, during the year 1949-50 goods to the value of Rs. 6.92 crores representing 28 per cent of their total purchases were bought by the primary co-operatives from the wholesale stores. Of the total sales of Rs. 23.33 crores, the value of the goods sold (by the wholesales)

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to the members was Rs. 7.93 crores—less than one-third. Considering that almost all the retail co-operatives have got their mill cloth and the like invariably from the wholesales, it is clear that the percentage of open transactions in truth is much less substantial. It is regrettable that the primary co-operatives have chosen or been constrained to go by themselves to the open market for making their purchases. It is also a great pity that the wholesales are not of much better use to them. This is an unhealthy state of affairs which must be immediately attended to.

Every retail co-operative must indent for all its supplies on and through the wholesale stores only. The latter in turn must arrange to meet all those demands.

They must for this purpose undertake to collect essential information for the primaries. For this purpose, the several wholesale stores must be federated into an apex (state-level) institution, which must undertake to publish a market bulletin. Such a central organisation must be the sole buyer on behalf of the net-work of the consumer co-operatives. The district wholesales must act as the agent of the former in their respective areas. I venture to suggest further that even as the rural credit societies are sought to be linked to co-operative marketing societies, the latter should in turn be linked as primary procuring agents to the wholesales either at the District or State level. By such bulk purchase methods, the consumer co-operatives can manage to eliminate the "middlemen's margin" and thus cut down distribution-costs. Moreover the individual co-operatives will then be less exposed to the competition of private business. Such functional integration in the structure of the consumers' co-operative movement can help stores face fierce competition from trusts and combines. The correct strategy as Mr. Winston Churchill says is "we must lead from strength".

(iv) *Amalgamation*:—Another measure of integration is also essential for economy. Not only should dormant societies be weeded out and uneconomic ones wound up but lesser units of business must be amalgamated with the bigger ones nearby, which should, wherever practicable, take them over as branches and depots.

In this connection, I may refer to the organisation of what are called Employees Co-operative Stores and so on. Where there are public co-operatives, working satisfactorily, the "rationale" of such sectional organisations is not clear. In such societies their members are afforded credit facilities. Their dues and debts to the societies

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are recovered from time to time through their employers from their respective salary or pay bills. I am tempted here to quote Mr. Campbell, Registrar of Co-operative Societies, Ceylon, who remarked (1934) "consumers" societies have achieved very little success in any oriental country. Cash sale is a very great deterrent and it is difficult to maintain sufficient business and at the same time adhere to this sound system. The very customers who are the most insistent on the grant and credit, are the most obstinate in refusing to pay their bills!" This marked facility, which is not available in a public co-operative probably explains the rise of the employees stores. I suggest the same facility may well be accorded to such persons by a public co-operative, provided the employers are agreeable to extend the same arrangement to public co-operatives as well. This will remove the handicap which the employees stores are suffering from.

There are two other features in the development of co-operatives. The first is the system of controlled credit. It is claimed to be a novel system and prevalent in this State. In the words of the Registrar of Co-op. Societies Madras, "it links up the rural credit society in the village with the marketing society at the marketing centre. Loans for cultivation expenses are given by the rural credit society to its members on condition that the produce should be sold through the marketing society to which the former is affiliated." This system also applies to the three-year-scheme (now regularised) under which interest-free loans are advanced to producer-members of milk co-operatives. This method of finance ensures proper investment of funds and assures even and steady repayments thereof, besides training them to discharge their debts out of regular income—the inculcation of the habits of thrift and economic planning.

The second feature is the re-organisation of rural credit societies into multi-purpose societies. This is but the system of controlled credit writ large. It will be seen that these are measures of consolidation of rural credit societies, in the shape of their structural amalgamation and functional integration of their objects and purposes. Credit co-operatives are as they stand, designed to cater to the class of people whose sole property is often their personal worth. The joint stock banks will not venture to lend to them for obvious reasons. It is only the credit co-operatives that can help them. In this sense, they have their field of activity exclusively marked out and the business assured for them.

At the same time, it is obvious that the credit co-operatives should see that their funds are not frittered away, but employed

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for productive purposes. That is to say, the rural credit society has not only to advance loans but also to look to their proper employment and steady repayment. In other words, multi-purpose societies are the right pattern of co-operatives for our rural parts which are chiefly centred round agricultural and allied occupations. The re-orientation of rural credit co-operatives is a step in the right direction and augurs well for the future of the Movement.

A Board of Commissioners for the Development of co-operatives.

10. The ordinary machinery of the co-operative department may not be adequate to cope with the work. I suggest, therefore, that a Board of two or three Commissioners for the development of co-operatives be set up "entrusted with the duty of planning, purchase, sales and transport, general guidance and other extra-ordinary developments in the field of co-operative movement", leaving the regular department "free to devote its attention to its usual functions and supervision, audit and normal organisation". Ceylon, again is an illustration in point. The creation of this Board will make it unnecessary to divide the Co-operative Department into Audit and Administration.

Table I General (Madras State Co-operative Movement.)

Particulars.	1949-50		1948-49		1947-48	
	No.	Amount	No.	Amount	No.	Amount
		Rs. Lakhs.		Rs. Lakhs.		Rs. Lakhs.
No. of Co-op. Societies ..	22,784		20,796			
No. of Members. ..	31.22 lakhs		28.81 lakhs			
Paid up Share Capital. ..		949		926.34		
Reserve Fund. ..		944		440		
Total working capital. ..		7111		7,103.55		5,660.33
Total borrowings. ..				5,315		4,187.0

Table II Madras State Co-operatives: Profit-Loss Statement.

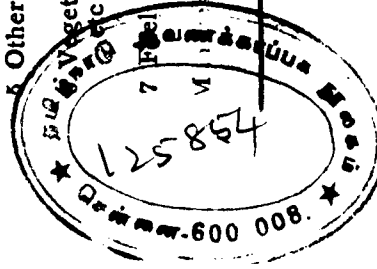
Particulars.	1949-1950		1948-1949		1947-1948	
	No.	Rs.	No.	Rs.	No.	Rs.
		(Lakhs)		(Lakhs)		(Lakhs)
Total No. of Primary Stores ..	1743		1764		1740	
Gross Profit Earned ...	1889	171.22	1510	112.92		91.73
Trading Loss Sustained. 287		5.03	191	1.75		1.6
Net profit earned ...	801	30.70	944	28.30	983	29.88
Net Loss Sustained ...	900	19.15	786	16.78	779	13.22

Madras State Consumers Co-operatives: Table III : Progress Sheet.

Particulars.	Primary (Retail) Consumer Co-operatives.				Central (Wholesale) Co-operative Stores.			
	1949-1950.		1948-1949.		1949-1950.		1948-1949.	
	No.	Amount. Rs. (Lakhs).	No.	Amount. Rs. (Lakhs).	No.	Amount. Rs. (Lakhs).	No.	Amount. Rs. (Lakhs).
1 No. of Stores Functioning ..	1748		1764		24		28	
2 No. of Branches & Sale depots maintained by them ..	1848		1426		—		—	
3 No. of Members ..	5,79, Lakhs		5,88 Lakhs		12615		12442	
4 Paid up share Capital at the end of the year ..	97.02		111.86		105.15		86.64	
5 Reserve fund at the end of the year ..	67.19		53.64		42.49		42.75	
6 Borrowings from Central Banks ..	67.91		145.11		58.55		177.96	
7 Borrowings from other sources ..	56.08		42.15		27.08		15.87	
8 Total Working Capital ..	288.20		852.76		298.22		278.22	
9 Purchases during the year ..	2360.25		2198.70		1868.86		1842.86	
10 Sales during the year ..	2559.16		2907.87		2853.76		2883.12	
11 Gross Profits ..	117.22		112.91		91.73		70.69	
12 Net Profits ..	80.70		28.30		29.88		20.88	
13 Trading Loss ..	5.03		1.75		1.60		.04	
14 Net loss ..	—		—		—		—	

Madras State Consumers Co-operatives: Table III Business (Commodity-wise) Abstract.

Particulars.	Primary (Retail) Co-operatives.				Central (Wholesale) Co-operatives.			
	1949-1950.		1948-1949.		1949-1950.		1948-1949.	
	Amount. Rs. (Lakhs).	per cent.	Amount. Rs. (Lakhs).	per cent.	Amount. Rs. (Lakhs).	per cent.	Amount. Rs. (Lakhs).	per cent.
1 Food Stuffs ..	1695.26	66.27	1476.85	63.94	1864.45	57.97	1698.29	57.97
2 Groceries ..	888.88	15	806.75	13.08	566.46	24.07	98.98	122.96
3 Cloth :—Mill made ..	243.46	9.52	337.82	14.64	151.34	6.43	545.37	82.56
" Handloom ..	58.89	2.28	66.25	2.87	102.86	4.55	.80	2.10
4 Drugs :—Medicines and Infant food ..	10.4	.41	4.02	.17	5.79	.25	.44	2.80
5 Other consumer Goods. 160.05	6.22	110.83	4.8	151.64	6.44	24.07	174.46	14.22
6 Vegetables. Fruits ..	1.66	.06	8.78	.16	4.57	.19	2.39	1.84
7	6.06	.24	8.07	.84	7.15	.80	—	1.81
8	—	—	—	—	6.81	—	—	—
9	2559.16	100	2807.87	100	2358.76	100	2518.28	100
10	—	—	—	—	2338.12	—	1627.59	—



Alamuru in Co-operation.

VISWANATHAN TEKUMALLA, M.A., B.ED., F. R. ECON. S. (LOND.)

Writing for the Indian Co-operative Review under the caption "Alamurus in United Provinces?" Prof. Mahesh Chand of Allahabad observed, "The number 20,000 (multipurpose co-operatives organised in United Provinces) does not imply that it (United Provinces) has behind it seasoned and sturdy societies of the nature of the Alamuru Rural Bank."

To many Co-operators in India, "Alamuru" has a special meaning and significance.

What is Alamuru?—It is a village in the Godavari delta in Andhra Desa. Its importance consists in the high degree of co-operative development there. This small village has a rural bank, a land mortgage bank, a co-operative store and a co-operative weavers' society besides other socio-economic and cultural institutions of a nation-building character. Referring to the Rural Bank of Alamuru, the Reserve Bank of India stated: "The activities of the Alamuru Bank have been many-sided—credit, supply of the domestic and professional requirements of the farmer, joint cultivation, encouragement of thrift and savings and, last but not least, the promotion of social service objects. It is this multiplicity of functions that is responsible for the popularity of the Bank..... It is to be sincerely hoped that the example of Alamuru in Madras will spur Co-operators in other areas to action and will induce them to organise similar societies in their areas."

The beginnings of the Co-operative Movement at Alamuru were rather humble. A credit society was organised there in 1918 by a few enthusiasts. Soon there was a craze for organising some more societies in the neighbourhood; and within about seven years there was hardly a village in the *Firka* but had a society. In fact several villages had more than one society each. No less than fifteen villages came under the influence of the movement, Alamuru leading them, so that the entire area came to be called the Alamuru area. Honorary workers came forward to work enthusiastically, among them Sri Narasimhadevara Satyanarayana an ardent Congress worker of Alamuru. As soon as he became President of the Alamuru Society, he set to work to expand the Movement in the area. The Gandhian Movement of 1920 and its emphasis on service and constructive work gave moral strength to the workers in the Co-operative Movement. A rural reconstruction centre was opened in 1928 at Alamuru; and rural development went on briskly. Due to post war boom and inflation, food prices and land values were high; people borrowed freely and the rural credit societies were enthusiastic in expanding business.

