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The Madras Journal of Co-operation



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PUBLISHED BY

THE MADRAS STATE CO-OPERATIVE UNION, MADRAS

VOL. XLIII]

JANUARY, 1952

[No. 7.

ANNUAL SUBSCRIPTION :

INLAND RS. 6.

::

FOREIGN RS. 7.:

SINGLE COPY AS. 10.

Phone No. 55267

Regd. No. 1284

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Madras Journal of Co-operation

EACH FOR ALL AND ALL FOR EACH

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

JANUARY 1952

No. 7, Vol. XLIII

PRICE AS. 10 NET

The Editorial Committee do not hold themselves responsible for

The First Madras State Co-operative Housing Societies Conference

THE MADRAS STATE CO-OPERATIVE UNION,
379, NETAJI ROAD, MADRAS-1.
28th January 1952.

CIRCULAR No. II

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

Ref: This Office Circular dated 15-10-51.

The Above Conference will be held on Sunday the 16th March 1952 at Madras. The time, place and other details of the Conference will be announced in due course.

Societies which have not yet remitted the delegate fee may kindly remit the delegate fee in advance.

Societies which have not become so far members of this Union are also requested to enroll themselves as members of this Union at a very early date.

P. NATESAN,
General Secretary.

judicious distribution of tasks and a reciprocal collaboration between the activities of the State and those of co-operative organisations that must be associated with the State activities.

"The co-operative movement is, therefore, entitled to claim from the public authorities the liberty of its full development in the large fields of economic life where co-operation succeeds in reconciling order, efficiency and liberty, by a freely accepted discipline and the putting into practice of principles of self-help and mutuality."

Central Committee of the I. C. A.

Editorial Notes

Co-operative Life Insurance in Madras:

It is a pleasure to Co-operators in the Madras State to note that Co-operative Insurance in this State has just completed the second decade: The South India Co-operative Insurance Society, Ltd., Madras was inaugurated on 28th January 1932 and started on its work on 30-1-1932. While inaugurating the Society, Mr. D. N. Strathie, Registrar of Co-operative Societies, Madras, said that the Society had every chance of success and that he could assure any intending investors that their interests would be safeguarded and that in all sobriety he believed that the Society would have a bright future.

The first decade of the Society's progress was not, however, appreciable due to various factors like the Great Economic Depression and the out-break of the global War. Its Life Fund stood at less than Rs. 13 lakhs, while the renewal expense ratio was as high as 18 per cent. More favourable economic and other conditions, however, prevailed during subsequent years, in consequence where of a fairly rapid progress could be seen during the following decade. We find that as on 30th June 1951, there were in force 29,266 policies, the net sum assured being Rs. 3.86 crores. The Life Fund stood at the level of Rs. 77.28 lakhs, the renewal expense ratio working out to 15.59 per cent. In this connection we have the figures of an important ordinary insurance company of Bengal—The Hindustan Co-operative Insurance Society, Ltd, of Calcutta. It has been stated that on 31st December 1950 its total number of policies in force and the sum assured were 3,47,538 and Rs. 73.17 crores respectively. The Life Assurance Fund stood at Rs. 15.92 crores. Comparing the progress of the South India Co-operative Insurance Society with that of this institution at Calcutta, one cannot but feel that the Madras Society has yet much ground to cover in the insurance world.

Speaking at the Silver Jubilee of an Insurance Company in Madras a few months ago, Sir A. Ramaswamy Mudaliar said that insurance had yet to establish itself vigorously in this country as it had done elsewhere. While it has not been denied that the South India Co-operative Insurance Society has attained considerable firmness and stability during two decades, it has been felt that it has not yet given any sure indications of a sound plan or policy of business expansion. The failure of the Society to reach up to the one-crore-rupee target of new business during the year is shown as an instance in point.

THE MADRAS JOURNAL OF CO-OPERATION

Insurance is a field in which the Co-operative Movement, by virtue of its democratic set up, should be able to play a leading part. In fact, it was stated even as early as 1932 that the aim of the South India Co-operative Insurance Society was to carry the benefits of insurance to the homes of the middle and poor classes, especially in rural areas and the Society hoped to attain this object by enlisting the support of the numerous co-operative organisations. As the President of the Society admitted in his speech delivered at the annual General Body meeting held last month (the speech has already been published in the last issue of the Journal) some of these main objectives had been relegated to the back ground in the struggle for survival and stable existence. Now that the Society has been able to attain considerable firmness and stability, it will do to well bestow attention on the achievement of its objectives.

There are two important lines at present in which co-operative insurance need expand its activity. The first is the insurance among the agricultural classes. Due to certain favourable economic factors the agricultural classes are able to realise comparatively larger incomes than here-to-fore. Some of them have repaid old debts and are in a position to save a little. These classes could be tackled with much advantage by the insurance companies. Secondly there are the middle classes to whom insurance is probably the only succour. These people form the sustaining part of the State and yet they carry on their existence in the most precarious manner possible, suffering from want of cloth, want of food stuffs and from under-nourishment. Referring to the benefit that could accrue to them from insurance, Sri A. Ramaswamy Mudaliar said: "It is time that some little attention is diverted from other problems to the condition of the middle classes in this country. It is in this connection that mutual insurance companies play a great part in sustaining his spirit and making him feel that if any eventuality comes about there is somebody who will take care of those left behind."

We feel that while the South India Co-operative Insurance Society has a future in the tapping of the rural areas, it has a responsibility in aiding the middle classes. We commend the earnestness of the institution to expand its activities through the aid of co-operative organisations. We also appreciate its appeal to the Madras State Co-operative Union and other sister institutions for help in its programme. In fact it was the Madras State Co-operative Union that met the organisation expenditure of the Society at its inception. We are sure that the Union will do its best willingly for the promotion of Co-operative Insurance in the State. We also appeal to other Co-operative Institutions also to render all possible help to promote this branch of co-operative activity.

EDITORIAL NOTES

The measure of response from the sister institutions, however, depends on the earnestness with which their help is sought. We hope that the South India Co-operative Insurance Society, Ltd. will now follow up its programme with genuine interest and earnest endeavour.

A Co-operative Printing Press for the Andhra Desa :

For some years, the co-operative institutions of the Andhra Desa seem to have felt keenly the need for a Co-operative Printing Press. There are at present six co-operative printing presses in the State but all of them are in the South, one of them being in Madras. The Central Co-operative Printing Works Ltd. of Madras is now serving the needs of some of the co-operative institutions in the Andhra area while the other co-operative institutions in the area are being served by some private presses. This circumstance must have made the earnestness of the Andhra Co-operative the keener. The Andhra Desa Co-operative Union has for some time made vigorous efforts in this direction, the object being to print and make available account books, forms, etc. to the co-operatives and also to undertake the printing of co-operative literature for disseminating co-operative knowledge. Thanks to their efforts, a printing press, we understand, is to be started at Rajahmundry as a limb of the Union.

This proposed line of expansion of the Union has necessitated the augmenting of its capital resources. The authorised share capital of the Union has now been fixed by suitable amendments to the by-laws at Rs. 25,000 consisting of 5,000 shares of Rs. 5 each. The by-laws, as now amended, require that the profits of the Union arising from the printing press should be conserved into a separate Fund to be used for redeeming the shares. Shares will be non-withdrawable till the Fund so created equals the paid up share capital.

The Union has now appealed to all the co-operatives in the Andhra Desa to subscribe to the shares of the Union. The Registrar of Co-operative Societies also has issued a circular to that effect and it is published in this issue for the information of the co-operatives.