But suddenly the Co-operative Movement in the Alamuru area (as in other parts of the country) received a set back from 1929, on account of

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the great Economic Depression. Prices of commodities and lands fell heavily; and the ryots lost their repaying capacity. Most of the loans became overdue and even doubtful. Some debtors had to sell away their gold to meet their liabilities. Some societies were liquidated. There was a breakdown of the machinery of credit co-operation in the Alamuru area, as elsewhere in the Madras Province. About 1934 there was an attempt at rehabilitation of the Depression-shattered economy in the country. This helped Alamuru little; for there was a scare of unlimited liability among the people, though in fact this unlimited liability was not enforced in any society. Honorary workers too were hesitant to shoulder responsibilities any longer in the existing circumstances, though their love for co-operative endeavour was as keen as before.

It became clear that a new orientation was needed to resuscitate the Movement. Sri Satyanarayana who was the dynamic force behind the Movement in his area of work sought to build it up on new lines. He felt that societies organised on unlimited liability basis with single village jurisdiction and single purpose, had little possibility to thrive. Therefore under his lead some Co-operators of the Alamuru area approached the then Congress Government in 1938 with a request to register a special type of Co-operative society with multipurpose objects, with limited liability and for a group of villages. Accordingly the Alamuru Co-operative Rural Bank, Ltd. was registered on 1st February 1938, its area of operation covering about ten villages within a radius of five miles of Alamuru. It started to work with 12 members and a share capital of Rs. 12.

The Bank gradually progressed during the past 12 years and at present it has some 12 villages in its area of operation. Its membership is 4,009 and its share capital Rs. 87,592. The institution was started with a fixed deposit of Rs. 10,000, but to-day its deposits under various accounts amount to Rs. 5,09,521. For a decade the Rural Bank has not borrowed from the Ramachandrapuram Co-operative Central Bank to which it is affiliated. It is entirely depending on its own deposits. It has a reserve fund of Rs. 36,785-10-0 and a working capital of Rs. 9 lakhs. The total amount of loans outstanding to-day are Rs. 8,00,921. The Bank is earning a profit every year.

What are the special features of the Bank which make it an outstanding example of Co-operative enterprise?—

First, the institution has been designed to meet the needs of all classes of people. Among the members there are rich and poor agriculturists, artisans, traders and even landless *Harijans*. This last class of members who form about a half of the total membership have no assets except their labour. They have no security to offer save personal security. Yet the Bank has made them creditworthy by finding work for them and turning their labour to good account: Every year it takes *Lankas* (island regions

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in the bed of the Godavari) on lease from Government and allots them in economic units to teams of these *Harijans* for joint cultivation. It gives them loans for the purchase of cattle and seed on joint and several responsibility under its bylaw No. 48 (9). About Rs. 46,000 is thus sanctioned as loans to them. The other classes of members are not neglected. The Bank sanctions loans to ryots for agricultural operations. This year some 428 loans amounting to Rs. 2,10,519 have been sanctioned to the ryots. Joint loans ranging from Rs. 10,000 to Rs. 25,000 have been sanctioned for some traders such as oil millers, printers, and vegetable growers, iron smiths and doctors; but these loans are secured by land and house properties.

Secondly the Bank has instituted what are known as "ever continuity bonds" for giving financial accommodation to its members. The credit worthiness of each member is fixed in accordance with his repaying capacity for various purposes. Then on the first mortgage of unencumbered property an "ever-continuity bond" is issued to him. Cash credit is allowed to him on that bond upto 50 percent of the value of his property. This system has a double advantage in lending to the members and in borrowing from the financing Central Bank. In the first respect even small amounts are disbursed or accepted as and when required by the member on the security of this "ever-continuity bond" without frequent recourse to loan applications. In the second respect similar cash credit has been sanctioned to the Rural Bank by the Central Bank on the pledge of these bonds. This double ease in business transactions as well as the limited liability of the Bank has induced even rich people to join the institution freely and obtain cash credit up to Rs. 3,000, which is the limit fixed by the Registrar of Co-operative Societies. The Bank has sanctioned cash credits to its members to an extent of Rs. 2 lakhs and this cash credit is being freely used by the members.

Thirdly it has made provision for supplying food, cloth, and shelter to its members, particularly the labourers. The Rural Bank has three depots—for rice, cloth and timber. About Rs. 25,000 worth of rice, Rs. 5,000 worth of cloth and Rs. 20,000 worth of housing materials like wood and bamboos are purchased and stocked for supply to the *Harijan* members in particular and the others in general. The *Harijan* members are supplied rice and also cloth (especially on two occasions in the year—*Dasara* and *Pongal*). Loans are sanctioned for cloth and rice and are supplied in kind and the amount is realised in the transplantation and harvesting seasons during which the labourers find work. Thus the labourers are enabled to maintain themselves even during the slack season in anticipation of realisation of the cost during the season.

Fourthly there is the sale of "thrift labels." There are 600 women members in the Bank. These women and many male labourers regularly

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borrow for the purchase of rice and cloth from the Bank. These are all joint loans issued to the members of the family and have to be cleared from out of their savings in their daily wages when they have work. With a view to facilitate easy payment, the system of sale of thrift labels has been introduced. There are labels of various denominations ranging from one anna to a rupee. Collection agents go daily to the labourers and sell these labels to them. The amount realised from each member is credited to his loan account until his rice and cloth loan stands repaid. A sum of Rs. 25,000 has thus been realised this year. This is very popular among the labour members of the Bank.

Fifthly, though it was feared at the outset that on account of its limited liability it might not be able to attract deposits, yet it has been able to inspire confidence and attract enough deposits to enable it to carry on its work without the help of the financing bank for the most part. Out of its present working capital of about Rs. 7.58 lakhs, as much as Rs. 5.09 lakhs is derived from deposits. While the Central Bank charges $4\frac{1}{2}$ per cent on loans, the deposits carry an interest of 3 to 4 percent only. The deposits are for short-term only: Out of 134 deposits for Rs. 4,23,685 in 1948-49, no less than 85 deposits for Rs. 2,60,855—i.e., $61\frac{1}{2}$ per cent were for less than three years which meant an interest of not more than $3\frac{1}{2}$ per cent. It is also noteworthy that the deposits came from not only members but from non-members many of whom were women and minors and residents outside the district.

Sixthly, the Rural Bank has an interesting record of social service and cultural uplift work. Alamuru has rich traditions of such humanitarian work, since the 'twenties. The improvement of the economic condition of the members, a majority of whom are labourers has also given them social status. Mutual co-operation has slowly developed between these labourers and the caste Hindu ryots. This spirit of co-operation can be seen in the construction of *Rama mandirs* in several villages by joint effort. The villagers gather at these *Mandirs* at night to settle disputes, conduct *Bhajans*, folk dances, etc. These *Mandirs* are "centres of recreation and adult education." At the Bank itself, there are a reading room, library, adult night school, a radio and other cultural institutions. There is a free dispensary also. Men and women gather often to listen to religious and cultural discourses.

To sum up, the value of the work of the Alamuru Rural Bank consists in the following.

- (i) Providing work for the landless labourers and making them credit worthy;
- (ii) Demonstrating that deposits could be attracted even by unlimited liability rural co-ops., and that too from members as well as

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non-members, including women and minors, provided the Bank has done good work enough to inspire confidence ;

- (iii) Encouragement of a strong thrift habit by periodic contact and preaching by propagandists ;
- (iv) Encouragement of co-operative labour both in cultivating *Lankas* (river-islands) and in building up *Ramamandirs*, etc.
- (v) Linking credit and non-credit institutions – the activities of the various institutions may be blended into a common endeavour; and
- (vi) Social and cultural advancement of the masses.

An analysis of the causes contributory to the success of the Bank is useful. The chief cause is the existence of a tradition of rural service built up during the 'twenties, when, inspired by Gandhiji's teachings, a band of young men headed by Sri N. Satyanarayana took up rural reconstruction. These men of imagination saw in Co-operation and *Panchayats* two golden keys to open up the vista of rural prosperity. Even when the great Economic Depression hit the Co-operative Movement, this spirit survived and the Rural Bank was organised in 1938 by Sri N. Satyanarayana and the other organisers with a firm belief in its potentialities.

The organisers had a deep sense of fellowship of the masses and were keen on their uplift. They were bold and enterprising in expanding the scope of the Bank's activities and at the same time watchful of the progress of the new schemes taken up. Their honesty drew the confidence of non-members, even widows and minors, and attracted deposits. Above all they had a firm resolve to make this new experiment in rural banking a real success.

Alamuru is now an example in rural Co-operation. It is gratifying that its example is being followed in the Madras State ; for another Rural Bank has begun to work well at Pasivedala in the West Godavari District. Other States too will do well to follow this example. Prof. Mahesh Chand said "We hope.....it shall ultimately be possible to produce a few Alamurus in U.P." Let us hope that the entire country will be dotted with Alamurus in no distant future.

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

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

(REGISTERED IN 1928.)

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

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

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

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

Progress of Co-operative Movement in India

(With special reference to Madras.)

V. KAMARAJU, M. A., F. R. E. S. (LOND.),

Asst. Accountant, Madras State Co-op. Bank, Ltd.

III

Milk Supply Societies.

The problem of supplying pure and good milk at reasonable rates has been successfully tackled by the Co-op societies. The first to be started in 1927 was in Madras and others rose later in mofussil areas. By 1932 there were 6 milk supply unions and 51 member societies ; they purchased milk and sold milk and milk products to the tune of Rs. 3.45 lakhs. By 1947-48, there were 364 milk supply societies with a share capital of Rs. 4 lakhs.

	1938-39	1947-48	1949-50
1 No. of Milk Unions ...	6	23	36
2 No. of Milk Supply Societies ...	51	364	535
3 No. of Members in No. 1 ...	53	2,863	3,529
4 No. of Members in No. 2 ...	1,613	29,519	49,952
	Rs.	Rs.	Rs.
5 Paid-up Share-capital in item 1 and 2 ...	18,000	4,00,000	7,27,000
6 Value of Milk sold ...	273,000	59,48,000	88,68,000
7 Value of Milk bought by Unions ...	288,000	42,22,000	
8 Value of Milk sold by Unions ...	345,000	48,09,000	

The Co-operative societies have practically a monopoly in the supply of milk to hospitals, jails and other public and Government institutions. Government granted loans free of interest to the tune of Rs. 9.99 lakhs by 1949-50 towards milch cattle purchasing. Government also granted interest bearing loans for purchase of equipment such as lorries for transport facilities. Of all the milk societies in the State, mention can be made of the progress of the Madras Co-operative Milk Supply Union. During the year they have supplied milk to the tune of Rs. 7 lakhs. Government also have a plan for the improvement and development of this Society on the lines of Bombay Milk Supply Society at Anand. Besides, the Societies at Coimbatore, Kozhikode, Trichy and Ooty are working satisfactorily.

The Madras Milk Supply Co-operative Union has a large pasteurisation plant and a cold storage. It has numerous milk vans and 125 feeder societies within a range of 85 miles. 5,000 cows and buffaloes are milked every day and 30,000 lbs of milk is handled.

Marketing.

On the recommendation of the Royal Commission of Agriculture, greater attention was paid to provide necessary marketing facilities to

the agriculturists by way of providing compost manures, agricultural implements, seeds, processing like hulling of paddy, decortication of ground-nuts and ginning of cotton. Storage facilities were also provided by 24 societies. As early as 1918, S. Kanara Planters' Co-operative Society was started for joint sale of the produce at a better price. It was intended to popularise joint sale by advancing loans to members which would enable them to wait for a better price. By 1939, there were 184 Sale societies and 279 in 1950 and some of the important ones are the Tirupur Society for sale of cotton, the Rasipuram Society for sale of ground-nut, the Anakapalle Society for sale of jaggery, the Nilgiris Society for sale of potatoes and the Cardamom Sale Society in Madurai and the Fruit Growers Society at Kodur.

	1938-39.	1947-48.	1949-50.
	Rs.	Rs.	Rs.
No. of Societies ..	184	192	279
No. of Members ..	27,548	1,15,483	1,86,691
	(Rs in lakhs)		
Paid up share capital ..	6.58*	18.16	61.48
Loans issued during the year ..	95.86	188.20	150.50
Value of Stock at the beginning and received in the year ..	179.05	308.64	..
Value of produce marketed ..	45.87	152.85	394.58

*1942-48.

In distribution Co-operatives played a fairly important role particularly in respect of essential commodities. There are 24 Central Stores which had on an average a sale of Rs. 1 crore each and the Sale of primary societies showed an increase of Rs. 2½ crores; this was due largely to a policy of consolidation of societies. In agricultural marketing, Madras led the other States by having a membership of 1,82,951. Bombay following with a membership of 1,01,209. A good part of their business in some of the States was derived from the sale of cloth; of rationed and controlled commodities, over which they had monopoly. In Bombay, the number of sale societies and their membership increased from 326 in 1948-49 to 344 in 1949-50 and their membership from 99,310 to 1,01,209. In Madras, the number increased from 238 to 279 and membership from 1,58,772 to 1,82,951. In U. P. there are 104 Cane Development and Marketing Unions with a capital of Rs. 2 crores and about 600 Ghee Marketing societies. In Bihar, there are a good number of Cane Growers and Vegetable Growers' Societies. To help sale societies to market their goods and co-ordinate the activities of various sale and loan societies, a Provincial Marketing Society was started with a membership of 803 societies, and 124 individuals. Sales rose from Rs. 1.7 lakhs in 1938-39 to Rs. 7.56 lakhs in 1948-49 to Rs. 12.15 lakhs in 1949-50.

Cottage Industries.

Hardly any attempt was made to organise cottage industries on co-operative lines till the passing of the Co-operative Societies Act of 1912. Even then the societies confined their activities to advancing loans to artisans. Handloom weaving was the first to receive the attention of the Government in Madras. Though a Special Officer was appointed in 1926 to survey and report on cottage industries in Madras, yet the Government did not act upon the report. Co-operative societies for the development of cottage industries were organised in several places in the State; prominent among them are Tiruppanangadu Button Manufacturers' Society; Modaizur Stone Image Workers Society; Arunthaiyars Leather Workers Society in North Arcot; Andhra Ayurvedic Pharmacy in East Godavari and Kondapalli Toy Manufacturers' Society in Krishna. There are several egg marketing, bee-keeping, ghee producing, pottery and other societies. In 1947-48, there were 209 societies with a membership of over 20,000 and they sold goods to the value of over Rs. 22 lakhs. Mostly women had the membership of these societies and special societies were organised for the production of hand-pounded rice, spinning and making of fancy articles. By June 1950, there were 58 Industrial Co-operative Societies for women, with a membership of over 5,000 and they sold goods worth Rs. 1.22 lakhs. The Government of Madras have decided to constitute a separate department to look after the development of cottage industries in the State and place it in charge of an Additional Director of Industries holding the rank of Joint Registrar of Co-operative Societies. This Department will co-ordinate the activities of the various departments of Rural Development, Co-operation and Prohibition—all of which have some part to play in the development of cottage industries. Cottage Industries are still mostly unorganised and those which are organised are in the Co-operative field. There are on 30th June 1950, 269 Cottage Industries Societies with a membership of over 28,000 and share capital of Rs. 7.68 lakhs; their production and sale amounted to 31.09 lakhs and 44.37 lakhs respectively.

Handloom Weavers' Societies.

There are over 950 societies for handloom weaving which is now the chief cottage industry. These societies were started to supply yarn and to make cash advances to weavers and to provide facilities for their finished goods. The first society was started at Conjeevaram in 1905. In the beginning stages the progress was slow due to the ignorance of weavers and apathy of the Government. The recent war gave a fillip to the industry. The position of the societies since then was as follows:

	1939-40.	1947-48.	1949-50.
No. of societies ...	174	893	941
Membership ...	19,676	1,82,968	1,49,393
Working capital ...	Rs. 1.89 lakhs.	Rs. 201.90	Rs. 239.72
No. of looms ...	...	133,199	134,653
Reserve fund ...	...	50.37 lakhs.	72.44 lakhs.
Value of stock sold ...	7.37 lakhs.	814.15	850.94
Profit ...	0.16	28.76	4.28

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In 1950-51 the number of societies decreased to 925 while the number of looms in these societies increased to 1,53,580. The Government of India Subvention Scheme of 1935 gave an impetus to this handloom industry. The Provincial Handloom Weavers' Society was started in 1935 with the object of purchasing and supplying raw materials required by the member societies and render other financial help. The Provincial (now State) Society has many emporiums in the City and sales depots in the important centres in the State. Weavers' Co-operation has been able to bring within its fold more than a fourth of the weavers in the State. The most prominent of the weavers' societies are the famous Yeammiganur Weavers Co-operative Society; Ondipudur Co-operative Society in Coimbatore, Pedakundla Society in Kurnool Dt. and the Pullampet Society in Cuddappah Dt. Arrangements are being made to start a spinning mill at Guntakal and the Government of India have allotted 11,000 spindles to be run on co-operative lines with an initial capital of Rs. 30 lakhs supplemented by a Government loan of Rs. 10 lakhs.

Consumers' Co-operation.

The history of Consumers' Co-operation in Madras with the single exception of the Triplicane Urban Stores was one of chequered career till the world war II. The first co-operative societies were started in 1905 in Triplicane and Coimbatore. In June 1905, there were only 11 co-operative societies. Since the outbreak of world war I, there was a rapid growth. But consequent on world depression that followed the world war I, a large number of societies went in to liquidation and the number fell from 103 in 1931 to 58 in 1937. Again the world war II gave a stimulus to the growth of the stores movement.

	1942-43.	1947-48.	1949-45.
No. of societies	938	1,740	1,743
No. of Branches or Depots	228	1,474	1,848
No. of Members (in lakhs)	2.13	5.59	5.79
Paid-up share capital (Rs. in lakhs)	23.85	105.15	97.02
Reserve fund	3.35	42.49	67.19
Borrowings. Outstandings:			
(a) from Central Banks	11.49	53.55	67.91
(b) from others	25.02	27.03	56.08
Working capital	63.71	228.52	288.20
Purchases	315.75	1,363.36	2,860.25
Sales	293.49	2,353.76	2,559.56
Gross Profit	21.3*	91.73	117.22
Net Profit	19.31*	29.88	30.70
Net Loss (@)	0.32	1.60	5.08

* Refers to 1943-44. Relates to societies which worked at profit.

@ Relates to societies which worked at loss.

Some of the important stores are the T. U. C. S., the Madras Provincial Indian Medical Practitioners' Co-operative Pharmacy and Stores, the Tiruvarur Co-operative Stores in Tanjore; Thungabhadra Project Co-operative Stores, the Chandrasekharapuram Co-operative Stores, Ltd., Tanjore Dt.

The business of District Wholesale Stores has made equally notable progress.

PROGRESS OF CO-OPERATIVE MOVEMENT IN INDIA

District Wholesale Co-operative Stores.

	1942-43.	1947-48.	1949-50.
No. of Stores	21	22	24
Membership	4,841	10,494	12,615
Paid-up share capital (Rs. in lakhs)	7.60	34.53	36.64
Reserve Fund	0.13	24.76	42.75
Borrowing-Outstanding:			
(a) from Central Banks	52.16	189.28	177.96
(b) from others	0.47	10.12	15.87
Working capital	60.30	258.69	273.22
Purchases	96.36	1,391.22	1,842.36
Sales	80.05	1,627.59	2,333.12
Gross Profit	3.53	60.01	70.69
Net Profit	..	25.61	20.38

A fresh line of development in the Co-operative Stores Movement was the formation of Stores in Schools and Colleges for purchase of books and stationery. In 1939, there were 94 stores with 5,564 members and they sold articles valued about Rs. 7.63 lakhs. By 1948 there were 279 stores with 22,886 members and they sold articles valued over Rs. 10 lakhs. In 1949-50, there were 345 stores, with a membership of 27,186 while the value of articles sold was at Rs. 16.10 lakhs. During Sri Prakasam's Ministry, Producers cum-Consumers Societies were organised both in Circars and Malabar Districts. Intensive procurement of food grains was entrusted to these societies. By the reorganisation scheme after 1st April 1950, these types of societies were either liquidated or were converted into marketing societies.

With the re-imposition of controls and rationing by 1948, the Consumers' Stores Movement re-established its old position. In Bombay the membership increased in 1949-50 by more than 1.5 times over the previous year and the turnover by 47 per cent. In U.P. and other States like Mysore, Consumers' movement recorded a good progress. In Madras, though there was a slight decrease in the number, membership and working capital, the sales during the year exceeded by Rs. 2.5 crores over the last year.

Housing.

A big stride was made by Madras in relieving housing shortage by starting Housing Co-operative Societies. There are 280 urban housing societies in the State which have obtained loans from the Government to the extent of Rs. 68.67 lakhs. During the year 1950, 751 houses were completed and 1,238 houses were under construction. The earliest attempt to build houses on co-operative lines was made in 1913 at Coimbatore. Later, societies were started at Madurai, Dindigul, Kumbakonam, Ooty, Madras, etc. Two main forms of house building co-operative societies are individual ownership system and co-partnership system. Government began to place allotments at the disposal of the Registrar for the grant of loans to these societies from 1923 onwards. During the War, the activities were suspended and consequent on the acute housing problem, Government provided building materials like iron, steel, timber, cement etc., at controlled rates. They also reduced the rate of interest for building societies from 4½ per cent to 3½ per cent. Societies were started to build houses for members on hire-purchase system—the tenant

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becoming the ultimate owner of the house in a period of 20 years. The Madras Co-operative House Construction Society, the best example of this type, was started in 1946. It built houses at Gandhinagar, and Ayanavaram. There is in North Arcot the Katpadi Township scheme on Co-operative basis. On 30th June 1948, there were 188 societies composed of 139 ordinary societies; 37 house building societies, 7 house construction societies; one Co-operative Township—with a total share capital of Rs. 51.14 lakhs and total loans outstanding to Government was to the tune of Rs. 33.40 lakhs. By June 1950, the Movement in this sphere developed rapidly and showed phenomenal progress with 280 societies composed of 183 ordinary; 68 house building; 13 house construction; 2 Co-operative Townships and 4 house mortgage banks with a share capital of Rs. 109.12 lakhs and the Government loans to the extent of Rs. 158.17 lakhs at the end of the year. Some of the important societies are Madras House Construction Society at Gandhinagar, Mylapore, Venkatesapuram; Co-operative House Construction Societies at Tanjore, Madurai, Tiruchirapalli, Palayamcottai; Coimbatore, Rajahmundry. The Co-operative Townships are at Katpadi in N. Arcot Dt. and at Padaru in S. Kanara.

Co-operative Farming.

Co-operative farming assumed greater importance in recent years due to Grow More Food Campaign of the Government. Almost all the Central and State Governments have recommended co-operative farming to increase agricultural production. Even in the 5-year plan of the N. P. C. a prominent place is given to co-operative farming for the development of agriculture. In Madras Agricultural Land Colonisation Co-op. Societies have been started. The Movement has not made any considerable progress due to practical difficulties. Some societies were tried but were given up for lack of response from the public. Human nature being what it is, the ryot is not willing to pool his land for the purpose of joint cultivation. So co-operative tenant farming societies are organised for better farming; some progress has been made by land colonisation societies formed on Government lands. There are 27 civilian colonisation societies and 10 for Ex-servicemen the most prominent among them being one at Marudur in Trichy Dt. and another at Nelvai at Chingleput Dt. and the third at Thattabandor in Vizag. Dt. and the fourth at Araku Valley in Vizag Dt. A special staff was appointed in Bombay and there were 45 new societies formed bringing the total to 82. During the year 1949-50, there were 22 joint farming societies in Bombay; 39 tenant farming societies in Madras; 52 land settlement societies in U. P.; 133 better-farming societies in Punjab. Encouraging results in the per acre yield as well as profits are being reported from these centres.