A Co-operative Press and a Co-operative Library are necessary adjuncts to any co-operative propaganda and educational institution, while its own building to house them is an absolute necessity. We appreciate this venture of the Andhra Desa Union and earnestly hope that their desire would soon materialise. We also hope that the Union would also strive in the near future to have its own building. We appeal to the co-operative institutions, particularly those in the Andhra Desa, to give their support to the Andhra Desa Union so that it may be able to have its own Press ere long and carry on its work more effectively and vigorously in its area.

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 will be 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 will be sent to you may kindly be handed over to your Delegate.

B. VENKATARATNAM,
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SPECIAL ARTICLES

The Principles of Co-operation

SRI O. R. KRISHNASWAMI B. COM.,

Lecturer, Hood Co-operative Institute Ltd., Tanjore

Now, the everchanging dynamic process of civilization of mankind seems to be emerging out of the so-called notion of "competition" and drifting towards the idea of co-operation. It may even be said that the Modern World is "in co-operation." The characteristic of modern life, as said by Alfred Marshall, "is tending in the direction of co-operation and combination." Indeed, the present era can be said to be an Era of Co-operation. Co-operation, the very root of living, has become the mainstay of our economic and social life. In the words of Ruskin, "co-operation is the law of life."

It is a matter of regret that the idea of co-operation, the life-building theme of man-kind, has not so widely been understood, as it ought to be in our India. Co-operative organisation based on wrong notion will not be a co-operative but a collaborative. Lack of knowledge on the part of a common man as regards the idea of co-operation and its principles is the main weakness in the Co-operative Movement of our land. It is high time that every person who wishes to come within the fold of Co-operative Movement should understand the essential principles of co-operation. The success of a co-operative endeavour presupposes the prevalence of the *spirit of co-operation* among those concerned. The latter, on its part will prevail only in an atmosphere of perfect knowledge about the *pros and cons* of co-operation. Hence the subject of Principles of Co-operation is not merely a topic of academic interest, but an affair of the ordinary business of life.

Definition: Co-operation is a voluntary association of human beings, on a basis of equality, managed by themselves in a perfect democratic manner, for the attainment of the satisfaction of common economic needs intimately connected with their own economic well-being with a view to the *equitable* distribution of the advantages derived therefrom among themselves. It is evident that co-operation is a union of human beings, which cannot be viewed apart from the human-beings composed in it as in the case of joint stock company which is an artificial person created by law. It is true that there is the necessity of registering a co-operative organisation under a statute so as to provide it with the advantages of the "legal entity."

Even then, the human element is not denied its prominent manifestation in the structure of the association. The distinctive characteristic of co-operation is *service*—the promotion of the economic interest of the persons who seek shelter under its fold.

Principles: Now, let us discuss something about the principles of co-operation. The subject of principles of co-operation is a question which was answered more in silence than in precise expression. Even the Co-operative Societies Act has not attempted to touch the matter. In Section 4 of the Madras Co-operative Societies Act, 1932, it has been stated that..... a society which has as its object the promotion of the economic interest of its members in accordance with *Co-operative Principles*..... may be registered." But what these principles are is not at all defined anywhere in any part of the Act. The only source of information available as regards this matter, which is also the best, is the foundation laid down by the Rochdale Pioneers through their famous Principles. Following the foot-prints of the famous Pioneers of Rochdale and also adopting the definition stated above, the principles of co-operation may be deduced as follows.

The basis of this form of association is the human element but not the capital. Accordingly, the first characteristic of co-operation is that it is an *association of human beings*. In it persons join together only as human beings but not as capitalists or otherwise. Perhaps, co-operation is the only organisation which retains man as man, a creature endowed with divine powers and moral faculties who perceives unity in himself and among his fellowmen. Ownership of capital is not the main criterion for the membership in this form of organisation. Of course, capital is a means; but it is not the end in itself. Human personality counts more than the man-made capital which is nothing more than a mere tool in the hands of man. So it is rightly said that a co-operative society is a "union of persons," but not of capital.

The second feature is that the association is optional and voluntary. Co-operation is based on the option and voluntary willingness of the persons joining together. There is no compulsion in co-operation: each person is free to give his support to the association as he likes. Everyone joins the association on his own accord but not through coercion or force of others. It is common knowledge that any piece of activity, for its successful operation, must have the wholehearted endeavour on the part of the doer. The "*will*" of

the doer is the deciding factor in action. Co-operation, which is natural, takes cognizance of this fundamental tendency of human nature. In fact, the co-operative bias is assured in the association mainly through its voluntary nature.

The third principle of co-operation is the *equality* on the basis of which persons meet together in the association. This principle is rather in the nature of a corollary to the first principle. When men join together as men it is but natural that they do so on a footing of perfect equality. But the term equality does not mean equality in possession of wealth or skill; it is only an equality of opportunity and control. However the operations of a co-operative institution aim at lessening the glaring inequalities of wealth among persons by the process of levelling up the lowest to the highest. "Co-operative Societies have a distinct social and economic aim, viz., to correct the present inequalities of wealth " The equality of control is guaranteed through the principle of democracy inherent in the management of co-operatives.

The fourth is the principle of *universality* i.e., open membership. It means that there is freedom to every person to join the association if he is convinced of its advantages. The membership is not confined to a privileged few. It is neither restricted nor limited. In fact, the non-observance of this principle of universal membership was the main reason for the failure of the early attempts made by Robert Owen and their followers in starting co-operatives in England. The credit for evolving this principle which is the life-blood of co-operation goes to the Rochdale Pioneers.

Another distinctive principle of co-operation is its *faculty* of *reconciling two conflicting interests* in an economic activity. Any economic activity, for its performance, requires two parties which very often have conflicting interests. Take for instance, the activity of buying and selling of a commodity. In this activity, there is the buyer on the one hand and the seller on the other side. The former is always interested in buying at a cheaper rate, while the seller is interested in selling his goods at a rate as high as possible. Thus the interest of the buyer is always in conflict with that of the seller. This conflict of interest is reconciled by co-operative endeavour. In a consumers' co-operative, the buyer and the seller is the same person and thus the antagonistic interests of these two parties are automatically reconciled. Similar is the case with the activity of lending and borrowing. A co-operative credit institution harmonises the conflicting

interests of the borrower and the lender by virtue of its being an association of borrowers themselves. This blending element inherent in co-operation makes it more 'humane' than the other forms of organisation such as capitalism or communism.

The sixth remarkable characteristic of co-operation is that it is an association for the *promotion of economic interests* of its members. This object is also clearly stated in the Section 4 of the Madras Co-operative Societies Act, 1932, which implies that a Society may be registered if it has as its object the promotion of the economic interests of its members. Since all economic activity springs from man's material wants, it follows that the satisfaction of one want or another should be the prime object of a society. In fact, the existence of certain wants to which the then prevailing system of economic organisation did not afford any satisfactory solution was the motor-force and the starting point of the co-operative endeavour in many countries. Thus in England the Rochdale Pioneers united together to escape from the exploitation of the retailers and capitalists. The farmers of Germany combined to obtain cheap credit. Co-operation, therefore, stands for associated effort for the satisfaction of common economic need and adopts as its motto, "each for all and all for each."