Co-operative Insurance.

An interesting experiment in the development of co-operative movement was the organisation of insurance societies called the South India Co-operative Insurance Society started in 1932 providing benefits of insurance to poor and middle classes of people the minimum valid policy being for Rs. 100. From a humble beginning it has made rapid strides. At the end of 1947-48, there were 4 insurance societies—the most

PROGRESS OF CO-OPERATIVE MOVEMENT IN INDIA

prominent of them are—The South India Co-op. Insurance Society; the Co-operative Fire and General Insurance Society, Indian Postal and Telegraph Co-op. Society, Madras Co-op. Motor Vehicles Co-operative Insurance Society.

	1938—39	1947—48
No. of Societies	2	4
No. of members	12,324	36,015
No. of Policies	13,718	31,057
Amount of risk involved (in lakhs of Rs.)	120.19	1,182.69
Premia collected	4.41	19.80
No. of lives insured in the year.	3,436	6,083
No. of lives lost	253	82
Claim paid (in lakhs of Rs.)	0.89	2.85
Cost of Management	1.64	5.89

Miscellaneous Types of Societies.

These consist of different types and varieties as the Labour Contract Co-operative Society in Madurai, Uralangal Society in Malabar, Reddipalji Society in Kurnool and Kanupur Society in Nellore. Co-operative Canteens and Restaurants; Co-operative Printing Presses important being one at Madras and another at Coimbatore; Fishermen Co-op. Societies, Educational and Publishing Societies, Salt Licenses Co-op. Societies; Co-operative Motor Transport Societies for Civilians and the Madras Rickshaw Pullers' Co-op. Society. Mention must be made of the Co-operative Society started for Ex-servicemen, their workshops being at Kumbakonam, Visakapatnam, Malabar and Katpadi.

Multipurpose Societies.

During the three years of the reorganisation of rural credit societies into multipurpose ones in this State, the growth of Multi-purpose Societies has been fairly rapid and the number large, but the progress is not steady. Most of these societies are dealing only with controlled commodities and have not absorbed the village economy except to act as a distributing agency. Government have encouraged their formation by granting subsidies for meeting the establishment charges and additional staff. In 1949-50, there were 2,161 Multipurpose societies in Bombay; 22,300 in U. P.; 12,534 in Madras; 1,641 in Bengal; 1,777 in Bihar; 818 in M. P.; 59 in Orissa; 828 in Mysore. In most of the state, the Governments have given almost virtual monopoly for distribution of controlled commodities through these societies like manures, fertilisers, iron and steel.

Under Firka Development Scheme, Government ordered the formation of Multi-purpose Co-op. Societies in select Firkas of West Godavari, Krishna and South Kanara. Existing credit societies have been converted into multi-purpose co-operative societies. There are 24 Multi-purpose co-operative societies in Dendulur Firka in W. Godavari and 53 societies in Tirumangalam Firka in Madurai Dt. Of these only 44 have started working. Government have sanctioned additional staff—7 Senior Co-op. Inspectors and 7 peons. Government propose to give financial assistance to the societies and by the way of subsidies to meet the working expenses and undertake recreational activities loans to meet the

cost of construction of godowns and towards the cost of purchasing agricultural implements. Multi-purpose activities undertaken are :—

1. Supply of controlled commodities.
2. Distribution of agricultural implements and manure.
3. Execution of contract works.
4. Promotion of thrift.
5. Collection and sale of milk.
6. Social and Recreational activities.

The Madras State Co-operative Union Examination, March 1952

An examination for the students of the Coimbatore, Tanjore, Rajahmundry and Anantapur Institutes will be held at the respective Institutes' headquarters from 24th March 1952 to 31st March 1952 as per programme given below.

Monday	...	24-3-1952	10 a.m. to 1 p.m.	Co-operation—Historical, General and Principles.
Tuesday	...	25-3-1952	10 a.m. to 1 p.m.	Co-operative Law.
Thursday	...	27-3-1952	10 a.m. to 1 p.m.	Audit.
Friday	...	28-3-1952	10 a.m. to 1 p.m.	Book-keeping.
Saturday	...	29-3-1952	10 a.m. to 1 p.m.	Banking.
Monday	...	31-3-1952	10 a.m. to 1 p.m.	Rural Economics, etc.

Candidates who failed in the previous Provincial Co-operative Union Examinations held during 1942 to 1950, are hereby informed that they can also sit for the above examination.

Candidates who underwent training in the Institutes prior to 1941 have to appear and pass Part III of the examination under the new regulations for eligibility for a certificate.

In view of the subject 'Banking' having been included under Part III from the year 1945, candidates who have passed Part II in previous years need not appear for 'Banking' under Part III this year. It will suffice if they sit for Rural Economics, Sanitation, Village Panchayats, etc., only.

The examination in Theory comprises of three parts :—

- | | | |
|---|---|-----------|
| 1 Co-operation—Historical, General and Principles | } | Part I. |
| 2 Co-operative Law | | |
| 3 Audit | } | Part II. |
| 4 Book-keeping | | |
| 5 Banking | } | Part III. |
| 6 Rural Economics, Sanitation, Village Panchayats | | |

Candidates who have failed in any one of the subjects of any part have to sit for the subjects comprising that Part or Parts.

The examination fee is Rs. 11 for the whole Examination for students undergoing training in the Institutes for whom the marks obtained by them in the examination will be supplied through the Institutes. However, this rule does not apply to supplementary candidates for whom the fee of Rs. 2 for furnishing marks will stand. The Examination fee is Rs. 4 for each Part.

The last date for receiving the examination fees together with the application in the prescribed form is 29-2-1952. Fees must be remitted only by money order. Applications and money orders received after the said date are liable for rejection, and no complaint in this behalf will be attended to.

For further particulars please apply to :

The General Secretary,
The Madras State Co-operative Union,
379, Netaji Road, G. T., Madras.

Co-operative Movement and the Paid Employees

SRI K. VENKATAIAH NAIDU, B.A.,

Secretary, Rajampet Co-operative Town Bank, Ltd.

Co-operative development is of immense importance for raising the standard of living of a vast number of people in an undeveloped country like India. It is a key solution to the vast and sometimes pathetic problems which pervade the life and work of the people. The great spiritual value of co-operation is that it gives the people of the nation a sense of togetherness. It gives unity of thought and action. This is particularly important for India. We have many religious creeds. This diversity might easily be an obstacle to our progress. The importance of co-operation was well recognised by the Government of India, which communicated to the International Labour Office that 'Co-operative development must be a part of the National Economic Plan'. The Congress Economic Programme Committee also assigns an important part to co-operation in every phase of economic activity and makes many suggestions for developing the co-operative movement in all its forms. Co-operative Commonwealth is the declared objective of the Constitution of India.

The development of co-operation on sound, healthy and lasting lines depends upon the harmonious functioning and the combined work of three factors namely the departmental officers, the honorary non-officials and the paid employees. It is not an exaggeration or an over emphasis to state that the paid employees are as essential to the success of the movement as the honorary office-bearers and the departmental officers. The paid staff employed by the co-operative societies as secretaries, managers, clerks, cashiers, salesmen, purchasing agents, store-keepers etc. number 80,000 in the Madras State alone as stated by Mr. J. C. Ryan, Registrar of Co-operative Societies, Madras, in his broadcast from A.I.R., Madras on 21-4-51. The non-official employees are twenty times the number of Government employees.

But unfortunately today in India, the condition of the paid employees is miserable and evokes pity and sympathy. They are ill-paid and underfed. The scales of pay fixed years ago have not been revised. The salaries they draw are so meagre that they find it extremely hard to make both ends meet. In these hard days of high cost of living and the soaring prices of essential commodities, daily life itself has become a big problem. They lead a life of misery and discontent. It is not so in other countries. In Denmark the various co-operative associations and societies have established a joint co-operative pensions society to provide pensions for retired and incapacitated co-operative employees and their dependents.

Besides, these non-official paid employees are subject to a variety of disabilities. Special by-laws are enforced on the service conditions. They are precluded from becoming members of the co-operatives in which they serve. Membership is opened to all, but not to those that work in the institutions. Thus they are deprived of the benefit of obtaining loans at cheap rates of interest. In brief the benefits of the various types of co-operatives are not extended to the employees, since rules do not permit them to become members of the respective co-operatives in which they serve. The reverse is the case in New South Wales. The employees are compelled to become members of the co-operatives in which they serve. Section 48 (5) of the Co-operation Act, 1923-50 reads:

"If authorised by the rules of the society, but subject to the provisions of sub-section one of this section, any part of the surplus arising in any year from the business of the society may—

(c) be credited to any employee who is not a member, but is qualified to be a member, by way of bonus in proportion to his salary or wages at a rate equal to the rate of bonus or rebate paid to a member on the business done by him with the society;

Section 48 (6) A bonus or rebate shall only be credited to any employee or person who is not a member, until the amount credited is equal to the nominal value of the minimum number of shares for which a member is required by the rules to subscribe and in or towards payment for such minimum number of shares to be issued to him on application as prescribed by the rules,

Section 48 (7) Nothing in this section shall preclude the payment of a bonus to any employee in accordance with the terms of his employment.

The co-operative stores cater to the needs of the essential services in the derationed areas. The employees of the stores sell rice to the essential services at the controlled price but they have to seek rice in the black market at exorbitant rates for their own consumption. This state of affairs reminds us of the pangs of the Biblical Tantalus. During the war period, employees of the co-operative banks were declared as essential services as per the Essential Services (Maintenance Ordinance) (published at pages 412 and 413 of the Fort St. George Gazette dated 6-4-1943). Now that there is no emergency, they are again classified under non-essential. The Government of Madras in their memorandum No. 35146-B-51-8, Food and Agriculture, dated 14-8-1951, refused to classify the employees of the co-operative institutions as essential services for the supply of food grains in derationed areas.

Security is to be furnished by the paid employees under rule XXVII B. Some of the co-operatives insist upon the production of cash security or unencumbered immovable property or a fidelity policy. Many of the

employees cannot afford to pay cash as they are ill-paid. Fidelity policy is a heavy taxation on the employees. In other countries also security is demanded from the employees but the premium of the fidelity policy is paid by the society. Section 55 (2) of the Act Representing Credit Union Societies, in the Province of Manitoba in Canada reads: "The security shall be given and maintained at the expense of the society, and shall be by guarantee bond or policy, in a form approved by the minister, of an incorporated company empowered to give or issue guarantee bonds or policies of guarantee for the integrity of, and faithful accounting by, public officer."

To ventilate the grievances of the non-official paid employees of the co-operative societies, associations have been formed. Though the Government has recognised these associations, it confined the membership only to the present employees and consequently the valuable experience, sound advice and wise guidance of the outsiders are denied to those associations. Such restrictions are not imposed on Trade Unions and other associations for the employees in our country.

Due to these various disabilities to which the paid employees are subject to, many qualified people are not attached to this field of employment, and seem to prefer any other job, to being a paid employee in a co-operative society. The International Labour Organisation has rightly pointed out that 'the development of co-operative movement in Asia, is hindered by a surprising shortage of qualified staff to aid and guide it'.

In India in recent times co-operative societies increased in number and in membership. They have taken up a greater variety of economic duties and assumed new responsibilities. The Government also attach a great value to the development of co-operation as the best means of bringing out the economic development of the country.

Under these circumstances it will be impossible to develop the co-operative movement on sound and lasting lines, unless best talent is attracted to this field. To achieve this end the obstacles that are in the way should be removed. The first step in this direction should be the liberalisation of the policy of the Societies towards their paid employees.

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President.

MULTIPURPOSE ACTIVITY

Multipurpose Co-operative Activity in Madras

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

1. The Munagala Multipurpose Co-operative Society, Munagala (Krishna District.)

This society was registered on 14-12-1920 and was started on its work almost in the same year. Its jurisdiction extends to the villages of Munagala, Bharakatgudem and Narayanagudem enclaves of our State situated in Nizam Territory. This is about 75 miles from Vijayawada. It is affiliated to the Munagala L C. Union and the Viziavada Co-operative Central Bank, Ltd., Vijayawada.

2. The society is now working with a membership of 269 and paid up share capital of Rs. 5,112 as on 30-11-1951. The total population of the villages is 2,805 and as such the percentage of the population served by the Co-operative society is 48. The society has got Maximum Borrowing Power and Individual Maximum Borrowing Power of Rs. 50,000 and Rs. 500 respectively. An amount of Rs. 34,820 is due to Central Bank and a sum of Rs. 36,347 is due to the society from its members. Its Reserve Fund is Rs. 1,688 of which an amount of Rs. 887 is invested in the Central Bank. It holds shares of the value of Rs. 3,600 and Rs. 50 in the Central Bank and the Kistna District Co-operative Central Stores respectively.

3. Under the scheme of reorganisation, the society adopted multi-purpose enbloc amendments and has taken up multipurpose activities. The society has undertaken extra credit activities which are beneficial to the ryots. This is selected for the distribution of iron and steel and other agricultural implements to the ryots in the Munagala Paragana. To carry on its non-credit activities, the society is enjoying a cash credit of Rs. 5,000 from the Central Bank. The value of commodities dealt with by the society for supply to its members and non-members is Rs. 20,667. Iron and steel worth about Rs. 21,305 was distributed to 889 ryots in the paragana.

4. The society has done much to inculcate the habit of thrift in the public. It has collected fixed deposits and thrift deposits through homesafe tins. The deposits amount to Rs. 3,038. The society is maintaining a Reading Room and Library by getting dailies, magazines etc. for the benefit of the public under its social activities. The clerical work of the society is being carried on by paid staff. This is one of the societies in Nandigama Taluk with good a record of work.

MULTIPURPOSE CO-OPERATIVE ACTIVITY IN MADRAS

2. Sithakkur Multipurpose Rural Credit Society, Othakadai Post, Mathurai Dt.

The Society was registered on 16-9-1946 and started on work on 11-10-1946. This society caters to the credit needs of the villages—Sithakkur and Elangipatti. There are 77 members on roll with a paid up share capital of Rs. 1,018. The maximum borrowing limit of the society is Rs. 15,000 and the individual maximum borrowing power is Rs. 500. The net assets of the members of the society is Rs. 1,72,500. The Society has taken shares in the Central Bank to the value of Rs. 346. The amount of loans outstanding from members is Rs. 7,996 of which only one loan is overdue from 31-7-51 to the extent of Rs. 65. Loan outstanding to the Central Bank is Rs. 7,580 and there are no overdues. The Society has got a Reserve Fund of Rs. 58 invested in the Central Bank. It has earned a net profit of Rs. 208 for the year ending 30-6-51. The panchayatdars are enthusiastic and capable of running the society successfully.

After the introduction of the scheme of reorganisation, the society amended its bylaws for undertaking various multipurpose activities. Some of the activities undertaken by the society are given below:

Under joint purchase and sale system, the society has purchased chemical manure to the value of Rs. 2,696 and distributed it to 40 of its members. It has also purchased and distributed cart tyres and other agricultural implements to the value of Rs. 54 to 9 members. For this purpose, the society has obtained a cash credit loan of Rs. 2,000 from the Central Bank.

Under intensive food production scheme, the society itself has dug 4 manure pits and is maintaining them in the prescribed manner. Further the society has induced its members to maintain such pits individually and 5 members are maintaining them.

The society has introduced thrift scheme among the villagers and has distributed 15 hundi-boxes.

The Society is running a reading circle by subscribing to the news papers namely 'Thanthi' and 'American Reporter' which are being circulated among the members.

The Society is encouraging khadi spinning in the village. It is running a 'Kathayee Mandal' where 15 members of the society are engaged in khadi spinning. The society jointly purchases and supplies cotton to the 'Mandal'. Khadi thread is spun and converted into Khadar cloth. Thus the society is helping to some extent in solving the cloth problem in the village.

3. The Neikarapatti Multipurpose Co-operative Credit Society (Salem Dt).

The Society was registered on 12-2-1909 and started on its work on 12-2-1909.

There are 121 members with a paid up share capital of Rs. 959. The maximum credit limit of the society is Rs. 10,000 and there are no dues to Salem Co-operative Central Bank under borrowings. The society has a statutory reserve fund of Rs. 14,974-3-0 and a business reserve of Rs. 1,338 with which it is carrying on its credit and other transactions. The Society took a short term loan of Rs. 4,575 from the Central Bank and has repaid the entire amount. It has lent loans to members to the extent of Rs. 6,458 from out of its reserve with proper sanction. It is

running a ration shop which is put up in the godown of the society. The society supplies food grains to 397 ration card holders per week. Its total purchases amount to Rs. 40,853-8-8 and the sales effected is Rs. 41,577-4-11 for the period from 1-7-51 to 30-11-51. The society has a godown of its own valued at Rs. 15,188-9-0. It got a subsidy of Rs. 6,000 from Government and invested Rs. 8,850 from out of its reserves to put up this building. The society has distributed hundi boxes to its members and has collected Rs. 57-11-0 so far. The society is subscribing to dailies in Tamil and Madras Information. The society is one that has been selected for dealing in chemical fertiliser. It has been sanctioned an overdraft of Rs. 2,000 and it will commence dealing in fertilisers. These activities of the society are likely to attract a few of the villagers to join in greater number and be useful in all directions.

4. The Padur Multipurpose Rural Credit Society, (S. Arcot Dt.)

The Padur Multipurpose Co-operative Society is in Tirunavalur Development Firka in Tirukoilur Circle. The Society was registered on 30-2-1914 and started on its work on 12-4-1914. The area of operation of the society extends to Padur, Chinnakuppam (Hamlet of Padur) and Vandipalayam villages. The population in the area of operation of the society is about 5,900. At present there are 109 members in the Society and the paid up share capital is Rs. 1,942.

The Society has been doing fairly good work ever since its starting. The Maximum Borrowing Power of the society is Rs. 15,000 and the Individual Maximum Borrowing Power is Rs. 500. The Society borrowed Rs. 13,900 during the year and repaid Rs. 8,448. The outstanding from the members is Rs. 14,143. There is no overdues to the Central Bank. The Society has invested a sum of Rs. 2981-9-1 towards Reserve Fund. The Society amended its bylaws for undertaking multipurpose and social and recreational activities on 11-7-50 and it undertook multipurpose activities on 14-2-51. It is dealing in Chemical Fertilizers. So far the society has dealt in chemical fertilizers to the extent of Rs. 2,340. It is also distributing sugar, handloom cloth, coffee seeds and cement, to its members and non-members. The Society also purchased and sold iron implements to the extent of Rs. 100.

The Society has subscribed for Tamil papers and has recently opened a library. It is also holding rural games at regular intervals.

The Madras District Co-operative Central Bank, Ltd.			
52-53, Thambu Chetty Street, Madras 1.			
ESTD. 1930	TELEPHONE NO. 2384.		
Authorised Capital	...	Rs. 10 lakhs.	
Working Capital	...	.. 35 ..	
All kinds of deposits accepted.			
Rates of Interest :—			
Current Deposits	½ %	Savings Deposits	2 %
Fixed Deposits :—For 6 ms. 3½% For 1 yr. 3½%, For 2 yrs. 3½%.			
Further particulars can be had from the undersigned :			
B. S. VIJAYAGOPAL, B.A., B. COM.			
Secretary.			

The note on the Tiruvottiyur Co-operative Cattle-breeding and Marketing Society Limited, Madras.

This society was registered on 26-12-1949 and started on 7-2-1950. Its area of operation covers the districts of Madras, Chingleput, Chittoor, Guntur, Nellore and Cuddapah. The objects of the Society are : 1. Improving methods of Cattle-breeding ; 2. Arranging for the sale of cattle to its members to the best advantage ; 3. Arranging for the supply of cattle feed to members ; 4. Disseminating up-to-date information regarding the breeding and management of cattle and their marketing etc.

The authorised share capital is Rs. 10,000 made up of 1,000 shares of Rs. 10 each. As on 30-6-1951 there were 23 members with a share capital of Rs. 488-12-0. The maximum borrowing limit of the Society in December '51 was about Rs. 2,500. The Society has however not taken any loan, but is managing with its own limited capital.

The two main lines of business of the Society are sale of milch-cattle and sale of computed cattle feed. The society takes a commission of 5 per cent on cattle sales. From its inception upto about the end of January '52, it sold 108 cattle for Rs. 29,929 and earned a commission of Rs. 389. From July 1950 to about the end of January 1952, it sold about 80,114 bags of cattle-feed (each bag containing 88 lbs) for Rs. 25,540. Thus the society has been able to do a business of over Rs. 50,000 ; but the profit is not appreciable on account of the low margin fixed and the necessity to meet the contingencies and other expenditure like travelling from this margin.

The society has no establishment on account of its being in the stage of infancy. It is however in the charge of a Departmental Senior Inspector, working under the three-year-plan. The Board of Directors consists of 7 members.

The society's business in cattle-feed is fairly large. The product is very popular and regular orders come from various individuals and institutions for supplies. The handicap in this respect is the difficulty in procuring wagons for despatch of goods.

In respect of the marketing of cattle also there is difficulty in transport.

The society has however a good future. It should increase its margin of profit or commission so as to meet its requirements in establishment etc. It should also undertake the marketing of cattle on a larger scale. The Society does not seem to have undertaken the breeding and salvage activities. These activities will make the society more popular. The Society will do well to obtain a breeding bull from the Government for the purpose. It is also necessary that more members should enroll. The area of operation is large and therefore intensive work for expansion will certainly help the society to become a successful co-operative venture.

Review of Administration Report
The 9th Administration Report for 1950-1951 of the Kurnool Wholesale
Co-operative Stores, Ltd

The number of members rose from 389 at the beginning of the year to 437 at the end of the year and the share-capital amounted to Rs. 1,36,400 against Rs. 1,36,800 at the beginning of the year. Out of the borrowed amount of Rs. 23 lakhs inclusive of the balance of the last year, the Stores repaid a sum of Rs. 15 lakhs during the year thus leaving a balance of Rs. 8 lakhs as outstanding at the end of the year. It is gratifying to note that the Stores is gradually beginning to carry on business with its own resources as much as possible. It has also been able to get fixed deposits from individuals and non-members to the tune of Rs. 21,000 and from its primaries to the extent of Rs. 32,869.

The stores has also invested out side its business a sum of Rs. 1,31,189 in debentures of C. L. M. Bank, shares in Co-operative institutions etc.

The Stores did, as in previous years, substantial business under the scheme of intensive Procurement, Export and Import and distribution of foodgrains under Statutory and informal rationing scheme in a satisfactory manner. The value of stock at the beginning of the year was Rs. 7,92,478 and stock to the value of Rs. 58,87,338 was purchsaed during the year. The total sales excluding sales returns amounted to Rs. 64,59,824. The following figures will show the business turnover of the Stores during the year :

Name of the Commodity.	Value.
1. Foodgrains	... Rs. 47,99,244
2. Groceries	... „ 1,899
3. Mill Made Cloth	... „ 30,908
4. Infant goods etc.	... „ 1,480
5. Other consumer goods	... „ 45,282
6. Iron and Steel, Manures and others.	... „ 15,81,011
	<u>Rs. 64,59,824</u>

The value of the stock at the end of year was Rs. 7,32,367. The transaction resulted in a gross profit of Rs. 1,67,915.

The stores earned a net profit of Rs. 23,766 for the year. It has built up a reserve of Rs. 92,010.