In this connection, the fallacy of the erroneous idea of starting a co-operative society among persons having no common economic interest, may be pointed. In some quarters a suggestion was made for starting a co-operative mill by pooling together the resources of rich people. Here, the question arises whether such an association is justifiable. It cannot be. There is no common economic interest among them except the narrow selfish profit motive. It cannot be that the mill started by wealthy people will be a co-operative, when there is no identity of common interest among them. For in that institution, the interest of the producer and that of the consumer of yarn is not reconciled nor identical. They are interested only as producers. Therefore, a co-operative mill cannot be started by rich people, merely for the sake of richness. Similar is the case with the starting of a co-operative mill by Central Banks. But the Mill to be started by weavers or weavers' societies is a true co-operative, because they are having a common need viz., getting the supply of yarn at a reasonable rate. In a mill started by weavers or by weavers' co-operatives, there is the harmony of interest between the producer and consumer, since in it the producer and consumer is the one and the same person.

"*Encouragement of thrift*" is another principle of co-operation. Co-operation does not aim at doing away with capital. Capital is as much necessary for co-operatives as for any other organised business. However, in co-operation, man hires capital and pays a certain remuneration for its service; while capital hires man in capitalistic enterprises. Capital is the result of saving and saving presupposes thrift. Therefore, in co-operation, the practice of thrift among the members, is considered to be a most essential requisite and it is the foremost policy of co-operation. "Without thrift, no credit" is the watch-word of co-operatives, specially of credit co-operatives.

The next important feature is that co-operation retains *individuality* of members. Although there is no place for absolute selfishness in co-operation, the individual person is not required to sacrifice any part of his individuality or his spirit of enterprise; but he is expected to develop his energies and help others while helping himself. He is not encouraged to enrich himself at the expense of his associates. The two extreme tendencies of selfishness and unselfishness are harmoniously blended together in a happy manner in co-operation. Self-help through mutual help is the guiding principle of the association. The interest of one self and that of others, are satisfied concurrently.

Another unique principle of co-operation is the canon of *equity* adopted in distributing the surplus of the society among its members. This principle is based on justice. If anybody thinks that in co-operation which is based on the principle of equality, the surplus (ie., profit) will be distributed *equally* among members, that will be only a false notion about co-operation. The surplus of income over expenditure, if any, in a co-operative institution is divided among its members according to the degree in which they make use of their association. It is because, the surplus, if any, is due to the active participation of members in the business activities of the society. Therefore, the degree of participation but not the fact of mere membership is the deciding factor in creating surplus (profits) in society. Thus, the distribution of profits of a society is based on the canon of equity but not on equality. For instance, in consumers' societies, the profit is divided among members according to the purchases made by each. But the dividend on share capital, which is only in the nature of interest paid on borrowed capital, is declared in proportion to the paid-up share capital of each member.

The last, but not least important principle is the principle of *democracy* involved in the management. Co-operative movement is

the best type of democracy. As Prof. G.D.H. Cole has remarked, real democracy will prevail only where there is the spirit of democracy among the electorate. Mutual knowledge is essential in order to develop the spirit of democracy among them. Such conditions are best provided in a co-operative. The principle of "one member one vote" is the essence of democratic management. This principle is also embodied in Section 16 of the Act, which says, 'no member or any registered society shall have more than one vote in the affairs of the society.....' All the members have equal rights in the management of their association and the ultimate authority vests in the general body of all members. Co-operation is an organisation of the members, for the members, by the members. Because of this principle, co-operatives are in a better position to develop the sense of democracy among the common people, which is an essential requisite for proper functioning of a democratic government. Co-operation serves as a field i.e., training ground for the evolution and cultivation of those faculties and capacities which are essential for running a democratic government.

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Consolidation of the Movement—Some Suggestions

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

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

I. A Functional Co-operator

1. There have been quite a few advertisements in recent times, inviting applications for appointments as Secretaries, Managers and the like, in various Co-operative Institutions in the State. I have felt, if I may say so, disappointed at the details of qualifications required of these applicants—such as a degree of any recognised University, a course of training in a Co-operative Institute and some experience, often not less than five years' period in Banking, Trade and/or Marketing, besides specific qualifications required for the purpose of the institution-in-need. The intending applicant, if duly qualified, is offered, a salary of Rs. 75-5-100 or the like. It bears no relation to the amount of personal responsibility and care that is demanded of him. Indeed it will be both instructive and revealing if only we find out how many institutions have been able to secure the services of adequately qualified candidates on the stated salary. Or, in the alternative, the number of societies that have applied for or been granted exemptions from the statutory rules of qualification, is another index of the situation,

2. In the apparent impossibility of the affair, let us not miss the symptoms of the case. It indicates that the affairs of the institution in question have happily developed so far and wide as to require the immediate attention and care of an able officer all the while. It emphasises,—broadly speaking, also that its resources are at the same time limited and that it could not ordinarily afford higher scales of salary, etc., for him. As a matter of fact, therefore, these advertisements amount to mere formal compliance with statutory requirements. Few, probably, take them seriously and apparently the response is not encouraging. And the institutions are obliged to apply to the Registrar for exemption in some aspect of the matter or other and place him in a difficult situation. Such institutions are truly set on the horns of a dilemma, for, they have got to appoint a full time Secretary with all financial powers; but they are just unable to attract suitable candidates owing to the meagre salary offered. What administration demands, finance discords. What rectitude of business requires, resources of the institution do not permit. What stability and future prosperity asks for the present predicament denies. What then must we do?

3. There may be several solutions to the problem; but it is my endeavour to present one of them here. Before proceeding to discuss the same, we must perhaps ask ourselves:—"What is the urgency of the problem?" "Is it really the problem of the hour?" Or, more succinctly "Whither Co-operatives?"

4. It is well known that the Co-operative Movement has found a congenial climate and seasoned soil in this State. Its progress here both

in extent and variety is, to say the least, tremendous and remarkable, And the rate of progress has also been rapid in recent times. The Maclagan Committee (1914) observed that "Societies were then so spread over all parts of India and the advantages which their members were obtaining were so patent that it was impossible to doubt that the movement would eventually attain dimensions compared to which its size at the time would appear negligible." (*Ryan and Sathianathan on Co-operation*). Their words have proved truly prophetic. It is to-day a mighty movement especially in this State with much vitality and youthful vigour and progressive urge.

But, then, let us assess the situation correctly. Co-operation is a form of economic activity; a mode of doing business. It is not partnership, though it may be called co-partnership; nor is it charity. On the other hand it is a business proposition. It is not a poor law administration. It helps those who are willing to help themselves. At the same time, the common effort and co-ordinated endeavour is not for the mere deification of the institution as such, though the latter must necessarily live long and grow strong. It is for the common good of its members. In this sense, co-operation was alien to the soil of the Indian sub-continent. It came early in this century. It did not grow from within. It came from without and from abroad. What is more important is, it was brought in for a limited end, which is significant—to alleviate the burden of rural indebtedness and to provide an agency for cheap credit. An anxious Government imported this idea—all on its own initiative and nurtured the same with abiding faith and paternal care.

Long live the memory of these Pioneers, and Men of Vision!

The success of the Co-operative Movement in this State is in its having organised a business and a market for some of the indigenous trade and cottage industries of the State, and in these aspects, it has done indeed very well. The true success of the Co-operative Movement, however, lies in the sphere of collective action for common good and mutual benefit; in the adaptation of customs and manners of home and hearth, trade and craft, to the march of times; in the collective gathering of information and knowledge, for mutual exchange; in the development of habits of economy, self-help and mutual help; in the liquidation of illiteracy and ignorance and in the fostering of informed and impartial public opinion in respect of matters of civic importance. In other words, it is a cultural Movement to be developed and practised not in the portals of academic institutions but in and through economic activities. It is a Movement of the Weak and the Poor, for, they are the multitude; but is neither conceived in poverty nor commanded by the Weak. It is a Movement of the Weak and Poor people, by such people, but for the benefit of all people.