It is gratifying to note that the stores has constructed its own building and godown at a cost of Rs. 22,400.

The President of the stores Sri Rao Bahadur B. P. Sesha Reddy has to be congratulated for his untiring efforts for the successful working of the stores in its 9th year of working.

REVIEW OF ADMINISTRATION REPORTS

The 38th Annual Report for 1950-'51 of
The South Canara Central Co-operative Bank, Ltd., Mangalore.

At the close of the year there were 814 members with a paid up share Capital of Rs. 3,67,690 as against 755 members with a paid up share Capital of Rs. 3,61,620 at the beginning. Out of the share capital paid-up on 30-6-'51, Rs. 47,870 was held by individuals and Rs. 3,19,820 by societies.

It is seen from the report that there was an appreciable increase in deposits. The total deposits held by the Bank at the end of the year were Rs. 34,93,747 against Rs. 33,00,719 at the beginning. The total borrowings of the Bank rose from Rs. 33,00,719 to Rs. 49,95,080 at the end of the year.

There was an increase in the loan outstandings from Rs. 21,44,695 to Rs. 40,01,241, besides Rs. 800-10-0 from a liquidated society at the end of the year. The overdues from societies on 30-6-51 were Rs. 36,803 under principal as against Rs. 40,470 in the previous year. No interest was in arrears at the end of the year. The Bank earned a net profit of Rs. 33,942 for the year under review. The total reserve fund amounts to Rs. 2,14,334.

The scheme of reorganisation of credit societies continued to be worked during the year with the aid of the Government subsidy towards the cost of the staff. The activities of the field staff continued to be closely watched and reviewed from month to month by the Vice-President of the Bank.

The Bank is placed under "A" class for the year under report.

IF ANY ONE FEELS ANY DOUBT ABOUT
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 LET HIM VISIT

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

Acclaimed as the Best Rural Stores
 in India Today

Annual Turnover Exceeds 10 Lakhs

Financed Entirely by members without outside help.

WEAVERS' CO-OPERATION

The Madras Co-operative Spinning Mills Ltd., Guntakal

The Foundation-Stone Ceremony

The foundation-stone of the Madras Co-operative Spinning Mills, Limited, Guntakal laid on 26-12-1951, by Pandit Jawaharlal Nehru, Prime-Minister of India. The Prime-Minister and other visitors were welcomed by Sri M. Somappa, President of the Handloom Weavers' State Society. Messages were received on the occasion from Dr. Rajendra Prasad, President, Indian Union, The Honourable Sri P. S. Kumaraswami Raja, Chief Minister of Madras, Sri Deshmukh, Finance Minister, India, Sri T. A. Ramalingam Chettiar, Sri B. Venkataratnam Choudry and Sri K. Subrahmanya Naidu, Joint-Registrar.

In the welcome address presented to the Prime-Minister, the problem of the weavers in the State was reiterated. A hope was expressed that with the support of the Government the handloom society and the spinning mill would be able to meet the situation as much as possible. The following is an extract from the Address :—

"This Co-operative Mill is the first of its kind in this Country, and probably in the World. It is the result of the joint effort of 1,80,000 handloom weavers who have organised themselves into 1,000 primary weavers' co-operative societies scattered throughout the Madras State. The Madras State Handloom Weavers' Co-operative Society, which is a federation of these 1,000 primary weavers' co-operative societies, is the sponsor and major shareholder of this Mill. The rest of the share-holders are the primary weavers' co-operative societies. Together they hold Rs. 80 lakhs of shares in the Mill. Their main object is to produce the yarn they need themselves. The Mill, therefore, stands, not for production for profit but for production for use. But it can produce only 700 bales of yarn per month, while its share-holding weavers co-operatives need 7,000 bales a month, as they produce about 10 crores rupees worth of handloom cloth per year. God willing, we intend starting more such mills so as to depend on ourselves for all the yarn we require. A second Co-operative Spinning Mill will be registered shortly in the southern districts. But our hopes will be materialise only if we continue to have the support and encouragement of the Central and State Governments. We are particularly beholden to the Government of India for the generous grant of rupees one lakh given to this mill and for Rs. 2,15,700 given for a calendering plant."

The Prime Minister replied to the Address as follows :—

"I am happy that the tour has been interrupted for this function because I think what you have done is not only a remarkable thing but

THE MADRAS CO-OP. SPINNING MILLS LTD., GUNTAKAL

something which is particularly needed in India. Perhaps you know that in the objective of the Congress it is laid down that we have to aim at establishing a Co-operative Commonwealth. We have to proceed gradually towards realising this. But in any event, we have to proceed on co-operative lines in our industry, in production and in distribution. In particular it is very pleasant to me that the weavers of this State have undertaken this enterprise. The handloom weavers all over India have had a hard time for some months past because of the lack of an adequate quantity of yarn. We attach the greatest importance to handloom industry because millions of weavers are in it, and also from a national point of view. In order to make good the deficiency, I am hoping that in the course of a relatively brief period of time, we shall be able to increase the supply of yarn. This venture in self-help is notable and I hope that this, the first co-operative mill, will be followed by others. I am not speaking at the movement as the Prime Minister of India but as the Congress President. I hope the Government of India and the Madras Government will help ventures like this. I perform this task with great pleasure."

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BOOK IN BRIEF

Book-Review

Food and Agriculture in Madras State.—by Dr. B. Natarajan M.A., D.LITT., Economic Adviser to Government of Madras—Foreword by the Hon'ble Sri J. L. P. Roche Victoria, Minister for Food and Fisheries—Published by the Director of Information, Government of Madras, 1951, pp. 257, Price Re. 1.

This is one of the many contributions of Dr. B. Natarajan to the knowledge and solution of burning economic problems of the day in Madras State. The author has followed very keenly the problem of Food and Agriculture with special reference to our State. He has also keenly perceived the need for an authoritative presentation of the various facts bearing on Food and Agriculture in the State.

The book is divided into nine chapters.

In the first chapter, viz., *Introductory*, the author has dealt with the food position in the State on the eve of World War II.

In the second chapter, viz., *Procurement, Rationing and Food Administration*, the author has dealt with the growth of controls on prices and quality, rationing, procurement and food administration.

The third chapter deals with *the Food Production Drive*. In this chapter the author has dealt exhaustively with the Grow More Food Campaign in all its aspects and in all its phases.

The fourth chapter, viz., *Achievement Audit of the Grow More Food Campaign (1948-49)*, gives the results of the permanent improvement schemes, intensive production scheme and the Grow More Food Campaign.

The fifth chapter contains *Agricultural Statistics* relating to crop yields, crop cutting experiment etc.

In the sixth chapter entitled *Towards Crop Planning*, the author has discussed the problem of population and food supply, consumption requirements and the need for crop planning.

The seventh chapter, viz., *Utilisation of Land*, gives the 'cultivation trends for several years and the objectives of land utilization and need for scientific planning.

In the eighth chapter, *Mobilisation of Agricultural Resources*, the author has discussed the various factors such as tenure conditions, rise of policies, parity trends, crop insurance etc., which would help maximum productivity.

The last chapter, viz., *Conclusion*, is a summary of conclusions and re-statement of the food problem.

BOOK REVIEW

The author has appended to the book 30 Tables and Statements bearing on the seasonal factor, food requirements of the State, output of food and commercial crops, expenditure on production schemes, trend of prices, cost of production and price index numbers etc.

The book also contains 28 charts and graphs, relating to imports, price trends, production and consumption averages, production schemes, price index numbers etc. There are 6 maps relating to average output of rice etc., district wise surpluses and deficits of food grains, population under rationing and so on.

As the Hon'ble The Food Minister has stated in his Foreword the book is undoubtedly a judicious study, written with a view to riveting the attention on an integrated solution of the long and short term food-planning.

The book is of value not only to the producers and consumers in the Madras State but to those of the other States in India; for the problems discussed in it are of more than regional or ephemeral significance and are basic to the entire Indian agricultural situation.

The book is priced at Re. 1 only which clearly indicates that it is meant to be within the reach of the common man. The public in Madras and elsewhere should be very thankful to the author for his valuable and timely publication and should benefit by reading the book without fail.

V. N. T.

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379, Netaji Road, MADRAS-1.

G.Os. & CIRCULARS

G.O's. and Circulars

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

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

R.C. No. 160884/51-S-1.

Dated: 24-1-1952.

Sub: Stores Societies—Security from paid employees—rules XXVII-B—Fixation of

Ref: Registrar's proceedings R. C. No. 83404/49-S.1 dated 25-5-1950.

In his proceedings cited above, the Registrar prescribed the standard and form of security to be furnished by the employees of Central and Primary Stores under Rule XXVII-B of the rules framed under the Madras Co-operative Societies Act of 1932. It was suggested that fidelity guarantee bonds might be included among the securities eligible for acceptance. The question was considered at the Conference of Co-operative Wholesale Stores held on 1-11-1951 and the following resolution was recorded.

Resolution:—Resolved that fidelity guarantee bonds be accepted as security under rule XXVII-B in the place of personal security or security on the mortgage of immovable properties from employees of co-operative stores. The Registrar accepts the principle behind the resolution. He, however, considers that the fidelity guarantee bonds furnished by the employees can be accepted only upto 50 per cent of the security prescribed and that the balance of the security should be either in the shape of cash mortgage security or personal security. For example the security prescribed for the non official Secretaries of the Co-operative Wholesale Stores is Rs. 2,500 either in the shape of cash or mortgage property, or personal security for Rs. 5,000. If he offers fidelity guarantee bond, the bond will be accepted upto Rs. 2,500. The employees should in addition furnish cash security or mortgage surety for Rs. 1,250 or personal security for Rs. 2,500. Proceedings to this effect are separately under issue, under Rule XXVII-B. Deputy Registrars are requested to bring this to the notice of the societies.

2. The Co-operative Fire and General Insurance Society, Limited, Madras issue fidelity guarantee bonds. The rates of premium quoted by the society are as follows:

(i) " For Secretaries, Managers, Supervisors and clerks	..	10 As. % per annum
(ii) For Cashiers and Accountants	..	20 " "
(iii) For peons, bearers and Attenders	..	30 " "

G.Os. AND CIRCULARS

The minimum premium is Rs. 7-8-0. The annual rates of premium quoted above will apply for any period less than a year also".

3. The Deputy Registrars are requested to issue necessary instructions to the societies.

J. C. RYAN,
Registrar.

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

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

R.C. No. 146258/51-A.

Dated 29-1-1952.

Sub: Rural Savings Drive.—Collection of fixed deposits for Co-operative Central Banks—results.

Ref: Registrar's circular R.C No 146258/51-A dated 10-10-1951 and reports received from Central Banks.

In his circular cited, the Registrar initiated the Rural Savings Drive for the collection of fixed deposits for the Co-operative Central Banks to the tune of Rs. 2 crores by 31-12-51. The Drive concluded on 31-12-51 with a total collection of more than a crore of rupees. A statement showing the total collections made by each Co-operative Central Bank under the Rural Savings Drive is appended.

2. It is gratifying to note that the official and non-official co-operators have by their own efforts brought more than one crore of rupees into the Movement. This is not a mean achievement when the present day money conditions are considered. The campaign has served to demonstrate what self-help can do. The Registrar thanks all the official and non-official co-operators who have done their best for the Drive and made it a success. The Central Banks are requested to communicate the thanks and appreciation of the Registrar to each member of the non-official staff who contributed his efforts to the success of the Rural Savings Campaign.

3. The Central Banks which have instituted silver cups or shields as trophies to the societies collecting the largest amount in their jurisdiction may award them early.

J. C. RYAN,
Registrar.

Statement Showing the Collections of Fixed Deposits Received by Central Banks upto 31-12-1951 under Rural Savings Drive.