5. The Co-operative Movement in this State has been fostered with reference to business activity and commercial organisation. It has succeeded best, for instance, in handloom industry and milk-trade. But, there are several institutions which languish in rather unhappy and unsure state from the administrative point of view. Even apparently, prosperous Societies maintain and run an awkward administrative machinery. There will be found to be room and even urgency to effect immediate improvement and a better show. In a number of cases, the accounts of Societies are maintained in a sort of personal way and not as public accounts ought to be. If this is not set right, the Co-operative Movement may soon find itself condemned at several points. There is obviously a serious lack of trained personnel in the administrative machinery.

6. Secondly, the Madras Co-operative Societies Act VI of 1932 is a complete and self-contained statute. The demands and requirements of office-routine and administration are increasing far too fast and vast. Many societies just do not know what to do in any given situation. They do not know how to prepare the several statements or how to maintain the several accounts required. They do not often understand the several by-laws of the Society, the circulars of the Department or appreciate their implications. Every Society has now to be a Solicitor and law Counsel, a Company and an Auditor, besides being a good Correspondent and a fine judge of men and matters (for, personal security is all their guarantee)—all rolled into one! And at the same time the business of Co-operative Societies is becoming increasingly complicated. It is, therefore of the very vitality of the Movement that it must be founded on sound basis, developed on right lines consolidating the present gains and advances and co-ordinating the same into well laid-out plans for the future.

7. *Consolidation* is required in several aspects of the case. Gathering together the membership, augmenting the resources, tapping the services, galvanising the consumer-public into the spirit of the Movement, are but a few of the prominent lines of activity for the present.

We have had enough time and opportunities to show up and prosper and we should not fail. We shall have to do not merely good business and honest business, but also punctual and courteous business. We must develop our business in a variety of ways so as to be of increasing service to the consumers. The Co-operatives must be to the consumers, what electricity is to the Industry. They must be the servants of the consumer-public, without being their menials.

8. Internally, we must build up a splendidly clean and upright administration. We shall have soon to dispense with, unless trimmed up, under-educated, ill-fed clerks. The Board of Directors, by their very constitution can ill-afford to attend to the very many points of details in administration. And trusting the same to the ill-equipped office, is resigning its affairs to fate or chance.

9. As I have stated above, it is not possible for many a Society, just now, to pay for the services of a fully qualified and adequately paid Manager or Secretary. At the same time, many Co-operative Societies have come just at the stage of their growth, where they cannot be easily or safely entrusted to the periodical care and occasional supervision of any part-time honorary office bearers. They require quiet consolidation, careful planning and devoted development. If they do not develop in response to the natural urges of the times, they will stand condemned and be swept off their feet in the avalanche of unfair competition and monopoly. And for further development, consolidation of present gains and an equipment adequate to undertake further glorious strain, are the essential requisites. By way of consolidation, the first step is an effective and faultless administrative machinery, manned by an able personnel and commanded by a competent and courteous chief.

It is only the big and prosperous Societies like the Madras State Handloom Weavers' Co-operative Society, the Madras Co-operative Milk Supply Union, or the T. U. C. S. that can afford the services of a full-time Secretary and Manager on an attractive scale. There are many other Societies which are *capable* of good development, but at the same time, cannot afford to have full time and well-paid executive officers. What about such *small* Societies; how to break this vicious circle?

10. The solution lies in this way. I suggest a new "cadre of service" designated "Functional Co-operator" to do the same work for a couple of Societies or more. Let us pay him well and full and likewise demand of him his best and utmost. Let us say, he shall have control over no more than three Societies in any event. I do anticipate quite a few serious questions in this suggestion. I shall endeavour to answer some of them here.

(a) What minimum qualification?

I should say that all the qualifications which are now stipulated under the Rules may well be insisted upon. In particular, he should be a Graduate of any recognised University, with a Degree in Economics, Commerce, Accountancy, Co operation, Indian Agriculture or and Commercial Geography, in addition to a Degree and Practice in Law (stipulated as a distinct and definite preference) with a good working knowledge of Banking, Trade, etc. He should not be less than 30 years of age and not more than 45 years, as on date of appointment. Previous working and association in the working of sound Co-operative institutions should be taken as additional advantage for the particular reason, I shall refer to below. Cash security may be required or stipulated at Rs. 5,000 or so.

(b) What Salary?

The salary and service conditions of a Functional Co-operator may be not less than those of a Co-operative Sub-Registrar. He should further be

eligible, other things being equal, for recruitment as Deputy Registrar of Co-operative Societies. In my opinion, this latter condition will be a good means of attracting the right type of candidates.

The more essential condition of service should be the security of tenure. The appointing authority will of course vest in "the Combining Societies." But it is quite necessary that they should not be allowed to treat the incumbent with scant courtesy. His should be a sort of covenanted service. While the "Combining Societies" may appoint him, he shall not be removed except on stated grounds, say, for proved misconduct, criminal negligence, breach of trust, misappropriation or the like, and that too on the approval of the Registrar or other competent and impartial tribunal on a finding to that effect. He must be, in short, a civil servant; fairly above ordinary want and free from fear or favour of the "Combining Societies" so long as he does his duty honestly.

(c) The Appointing Authority

The Functional Co-operator will have to be appointed, obviously, by the Boards of Directors of the several Combining Societies. Or, an *ad hoc* Committee comprising of an equal number of members nominated 'ex-officio' or otherwise by them, may be constituted to select a suitable candidate from among the applicants.

(d) His relationship to the Combining Societies

He is not and cannot be a member of the Governing Body of any of the Combining Societies. At the same time, his presence and participation at the deliberations of the Board of Directors of these Societies is however very necessary for intelligent conduct of the affairs of the Societies. He cannot have any right of vote. Of course, in matters touching his personal interests, he cannot be present or participate in its deliberations. But, there again, is an exception; in matters of inquiry respecting his conduct or in proceedings of disciplinary action against him he must be given a fair and full opportunity of explaining the circumstances appearing in evidence against him, and generally of pleading his innocence thereof, if he chooses to do so. He will therefore be a sort of a Municipal Commissioner in relation to the Board of Directors of the Combining Societies.

(e) Competency

It may perhaps be not within the frame-work of the Co-operative Societies Act and the Rules framed thereunder. For that purpose, I propose that a new Rule XXVII (c) may be framed to the following effect:

"Nothing in Rule XXVII (A) or elsewhere shall prevent or be deemed or construed to prevent any Co-operative Society from appointing, notwithstanding any provision contained in the by-laws of the Society or Societies concerned, a paid Secretary

herein-after referred to as Functional Co-operator collectively and jointly for two or more such Societies."

- Provided:** (a) Societies so combining for the said purpose shall agree to and settle from time to time all the matters concerning the same :
- (b) further, no such appointment shall be made without the prior approval in writing of the Registrar :
- (c) the decision of the Registrar refusing or revoking permission in the matter shall be final and no appeal shall lie there from to any authority or Court of Law.

- Explanation:** (i) The Registrar may in appropriate cases and after full and due consultation of the combining Societies may revoke or alter the terms of the permission so granted. In such cases, he shall give at least 6 months' time before enforcing the order. Every such order shall be in writing and shall state the reasons therefor.
- (ii) Where the office of a Functional Co-operator is abolished, suitable alternative arrangements shall be made without detriment to the holder thereof for his employment otherwise.

(f) His duties and responsibilities

He shall be the paid Secretary (of the Board of Directors) of each of the Combining Societies and shall have and perform all the powers and duties respectively given to him under the respective by-laws. He shall personally be responsible for true and correct maintenance of cash, cash books, accounts, assets, stocks, besides general administration and correspondence. It shall be his particular duty to scrutinise the accounts and cash day to day and in great detail. In short, he shall be a sort of a concurrent auditor as well. He shall have general superintendence of the affairs of the Combining Societies. He shall exercise immediate and effective control and deployment of the staff establishment and powers of disciplinary action against them, short of dismissal.

11. It may pertinently be asked at this stage if a single individual can adequately and efficiently attend to the affairs of 2 or 3 Combining Societies. It must be settled with reference to the nature and volume of work of the Combining Societies. Evidently, a Secretary of a Central Co-operative Bank at District level, cannot possibly afford to assume management of another Co-operative Society, whatever its size or business. Similarly, the case of a well developed Milk Supply Union and the T.U.C.S. This scheme takes for granted that there are competent Managers in each of the Combining Societies to look to the strictly routine and merely mechanical aspects of administration. Of course, such managers shall have no financial powers, as distinct from the Functional Co-operator who shall as stated above be the Secretary of each of the Combining Societies. He will be a sort of chief secretary in this sense to whom is entrusted the business of the Combining Societies.

12. There are many matters which it would be advantageous to deal with concurrently and in a common fashion. A Functional Co-operator will be able to co-ordinate and concert the separate actions and activities of the Combining Societies into a sort of collective action. He will be a

sort of liaison officer acting "*interse*" the Combining Societies. And what is most significant, he will be the extreme link in the chain of administrative set-up of the Co-operative Department. He will be generally subject to directions by the Co-operative Department, and will be available to the latter—an effective and intelligent instrument of development of the Co-operative Movement.

My conception of a Functional Co-operator is not merely one of a Salaried Secretary inflated to the power of two or three Societies. I look upon him as an institution. He shall be the centre and nucleus of sustained co-operative activity in the locality.

13. I conceive of him further as a sort of institution in himself. He must in due course become in that area a sort of unofficial but authentic Co-operative Information Bureau. In the area of his control, he may be entrusted to manage and organise a Central Library of Co-operative literature, of books, journals and informative bulletins.

14. The affairs of Co-operative Societies are developing so fast and wide that soon each will require the undivided attention of at least a single well-paid officer. But, until then, they must be strengthened by conscious and planned efforts at correct development and right business and clean conventions and high traditions. For, as I have stated above, this is the Era of Consolidation and if we do not consolidate, we may be in for some unpleasant situations.

Criticism

15. I am aware that there is a vast army of loyal and devoted managers and salaried executives who may be shut out, as they have no University qualification. Personally I do not prescribe stultifying formal qualifications as irreducible minimum. Other things being equal, let us look for energy and enthusiasm for work, capacity to learn and a crusading spirit and a missionary zeal. We want toiling teeming workers and builders, rather than dazzling crown-heads.

16. The non-official Co-operator in Madras is a great good soul. He has done his invaluable bit of job particularly in the pioneering days. Now that he is not able to give his entire time to co-operative service, I intend to aid him with an effective arm and an able lieutenant. Policy making will always be with the non-official Board of Directors. We are now at a stage of history when the Co-operative Movement must develop rapidly whatever be the pattern of political set up in the country. Its very healthy development will remain a towering answer to the claims of unsocial forces for leadership in politics and public life. Much is demanded of it, and people are getting ready to fulfill the destiny of the Co-operative Movement. In this context, it must be mentioned that the whole burden cannot be on a non-official Board of Directors. That is to say, there must be some one other than a Government Official, who should honestly deem it his concern to see to the betterment of the institution and prosperity of the Movement. I submit, an organic movement like the Co-operative Movement requires some professional Co-operators.

17. As for keeping out the Departmental Official from holding office in Co-operatives. I think it is a welcome change. It speaks for the vitality of the Movement and the inherent strength and sound financial status of the Societies.

Progress of Co-operative Movement in India

(With special reference to Madras.)

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II

Madras

Co-operative Movement has made rapid strides in Madras where nearly 64 per cent of the villages are covered by the Movement while Bombay follows with about 58 per cent*

Credit Movement.

Co-operative Movement was started in Madras as early as 1904 with the sole purpose of providing credit to the agriculturists. The Madras Provincial Co-operative Bank is the apex organisation which provides medium and short term loans while the Madras Central Land Mortgage Bank is the central organisation to provide long term credit. Till 1929, Madras Provincial Co-operative Bank had to meet the long term needs of the agriculturists also. To finance the Co-operative societies throughout the State, the Madras Central Urban Bank was registered in 1905. On the recommendations of the MacLagan Committee the Central Urban Bank was converted into Apex Bank in 1917 with a view to co-ordinate the resources of the various Central Banks. By 1919, the Provincial Bank practically became a federation of Central Banks with all Central Banks and some individuals as share holders. The working capital of the Co-operative Bank rose from Rs. 36.58 lakhs in 1916-17 to Rs. 1 crore in 1944-45 and exceeded Rs. 6 crores in 1947-48. The paid-up share capital rose from Rs. 2 lakhs to Rs. 14.86 lakhs by June 1951. and the reserve fund from Rs. 1 lakh to Rs. 51 lakhs by June 1951. There are about 166 individual share holders apart from the representatives of the Central Banks, who by

*The following Statement give an idea of the general condition in some important States:

	No. of Societies.		Member-ship (000's).		Working Capital lakhs. Rs.	
	1948-49	1949-50	1948-49	1949-50	1948-49	1949-50
Madras	...	20,796	22,784	2,860	3,100	7,111
Bombay	...	13,293	14,815	1,816	2,083	6,876
U.P.	...	83,396	88,300	2,681	2,800	1,791
Bihar	...	11,373	14,000	493	493	398
Orissa	...	4,330	4,737	234	268	317
Hyderabad	...	19,330	19,332	1,412	1,423	733
Mysore	..	5,103	5,130	389	470	447
Coorg	..	338	331	45	47	48

PROGRESS OF CO-OPERATIVE MOVEMENT IN INDIA

election among them selves constitute the Board of Directors to manage the affairs of the Bank. Till recently dividend was declared at 7 per cent and has now been reduced to 6 per cent. The Provincial Bank acts as a balancing centre at which the constituent Central Banks borrow and lend. It finances Central Banks which are in need of funds and offers cash credit facilities to them against Government Paper or Co-operative Paper. The Imperial Bank also affords such facilities to Central Banks against Government securities. Uniformity in credit and borrowing policy is secured by periodical Conferences of Central Banks' representatives organised by the Provincial Bank. By this policy, the Provincial Bank controls and directs the Co-operative finance in the State through the medium of Central Banks. The Reserve Bank has continued to provide funds to some Central Banks through the Provincial Bank at a concessional rate of 1½ per cent per annum in spite of an increase in the Bank rate.

Co-operative Central Banks.

Central Banks were started in each district with a view to finance primary institutions. Salem District was the first to have a Central Bank as early as 1909. Afterwards, Banking Unions converted themselves into Central Banks. There are at present 31 Central Banks as against 3 in 1908-09. Each district in the State has now a Central Bank except the Nilgiris while East Godavari has four, Vizag, Krishna and Tanjore have two each. Coimbatore serves the needs of the Nilgiris District also. Their main object is to tap the local money to finance societies in their district and so have to depend upon their deposits apart from loans from the Provincial Co-operative Bank and other facilities.