S. No.	Name of Central Bank.	Target.	Total deposits collected.
1	2	3	4
		Rs. in lakhs.	Rs.
1	Anantapur	...	6.08
2	Malabar	...	7.76
3	Coimbatore	...	14.87
4	Vijayawada	...	6.00
5	Pudukkottai	...	4.36
6	Tanjore	...	6.08
7	Salem	...	10.40
8	Kurnool	...	6.02
9	Chittoor	...	6.48
10	Madurai	...	14.32
11	South Arcot	...	10.87
12	Kancheepuram	...	10.62
13	Tirunelveli	...	13.10
14	Hospet	...	4.73
15	Srikakulam	...	7.67
16	Vellore	...	12.37
17	Ramnad	...	9.42
18	Ramachandrapuram	}	6.74
19	Cocanada		
20	Tiruchirapalli	...	6.18
21	Kumbakonam	...	7.80
22	Krishna	...	7.31
23	Nellore	...	9.36
24	Rajahmundry	}	6.99
25	Amalapuram		
26	Eluru	...	9.42
27	Cuddapah	...	6.97
28	South Canara	...	6.59
29	Vizianagaram	...	8.49
30	Madras	...	2.85
31	Guntur	...	11.89
Total		...	241.74
			1,05,80,833

Copy of G. O. Ms. No. 3418 Development Department dated 30th July 1951.

Sub: Acts—Madras Shops and Establishment Act 1947 and Rules framed thereunder—contravention of provisions by Co-operative Societies prosecutions—previous consultation with Deputy Registrars and Registrar of Co-operative Societies—Orders passed.

Read the following: From the Registrar of Co-operative Societies R. C. No. 58794/51-S-2 dated 6-6-1951.

Memorandum No. 64155-P. III/51. I Development dated 29-6-1951.

From the Commissioner of Labour No. F. 5/27155/51 dated 12-7-1951.

ORDER.

The Registrar of Co-operative Societies has suggested that the local officers of the co-operative department should be consulted by the officers of the labour department before launching prosecutions against co-operative societies for contravention of the provisions of the Madras Shops and Establishments Act 1947 and the Rules framed thereunder. The Commissioner of Labour has no objection to the suggestions. The Government direct that the inspectors of factories on whose recommendations the Commissioner of Labour sanctions prosecutions should invariably consult the Deputy Registrars of Co-operative Societies about the proposal to launch prosecutions against co-operative societies for contravention of the provisions of the acts and rules and forward their views also to the Commissioner, along with their recommendations. If the Commissioner does not agree with the views of the Deputy Registrars he should consult the Registrar of Co-operative societies and in cases of disagreement between the Registrar and the Commissioner, the orders of Government should be taken.

DEVELOPMENT DEPARTMENT.

G. O. No. 4680, 23rd October 1951.

Co-operative societies—Central Banks—Financial statement for the half-year ended 30th June—Recorded.

Read—the following paper:—

Letter from Sri J. C. RYAN, M.A., Registrar of Co-operative Societies, to the Secretary to the Government, Development Department, dated Madras, the 1st October 1951, Rc. Pdl. No. 2/51-A.

[Co-operative societies—Madras Provincial Co-operative Bank and Central Banks—Financial statements for the half-year ended 30th June 1951—Report—Submitted.]

I submit the consolidated financial statements of the District Co-operative Central Banks and the Madras Provincial Co-operative Bank for the half-year ended 30th June 1951.

2 *Share capital.*—The paid-up share capital of the Madras Provincial Co-operative Bank rose from Rs. 14,81,700 on 31st December 1950 to Rs. 14,86,600 on 30th June 1951. The total paid-up share capital of all Central Banks in the State rose from Rs. 1,24,52,040 on 31st December 1950 to Rs. 1,36,56,481 on 30th June 1951.

3. *Proportion of owned capital to liabilities*—(a) *Madras Provincial Co-operative Bank*.—During the half-year ended 30th June 1951, the Madras Provincial Co-operative Bank continued to borrow funds upto the enhanced limits of twenty times its owned capital (share capital and Reserve Fund) to finance through the Central Banks, the societies which undertook procurement and distribution of foodgrains, mill cloth, yarn, chemical manures and iron and steel. The total borrowings of the Bank on 30th June 1951 amounted to Rs 789.89 lakhs as against the maximum credit limit of Rs. 1,172.82 lakhs permitted.

(b) *District Co-operative Central Banks*.—The total borrowings of all Central Banks on 30th June 1951 amounted to Rs 1,764.79 lakhs against the maximum credit limit of Rs. 2,656.94 lakhs. The maximum credit limit of 16 Central Banks was enhanced for financing procurement and distribution of foodgrains, mill cloth, yarn chemical fertilizers, and iron and steel undertaken by co-operatives in their respective jurisdiction.

4. *Fluid resources*.—As the Madras Provincial Co-operative Bank continued to finance procurement and distribution of foodgrains, textiles, yarn, chemical fertilizers and iron and steel undertaken by co-operatives, it maintained fluid resources at the standard relaxed in G.O. Ms. No. 4097, Development, dated 9th October 1950. During the half year ended 30th June 1951, all the Central Banks maintained the required standard of fluid resources.

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

	Loans outstanding against societies.		
	As on 30th June 1951.	As on 31st December 1950.	As on 30th June 1950.
	Rs.	Rs.	Rs.
	In Lakhs.	In Lakhs.	In Lakhs.
(1) Madras Provincial Co-operative Bank	599.79	484.11	382.42
(2) Central Banks	1,400.88	1,244.60	1,154.61

6. *Overdues*.—Out of the total loans of Rs. 1,400.88 lakhs outstanding against societies on 30th June 1951, a sum of Rs. 54.18 lakhs was overdue. The percentage of overdues to outstanding was 3.86. Of the sum due from Central Banks to the Madras Provincial Co-operative Bank, no amount was overdue at the end of the half-year.

7. *Reserves*.—On 30th June 1951, the statutory reserve of the Madras Provincial Co-operative Bank was Rs 43.75 lakhs and its other reserves amounted to Rs. 7.77 lakhs. The total statutory reserve of all the Central Banks was Rs. 63.88 lakhs while the total of their other reserves amounted to Rs. 41.93 lakhs on 30th June 1951.

OFFICE OF THE REGISTRAR OF
CO-OPERATIVE SOCIETIES, MADRAS,
Dated 30-1-1952.

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

CIRCULAR.

Sub:—Co-operative Societies—Constitution of small representative general body—further instructions issued.

Ref:—Registrar's circular R.C. 2616/45 B. dated 19-3-46.

In the circular cited, the Registrar suggested an amendment to bylaws of big co-operative institutions to constitute representative general bodies composed of the members of the Board of Directors and of delegates of groups of members elected from among the members in accordance with the subsidiary rules framed in this regard. The amendment provides for exercise by the representative general body of all the powers of the full general body and eliminates the latter the (full general body) altogether. This is not correct.

2. A representative general body is only a matter of convenience and the full general body should not be ignored on that account. The Registrar therefore directs that there should be opportunities for the full general body to meet on occasions though the representative general body might meet more frequently. In supersession of the instructions issued in the circular cited, the following amendments to the bylaws are therefore suggested.

1. Bylaw No. 31 of the co-operative urban bank, bylaw No. 30 in the case of co-operative stores, by-law No. 33 of the sale societies and corresponding bylaws of the other types of societies should be modified as below :—

"31 (a) of Urban Banks (Full General body)."

The ultimate authority in all matters including the constitution and the administration of the society, shall be the general body of members which shall meet at the headquarters of the society whenever necessary for the conduct of the business. The general body shall not interfere with the action of the Board of Directors or of the representative general body done in the exercise of the powers conferred on them under the bylaws.

The following shall be dealt with by the general body only.

1. All the powers of the general body expressly provided for, in sections 6 and 13 of the Madras Co-operative Societies Act namely :

Section 5 :—(a) Changing of the liability of the society from limited to unlimited and Vice-Versa.

Section 13 :—(b) division or amalgamation of the society.

2. Expulsion of members.

3. Amending, extending, altering or revoking of the powers granted to the representative general body.

4. Amending, extending or altering any existing bylaw or enacting a new bylaw in respect of the board of directors of the society, their constitution and the mode of electing them.

31. (b) The general body shall have power to constitute a smaller representative general body composed of the members of the Board of Directors and of delegates elected from members in accordance with the subsidiary regulations framed for the purpose. The following among others shall be dealt by the Representative general body.

1. Election and removal of the Board of Directors.
2. Approval of the annual report.
3. Consideration of the Registrar's audit certificate.
4. Amendment or repeal of any existing bylaw or the enactment of a new bylaw subject to the powers reserved to and by the general body of members under bylaw 31 (a).
5. Consideration of any complaint which any individual may prefer against the Board of directors.
6. The returns that may be prescribed by the Registrars and the local Government.
7. Consideration of the budget.
8. Ratification of constituencies formed by the Board of Directors for election of delegates to the representative assembly.

It shall be competent to the Board of Directors to form as many main constituencies, and sub constituencies as may be deemed fit, subject to ratification by the representative general body.

II. The following consequential amendments to the bylaws of the urban banks and corresponding bylaws of the other types of societies should also be made.

(a) *Bylaw No. 19.*—Recast the first sentence as follows :

Subject to such resolution as the general body or the representative general body may from time to time pass within their respective powers, the executive management of the affairs of the society shall vest in a Board of Directors.

(b) *Bylaw No. 20.*—(i) *1st and 4th sentence* :—Substitute representative general body in the place of the words 'general body.'

ii. Add at the end of this bylaw "or of the representative general body."

(c) *Bylaw No. 32* :—Substitute the words "a representative general body meeting" for the word 'general body' occurring in the first sentence of the bylaw.

(d) *Bylaw No. 37 and 61* :—For the words "The general body" appearing in these bylaws substitute "The representative general body."

3. After a representative general body is constituted in pursuance of the amendment to the bylaws suggested above introduced by the existing general body, application should be made to the Registrar under clause iv of sub rule (i) of Rule XXIV of the rules framed under the Madras Co-operative Societies Act for permission to recognise the representative general body as the authority competent to amend the bylaws as though it were the general body itself.

J. C. RYAN,
Registrar.

NEWS & NOTES

Co-operative News

The second conference of co-operative Sub-Registrars, Secretaries and Supervisors of the Land Mortgage Banks in the South circle (Coimbatore) was held on 2-2-1952. The conference was inaugurated by J. C. Ryan, M.A., Registrar of Co-operative Societies, Madras. Sri V. Damodaraswami Naidu, B.A., Director, Central Land Mortgage Bank, Madras presided. A number of important resolutions were passed.

Sri C. V. Shyamasundara Rao, Assistant-Registrar of Co-operative Societies, Hyderabad and some Co-operative Supervisors have come to study the Land Mortgage Bank system in our State. They visited some Land Mortgage Banks, like the Alamuru Co-operative Land Mortgage Bank etc.

At a reception given to the Party, by the Local Deputy Registrar for Land Mortgage Banks, at the Ramadoss Co-operative Institute, Rajahmundry, Sri Shyamasundara Rao expressed his impressions on the Land Mortgage movement in our State. He said that the salvation of our country would depend on the all-sided improvement of agriculture. He pleaded for a healthy approach to the rural problem. He spoke of the co-operators approach to the disease. He explained that, like a physician, the co-operators would try to treat the disease at the proper time while the others who try like surgeons and cut away the unwanted portions and make the individual an invalid in his life. He appreciated the good work done in the field of long term credit in the State and paid compliments to the great services rendered by eminent co-operators like Sri J. C. Ryan, Registrar, Sri B. Venkatarathnam of Ramachandrapuram, Sri N. Satyanarayana of Alamuru and Sri P. Satyanarayana Raju of Bhimavaram.

The Tiruchirapalli Dt. Co-op. Central Bank, Ltd.

The meeting Hall on the first floor of the Tiruchirapalli District Central Co-operative Bank was declared open by Sri T. M. Narayanaswami Pillai, M.A., B.L., Chairman, Madras Public Services Commission on 28-12-1951. Sri T. S. Muthukumaraswami Pillai, President of the Bank in his welcome address traced the history of the Bank from its inception upto its having erected its own building. He also emphasised the importance and benefits of the Co-operative Movement in general and its popularity and growth in Trichy District in particular and he continued now it can be spread and developed in all spheres. He mentioned to the audience the very useful services rendered to Bank by Sri T. M. Narayanaswami Pillai during his Presidentship of the Bank from 1934 to 1940.

Sri Kailai Ananthar. B.A., B.L., and Sri A. Hirudiaswami Reddiar also spoke about the development of the Bank, and also the advancement of the Co-operative Movement in the Trichy District and its usefulness to the public.

Sri T.M. Narayanaswami Pillai, in his interesting speech stressed the need of the Movement and the part played by it in England till recently during the time of the Labour Party Government and how the Movement helped in elevating the poor, and middle classes there. He said that even though he was not in close touch with the Movement—for the past nearly twelve years, he was of opinion that there was no Movement equal to Co-operation and hence he pleaded for its growth and further development. He also paid high tributes to the founders and other successive Presidents who did much for the progress of the Bank. He further congratulated the present Board of Management on their keen interest in their institution. He mentioned specifically the services of Sri T. M. Muthukumaraswamy Pillai, the present President of the Bank and his enthusiasm in developing the Bank. He further emphasised the need for a Park, reading room and a Rest-house as in Salem for the Trichy also. He pointed out the need for developing culture as an essential part of the Co-operative Movement. He then declared the Hall open.

* * *

At a meeting held at the Salem Co-operative Central Bank on 22-1-1952, the local co-operators, official and non-official of Salem felicitated Sri D. Krishnamurthi Goundar and Sri K. Subramanya Gounder, President and Director of the Central Bank, respectively on their recent election to the Madras State Assembly.

* * *

The Coimbatore Co-operative Institute Students' Union was inaugurated on 7-11-1951, by Sri P. Dhamodara Menon, Deputy Registrar, Co-operative Societies, Sri T. Koilpillai, Lecturer in English, Peelamedu College, delivered the inaugural address. Sri Damodara Menon explained the importance of co-operative training and the valuable and responsible work which the trainees would have to do in the Movement after leaving the Institute. He also appealed to the members to collect contributions earnestly so that the Institute may soon have its own building.

* * *

At a meeting of co-operators of Arakonam taluk in N. Arcot held on 22-1-1952, at Arakonam, under the Presidentship of Sri G. Arunachala Mudaliar, Sri B. Baktavatsala Naidu, President of the N. Arcot district Co-operative Central Bank was felicitated on his election to the Madras Legislative Assembly.

* * *

List of Societies Registered

December 1951.

S. No.	Name of the Society with full postal address.	District.
1.	Gudur Ayodhayakapu Multipurpose Rural Credit Co-op. Society, Gudur. ...	Nellore.
2.	Nelaturpattapupalem Fishermen Multipurpose Rural Credit Co-op. Society, Nelatur Pattapupalem Village, Anantapuram P.O. ...	"
3.	Edur Multipurpose Rural Credit Co-op. Society, Edur, Nellore Tq. ...	"
4.	Rajavolupadu Multipurpose Rural Credit Co-op. Society, Rajavolupadu Village. Vadlapudi P.O. Rapur Tq. ...	"
5.	Jaihind Badvel Multipurpose Rural Co-op. Credit Society, Cuddapah ...	Cuddapah
6.	Burugupalli Multipurpose Co-op. Credit Society, Burugupalli. Kadiri. P.O. ...	Anantapur
7.	Veparala Multipurpose Co-op. Credit Society, Veparala, Gandlapenta. P.O. ...	"
8.	Singanamala Fishermen Co-op. Society, Ltd. Singanamala. ...	"
9.	Govindapuram Multipurpose Co-op. Credit Society, Govindapuram. ...	"
10.	The Akuthotapalli Multipurpose Co-op. Credit Society, Akuthotapalli. Raptadu. P.O. ...	"
11.	The Vattalpathi Co-op. Credit Society, Vattalpathy, Kunnathur. P.O. Erode Tq. ...	Coimbatore
12.	The Komarapalayam. Jaggery Producers Co-op. Society, Komarapalayam, Dhara-puram Tq. ...	"
13.	The Chinnamarudur Jaggery Producers Co-op. Credit Society, Chinnamarudur, Dharapuram Tq. ...	"
14.	Kallivalasu Weavers Co-op. Production and Sale Society, Ltd., Alangiyam. P.O., Dhara-puram Tq. ...	"
15.	Uppupalayam Sri Kamakshi Weavers' Co-op. Production and Sale Society, Ltd., Vellakoil. P.O. Dharapuram. Tq. ...	"
16.	The Mettur Industries Employees Co-op. Society, Mettur Dam. Omalur Tq. ...	Salem
17.	The Moodabidu Co-op. Milk Supply Society, Moodabidu. ...	S. Kanara
18.	Periakalambadi Multipurpose Co-op. Society Naidumangalam. P.O. Tiruvannamali Tq. ...	N, Arcot.

THE MADRAS JOURNAL OF CO-OPERATION

S. No.	Name of the Society with full postal address.	District.
19.	Vedaranyam Salt Workers Co-op. Production and Sale Society, Ltd., Vedaranyam. P.O. Tiruthuraipundi Tq. ...	Tanjore.
20.	Kurichimalai Weavers Co-op. Production and Sale Society, Ltd., Tirumangalakkudi. P.O. Kumbakonam. Tq. ...	"
21.	Akkarapettai Sea Fishermen Co-op. Credit Society, Ltd. Negapatam. P.O. Negapatam Tq. ...	"
22.	Thirumangalakkudi Weavers' Co-op. Production and Sale Society, Ltd. Thirumangalakkudi. P.O. Kumbakonam Tq. ...	"
23.	Kaveripoompattinam Sea Fishermen's Co-op. Credit Society, Ltd., Kaveripoompattinam. P.O. Shiyali Tq. ...	"
24.	Porayar Nadar High School Teachers and Pupils Co-op. Stores, Ltd., Porayar. Mayuram Tq. ...	"
25.	Paickiripatty Multipurpose Co-op. Credit Society, Paickiripatty Village. Kurugulam. P.O. Pattukkottai Tq. ...	"
26.	Nanguneri Periakulam Tq. Co-op. Irrigation Society, Ltd. Nanguneri. P.O. Nanguneri Tq. ...	Tinnevely

Notice to Non-Members.

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

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

MADRAS, }
15th Oct. 1951. }

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

OFFICE OF
THE MADRAS STATE CO-OPERATIVE UNION,
379, NETAJI ROAD, MADRAS-1.
15th February 1952.

Notice of Meeting.

A meeting of the **General Body** of the Madras State Co-operative Union will be held on **Sunday the 30th March 1952 at 3-30 p.m. in the premises of The Madras State Co-operative Bank, 379, Netaji Road, Madras-1.** The Administration Report of the Union from 1st July 1950 to 30th June 1951 together with the Audit Review for 1950-51 is sent herewith.

The Agenda for the meeting is given below.

All members are requested to be present.

P. NATESAN,
General Secretary.

Agenda

1. Condolence resolution on the demise of Sri T. A. Ramalingam Chettiar.
2. Consideration of the Administration Report and Audit Review of the State Co-operative Union for the year 1950-51.
3. Amendment to the by-laws—consideration of.

As Existing

- i. By-law No. V (a)

Nil

As Proposed

Add

Receipts shall be issued for all monies paid into the Union. For monies paid by members, the receipts shall be signed by the Manager-cum-Associate Editor and in his absence by the General Secretary. In the absence of both the Manager-cum-Associate Editor and the General Secretary, the receipts shall be signed by the Treasurer. In the case of borrowings from non-members or from other societies, the receipt or bond shall be executed by at least two members of the Board of whom one shall be the General Secretary.

- ii. By-law No. VI (1)

Member societies shall pay annual Subscriptions as provided below:

- iii. By-law No. VI (1)

(a) Every Provincial Society shall pay Rs. 100

Member societies shall pay annual Contributions as provided below:

Every State Society shall pay Rs. 200

As Existing	As Proposed
(d) Every Central Bank shall pay Rs. 50	Every Central Bank shall pay Rs. 100
(e) Every Central or Dt. Wholesale Stores shall pay Rs. 50	Every Central or Dt. Wholesale Stores shall pay Rs. 100
(h) Every Urban Bank, Primary Store, Loan and Sale Society shall pay Rs. 5 on its working capital, if below Rs. 1 lakh and Rs. 10 if working capital is below Rs. 2 lakhs and Rs. 15 if working capital is more than Rs. 2 lakhs as on the 30th June of the previous year.	Every Urban Bank, Primary Store, Loan and Sale Society shall pay Rs. 5 on its working capital, if below Rs. 1 lakh and Rs. 10 if working capital is below Rs. 2 lakhs and Rs. 20 if working capital is more than Rs. 2 lakhs as on the 30th June of the previous year.

iv. By-law No. VI (4)

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

v. By-law No. VIII

To carry on its work, the Union may raise loans, provided that the total amount of liability at any time shall not exceed half the amount annually falling due on account of Subscriptions from member societies and Contributions from non-member societies

vi. By-law No. XIX (d)
Nil



vii. By-law No. XXII (8)
Nil

Resolutions and motions, if any, of which due notice is given. Any other subject.

* Notice of resolutions to be moved at the meeting should reach the office of the Union on or before 22-3-52 as per by-law XXV given below:

By-law, XXX:—Notice of amendments to by-laws and subsidiary rules and of resolutions to be brought up before the General Body should be sent so as to reach the Union not less than seven clear days before the date fixed for the meeting of the General Body. Notice of amendments or resolutions sent by the representatives of member societies shall be accompanied by a resolution of the Executive Committee of the Society concerned approving of such amendments or resolutions.

THE
Tiruchirapalli District Co-operative Central Bank, Ltd.,
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Interest allowed on Current Accounts (upto Rs. 25,000 only)	1/2 % P.A.
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do Provident Deposits	3 % P.A.
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do do 2 Years and above	3 1/2 % P.A.

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The Secretary,

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T. S. MUTHUKUMARASWAMI PILLAI,
President.

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Statutory	3,75,000
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"	3 years & above.	3 $\frac{1}{2}$ %	"
"	4 years & above.	3 $\frac{1}{2}$ %	"

For further particulars apply to: The Secretary.

P. MANICKAM, B.A.,

C.A.I.I.B., D. O.M. (I.M.C.),

Secretary.

D. KRISHNAMURTHY GOUNDER.

M.L.A.,
President

JUST OUT.

JUST OUT.

Agricultural Marketing in India

(With Special reference to Co-operative Marketing)

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

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

Introduction by Dr. V. K. R. V. Rao; A Note of Observations by Dr.
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tural Marketing. The appendices contain Legislative enactments, Glossary
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Deputy Registrar and Secretary.

A. Ramachandran, B.A., B.L.
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TELEPHONE: 8230

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President:

SRI BHOGARAJU VENKATARATNAM,

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

Liabilities.		Assets.	
	Rs.		Rs.
Paid up Share capital.	17,34,700	Cash on hand & balance with Banks.	80
Reserve and other Funds	... 28,61,242	Loans to Primary Banks	... 4,35,77
Debentures	... 5,08,77,100	Sinking Fund Investments	... 81,37
Deposits, Loans and Overdrafts	... 10,08,275	Other Investments	... 46,6
Sundry Liabilities	... 3,57,122	Sundry Assets	... 7,3
Profit	... 3,60,205		
Total Rs.	... 5,71,98,644	Total Rs.	... 5,71,98

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

Secretary