		1939		1948	
		Rs.		Rs.	
Share Capital	...	49.53	lakhs	91.86	lakhs
Deposits from Individuals	...	252.56	"	490.27	"
Loans and Over-Drafts from					
M. P. C. Bank, etc	...	199.47	"	746.88	"
Reserve Fund	..	33.80	"	47.79	"

A good portion of the finances of the Central Banks was provided by deposits from the local bodies. Central Banks confine themselves to the issue of short and medium term loans. The working capital rose from Rs. 1,62.30 lakhs in 1920-21 to Rs. 1,787.66 lakhs in 1950, where as the reserve fund rose from Rs. 2.97 lakhs to Rs. 47.79 lakhs in 1947-48.

Agricultural Credit Societies.

India :—The total number has increased from 1,04,000 in 1947-48 to 1,12,000 in 1948-49 and 1,16,534 in 1949-50. In Bombay the number increased by 28 per cent over the previous year while in Madras the rise was about 11.7 per cent and the membership rose by 23.8 per cent in

Bombay and 13.6 per cent in Madras, in U.P. by 9.2 per cent and 7 per cent respectively; and in Orissa by 11.78 per cent and 26.71 per cent respectively. The total volume of credit provided by these agricultural credit societies was considerably higher in almost all the States particularly in Bombay and Madras. In Madras, the rise was from Rs. 496 lakhs in 1948-49 to Rs. 644 lakhs in 1949-50 while in Bombay the increase over the previous year was more than Rs. 199 lakhs in 1949-50.

It is only on the foundation of these primary credit societies that the structure of the credit movement is firmly laid. These societies are modelled on Reiffeisen pattern with its chief characteristics of limited area of operation and unlimited liability, loans to members for productive purposes, limitation of dividend. *etc.* The first credit society was started in 1904 at Tirur in Chingleput District. Eventhough there was a set back to the credit movement due to the economic depression and consequent decrease in the number of societies, yet the Co-operative Movement stood the test of time fairly well. After 1939 especially during the war period the agricultural credit movement made very rapid strides.

Land Mortgage Banks.

The primary object of these Banks is to grant long term credit generally extending over 10 years in order to pay off old prior debts. Till 1919, Central Banks were lending money for long term periods also and it was considered undesirable to mix up both short term and long term credits especially where the deposits are for short periods. Benefiting from the experience of Madhya Pradesh, Mr. Hemmingway, then Registrar of Co-operative Societies, Madras formulated a scheme for long term credit on the lines of Juang Co-operative Mortgage Banks in the Punjab. The Banks were to obtain money from share capital, debentures and deposits, half subscribed by Government and the rest by the public. The maximum period of loan was fixed at 11 years and the maximum rate of interest at 9 per cent. From 5 banks in 1926, the present strength has increased to 126 in 1950 with a membership of 1,22,874 by June 1950, with a working capital of Rs. 428.62 lakhs; paid up share capital Rs. 30.97 lakhs and reserve fund Rs. 7.34 lakhs. These are affiliated to the Central Land Mortgage Bank, Madras and they borrow money from it upto 20 times their paid up share capital. Loans are issued to members upto Rs. 5,000 for redemption of mortgages of prior debts, for improvement of land, *etc.* Loans are granted at 1 per cent higher than the borrowing rate from the bank and are repayable in 20 annual instalments. They are secured by the first mortgage of lands and do not exceed 50 per cent of the market value; the security granted for the loans is ample and process of recovery from defaulters is summary under the Act X of 1934. The Provincial Government guarantee the repayment of debentures to the Central Bank.

The main function of the Central Land Mortgage Bank is to finance the primary banks. The capital of the Bank is about Rs. 20 lakhs made up of 20,000 shares of Rs. 100 each, consisting of both individual shares and primary land mortgage bank shares. The Registrar of Co-operative Societies is the Trustee of the Bank. The Bank raises funds mainly by floating debenture shares upto 25 times of its paid up share capital and reserve fund. The Bank has also constituted a separate sinking fund for repayment of debentures on maturity. The Government have guaranteed fully and unconditionally the principle and interest on debentures to the extent of Rs. 700 lakhs. The Bank enjoys several other privileges as remission of stamp duty on deeds of transfer. Local Boards and Municipalities and all other well established firms and banks are allowed to invest in the debentures of the Bank. The working capital of the Bank rose from Rs. 31.38 lakhs in 1931-32 to Rs. 421.73 lakhs in 1947-48 and reserve fund from Rs. 0.07 lakhs to Rs. 17.92 lakhs in the same period.

	Central			Primary.		
	1938-39	1947-48	1949-50	1938-39	1947-48	1949-50
Number ...	1	1	1	110	1.20	126
Members ...	572	625	...	47,153	97,969	122,874
Paid up Share Capital (Rs. in lakhs) ...	7.77	11.94	14.32	13.41	24.21	30.78
Deposits from Members & non-Members (Rs. in lakhs) ...	169.66	377.01	439.32	2.51	..	..
Loans & deposits from societies & Government (Rs. in lakhs) ...	23.84	10.40	25.87	189.50	291.63	..
Reserve Fund from societies & Government (Rs. in lakhs) ...	1.76	17.29	19.49	1.46	6.48	7.34
Working Capital from societies & Government (Rs. in lakhs)...	204.39	421.73	511.11	207.49	323.31	423.62
Loans issued from societies & Government (Rs. in lakhs)...	58.53	61.58	72.24	59.43	62.33	73.82
Loans outstanding from societies & Government (Rs. in lakhs) ...	189.18	299.18	388.32	192.58	300.71	..
Net Profit from societies & Government (Rs. in lakhs) ...	1.13	2.34	3.50	1.01	1.14	1.33

Non-Agricultural Credit Societies.

For centuries, the indigenous banking system has been in existence, specially in South India and for non-agricultural operations, credit was provided by the age-old institutions of *nidhis*, chit funds and thrift societies. The first non-agricultural credit society was started at Conjeevaram in 1904. By the end of 1915 societies increased to 103 with a membership of 22,000 and a working capital Rs. 15 lakhs and by 1947-48, there were 1,138 societies with a membership of over 4 lakhs and a capital of Rs. 792.93 lakhs. These societies were organised on limited liability basis and catered to the needs of the urban population.

Non-Credit Societies.

Encouraged by the rapid growth of the Movement on the credit side, the Co-operative Movement spread itself to the other sectors of agricultural activity such as societies for production, sale, marketing, etc. The Non-credit structure of the Movement has touched a variety of aspects ranging from Insurance to Marketing of eggs. Producers' Societies, Colonisation Societies were organised recently for the unemployed toddy-tappers after the introduction of Prohibition in Madras. Societies are functioning in Chingleput, Salem and S. Arcot. Out of 10,418 acres assigned to them by the Government more than 8,000 acres have been reclaimed. By 1947-48, the number has been increased to 26. By 1949-50, these societies have increased to 41 and out of 15,3000 acres of land allotted to them 14,382 acres are under cultivation. Societies in Cauvery and Mettur area are doing appreciable work. Societies worth mentioning are in Tinnevely and Krishna Districts. Societies in Malabar have purchased pumpsets and tractors for their members' use. They borrowed from credit societies to the tune of Rs. 6 crores for production expenses, purchase of cattle, manure and marketing of produce. These societies were utilised by the Government for distribution of manures and fertilisers. Production Societies in the field which are doing good work are Milk societies, Egg societies, fishermen societies, sugar and sugarcane and handloom societies.

Consolidation of Holdings Societies.

One of the causes for the backwardness of agricultural yield per acre in India is the fragmentation and sub-division of holdings. To Consolidate all the holdings, the first societies were started in Punjab and they were fairly successful there; but in Madras, their progress was very disappointing. There are about 25 societies in Madras and have consolidated only about 1,000 acres.

Societies for Harijan & Backward Communities.

With a view to finance the Depressed and Scheduled class societies a separate Central Bank called The Madras Christian Co-op. Central Bank was started in 1916 at Madras. It pulled on till 1939 and it was superseded due to mismanagement and defalcation. By 1950, there were in the Madras State 2,679 societies with a membership of 1,88,750, the share capital of Rs. 10.95 lakhs and a reserve fund of Rs. 6.58 lakhs. The main function was the provision of cheap credit facilities to members; and they have advanced loans to the extent of Rs. 19.82 lakhs. The Government have established a separate Harijan Welfare Department to look after their welfare. Special societies are also organised in agency tracts of Vizag, East & West Godavari to improve the economic condition of the hill tribes.

(to be continued.)

A Plea for Improved Banking Service

SRI K. RAMAN KUTTI NAIR, B.A.,

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I have read with interest the Presidential Address delivered at the third Central Bank Secretaries' Conference by the Secretary of the Madras Provincial Co-operative Bank and published in the Madras Journal of Co-operation under the above heading. The Secretary points out that according to the statistical statements relating to the Co-operative movement, there has been a fall of 2.8 in the percentage of deposits during the past four years. It is stated further that this fall is due to an inadequate emphasis being bestowed on thrift by Co-operatives. While drawing the attention of Central Bank Secretaries to this rather disquieting feature the Provincial Bank Secretary lays emphasis on providing improved Banking service by making more efficient arrangements in the matter of issue of Demand Drafts and collection of bills by Central Banks and the Provincial Bank as a means for attracting more deposits.

During the last four or five years, the number of societies in the State and their transactions have increased. I may also be permitted to state that the efficiency and working of the cooperatives in general and the Central Banks and the Provincial Bank in particular have recorded an improvement. Yet the Deposit ratio of the movement is seen to have gone down. Evidently the fall in deposits cannot be attributed to any want of efficiency or enthusiasm on the part of the Co-operatives or to any inadequate emphasis being laid on the thrift side of the movement. In this State, I may recount that the societies including the Central Banks, of their own accord and also on the express instructions of the Registrar, have been during the past four or five years laying more emphasis on this aspect of the movement by launching a regular drive for *hundi* box and other savings deposits. So the reason for the fall in this deposit ratio has to be looked elsewhere.

According to a report published recently at the instance of our Government, I find that the rural indebtedness of this State has, during the past few years gone up by Rs. 152 crores. Perhaps this may be taken to account for the fall. If the rural people, the agriculturists, who are our customers find it necessary to borrow as heavily as that how can they be expected to provide deposits for the Movement? One may be tempted to suggest that the people should be taught to be thrifty and made to deposit their savings. But one cannot overlook the fact that in India the land is, so to say, overburdened and the agriculturist is invariably running at a deficit. It is more so now on account of the uneconomic prices of our produce brought about by State control. So unless we co-operators strive and secure an extra income for the agriculturist the present disquieting feature will continue to be more and more disquieting, however much we may try to improve our Banking service.

Encouragement of cottage industries has been acknowledged to be one of the means to secure some additional income for the agriculturist. But so far there has not been any large attempt to organise these industries on a co-operative basis. The one industry which we have tried to tackle on a larger scale is hand-loom weaving and this has, undoubtedly, done good to the weaver. It is for us now to find out other useful industries of

our country, organise them on a co-operative basis through the multipurpose societies or through other special kinds of societies and secure an extra income for the agriculturist. I find that there has been a proposal of the Madras Government to create a separate department for development of cottage industries under the control of an Officer of the grade of a Joint Registrar of Co-operative Societies. It would be a step in the right direction if action is taken in pursuance of this proposal. In this connection I would suggest that the Government may depute a suitable person or even a commission to countries like Japan and China to study and acquire a thorough knowledge of the several industries and their working so that the same may be copied here with such modification as to suit our conditions. Such a step would ensure a regular income for our members and a steady inflow of deposits into the movement.

As to the improved Banking service, we are all for it. But a mere improvement in the demand draft business or the bill collection work or even the submission of returns by Central Banks to the Provincial Bank and by the Provincial Bank to the Registrar is not going to take us far in this respect. It is necessary to make certain fundamental changes in our conception which alone can take us a head. It may be remembered that the very structure of cooperative credit was originally conceived so as only to finance agricultural operations through credit societies. So much so banking was only a side business as far as co-operatives were concerned. The Madras Central Urban Bank now known as the Madras Provincial Co-operative Bank was started at first to finance agriculture in this State. Subsequently with the increase in the number of societies District Central Banks were also organised for the same purpose. These District institutions, though independent by themselves, were affiliated to the Provincial Bank which becomes the apex institution to function as a sort of clearing house for the District Banks and also to finance and guide them in their policies. Originally the Government found necessary funds for the Movement by *diverting* the funds of the District Boards and other local bodies and contractors into these Banks. The Abkari and District Board Contractors were also made to deposit their security and earnest money with the District and the Provincial Banks. Naturally the Government was under an obligation to ensure the safety of the funds so found. Rules were accordingly framed and restrictions were imposed on the Banks and societies one after the other not only in the matter of investment of such funds but also in the general questions of management. The result is that the Co-operatives find themselves hedged in by all sorts of restrictions which are not conducive to any spontaneous growth or development. Now that the Government have withdrawn almost all the concessions extended to the Movement and retained with them only the functions of Registration and audit it stands to reason that more latitude is allowed to the co-operatives to expand themselves.

After the last War co-operatives were, out of necessity, called upon to do business in controlled articles such as procurement and distribution of rice, etc. In this, I believe, the co-operatives have acquitted themselves well and have thereby gained experience and strength. That being the case it has to be considered seriously whether the co-operatives may not be allowed to take more to sound commercial business also without prejudice to their avowed business. Such a step will besides improving the tone of our work, establish wider contacts and secure larger funds for the movement.

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 Anamalai Multipurpose Co-operative Credit Society (Coimbatore District.)

This Society was registered on 23-3-1923 and started on work on 14-4-1923. The society is affiliated to the Pollachi local Co-operative Union for the purpose of supervision. On 30-6-51 there were 173 members in the Society with a paid up share capital of Rs. 6,893. It had also a Reserve Fund of Rs. 7,961 of which Rs. 7,146 was invested in the financing Bank. The total working capital of the society on 30-6-1951 amounted to Rs. 71,425 consisting of Fixed Deposits from members amounting to Rs. 24,325 and loans from Bank amounting to Rs. 32,246 besides the paid up share capital and Reserve Fund of Rs. 6,893 and Rs. 7,961 respectively. The society has invested Rs. 1,000 in shares in the Coimbatore Nilgiris Co-operative Central Bank besides Rs. 7,846 in Reserve Fund and Rs. 110 in shares of other Co-operative institutions. Rs. 450 has been invested in National Savings Certificates also. The Maximum Borrowing Power of the society is Rs. 80,000 and the Individual Maximum Borrowing Power is Rs. 2,000. During 1950-51 the society earned a net profit of Rs. 563.

2. During 1950-51, the society issued Rs. 27,981 as loans to 43 members, and recovered Rs. 19,870. There were 122 loans involving Rs. 64,276 outstanding at the end of the year. The overdues under principal in loans due by members at the end of the year 1950-51 was just under 10 per cent.

The society has undertaken the distribution of chemical fertilisers and iron and steel for agricultural purposes. During the year 1950-51 it purchased these articles to the value of Rs. 6,905 and sold for Rs. 5,725.

2. Thillaivadangan Multipurpose Rural Credit, Society (South Arcot District.)

This society was registered on 23-3-21 and started on work on 1-2-22. The address of the society is Thillaivadangan Co-operative credit society, Thillaivadangan, Chidambaram Taluk.

The area of operation of the society includes the villages of Thillai-vadangan and Kilachavadi. The society has 60 members on its rolls with a paid up share capital of Rs. 936.

A sum of Rs. 10,100 was disbursed as loans to members during this year. The society has no overdue loans.

The bylaws relating to the changing of the name as multipurpose rural credit society was got introduced as early as 21-10-1949. The society undertook business in handloom cloth, coffee seeds, sugar, stationery and other groceries. The following details show the volume of transaction of the society in various spheres after the introduction of the multipurpose activity.

	Rs	A.	P.
Sugar valued at ..	289	12	6
Coffee Seeds ..	1,134	3	6
Hand Loom Goods ..	353	15	0
Chemical Fertilisers ..	192	13	0
Soap, Paper Etc., ...	15	10	6

The President and members of the society evince much interest in the affairs of the Society and are taking up these activities regularly.

3. The Hadagalli Basava Rajendra Multipurpose Co-operative Rural Credit Society, Bellary District.

The Society was registered on 24-5-45 and this is the 6th year of its working.

There are now 390 members with a paid up share capital of Rs. 8,115. The Society has built up a Reserve Fund of Rs. 1,059-3-0. It has invested Rs. 2,950 in the shares of the Central Bank and Rs. 250 in the Hirehadagalli Marketing Co-operative Society. It has deposited a sum of Rs. 110 in National Savings Certificates.

The maximum credit limit is Rs. 1,00,000. The society borrowed Rs. 13,743 from the Hospet Co-operative Central Bank Ltd., Hospet during the year and now owes Rs. 13,743. The amount of loans outstanding against the members is Rs. 51,888.

In addition to credit transactions the society has undertaken various multipurpose activities. It is dealing in iron and steel etc., The Volume of business transacted is given below.

Agricultural implements including Cart Tyres Rs. 3,615-4-6.

The society has also inculcated the habit of thrift among the members and has also distributed Hundi Boxes to the members. The total savings effected by the members amount to Rs. 88.

4. The Thambikottai Multipurpose Co-operative Society (Tanjore District.)

The Thambikottai Multipurpose Society was registered on 12-12-1949 and started on its work on 9-2-1950. Its area of operations extends to 3 villages, Thambikottai, Vadakadu and Melakadu. The society has 275 members on its rolls with a paid up share capital of Rs. 5,200. The value of net assets of the members is Rs. 5,06,270. The maximum credit limit of the society is Rs. 40,000. The society is financed by the Tanjore Co-operative Central Bank to which it is affiliated.

2. The society is running a ration shop. Besides rice, cereals, and kerosene, it deals in jaggery, chillies and some grocery articles for the benefit of the villagers. The value of food articles sold by the society during 1950-1951 amounted to Rs. 11,978.

3. The society has introduced thrift savings scheme through hundi boxes from December 1950 and twenty six (26) hundi boxes have been distributed to members. The savings effected through hundi boxes upto the end of September 1951 amounted to Rs. 1,403.

4. The society admitted as members 26 ex-tappers residing in its area of operations and issued 25 licences to deserving ex-tappers during the last tapping season (1950-1951) for tapping palm juice for manufacture of jaggery. The tapping season commenced rather late in February 1951 and jaggery produced by the society till the middle of April 1951 and sold through the ration shop run by it.

The society was selected for giving training in improved method of manufacture of jaggery under the palm gur development scheme and it was supplied with six sets of gur-making equipment free of cost. From 9-4-1951, sweet juice tapped by the ex-tapper members was pooled by the society and jaggery was manufactured under the improved method. The society obtained a centrifugal machine from the Central Palm Gur Training School, Cuddalore and manufactured good crystalline sugar from the rab obtained from the palm juice. During the last tapping season—March 1951 to July 1951, 1917 Madras measures of sweet juice was tapped and the society produced palm jaggery, sugar-candy and rab as shown below :

1. Jaggery	... 65.75 Mds.
2. Sugar	... 28.5 Mds.
3. Sugar candy	... 2.75 Mds.
4. Rab (held as stock)	... 700 M.Ms.

As there is a scope to develop the industry, it is proposed to start a separate society for production and sale of palm jaggery and its products by bringing in more ex-tappers within the co-operative fold.

5. The society proposes to construct a godown for the benefit of its members at a cost about Rs. 15,000 obtaining a 50 per cent grant and 50 per cent loan from Government. The share capital of the society which stood at Rs. 3,731 on 30-6-1951 has been raised to Rs. 5,200 and arrangements are under way to secure a suitable site for construction of a godown.

Crop Yield Competition

A colonist in a land colonisation co-operative wins a prize.

In G.O. Ms. No. 148 Food and Agriculture (Food Production) Department dated 26-9-50, Government introduced a scheme known as "Crop Yield Competition" in respect of paddy crops in the State during the fasli year 1950-51 (i.e. July 1950 to June 1951). The object of the scheme is to promote a spirit of healthy rivalry among the cultivators and thereby increase the average yield per acre of paddy crops in the State. This will result in the achievement of higher production of food.

The competition was open to all cultivators in the State. The size of the plot to be entered for the competition should not be less than half an acre in extent. An entrance fee of Rs. 5 per plot was collected from each entrant and the successful competitors were to be awarded cash prizes and medals.

The scheme was communicated to the Registrars and they were requested to advise the colonists in the Land Colonisation Co-operative Societies for civilians and ex-servicemen and to instruct the Senior Inspectors in charge of the societies to help the colonists in this direction.

Colonists from the Land Colonisation Co-operative Societies in the four districts of Salem, Tanjore, Chingleput and Vellore participated in the competition. On the whole 40 colonists from 9 societies took part in the competition. In the test conducted, Sri S. Sappani, one of the colonists in Kangayampatti Land Colonisation Co-operative Society in Tanjore district won the taluk prize, the yield being 8040 lbs per acre. The award was in the shape of chemical manure worth Rs. 50 and a certificate of merit. The Revenue Divisional Officer, Tanjore, awarded the prize to the colonist at a special function held for the purpose.

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

(Estd. 1918)

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

ALL KINDS OF DEPOSITS ACCEPTED

Rates of Interest : Current Deposit $\frac{1}{2}$ % Savings Deposit $1\frac{1}{2}$ %
Fixed Deposits : For 6 months $1\frac{1}{2}$ % : For one year $2\frac{1}{2}$ %
For 2 years and above $2\frac{3}{4}$ %

RECURRING AND PROVIDENT DEPOSITS ARE ALSO ACCEPTED

Apply for further particulars :

Medai Dalavoi Kumaraswami Mudaliar, M.L.C.
President.

The Madras Provincial Co-op. Bank, Ltd.

Review of the 45th Annual Report of the Madras Provincial Co-operative Bank, Ltd., for the year ending 30.6.'51

During the year 1950-51, the Bank appears to have done well. The net profit of Rs. 8,74,732-10-9 made during the year has been large enough to carry Rs. 1,00,000 to Reserve Fund, Rs. 1,25,000 to Depreciation Reserve, Rs. 28,000 to Common Good Fund, Rs. 25,153-12-0 to pay two months salary as bonus to staff, Rs. 89,295-13-0 to pay a dividend at 6 per cent on both preference and ordinary shares, and to carry forward a sum of Rs. 51,259.14-2 to next year.

As per the balance sheet, the Bank has investments in Government Securities of the value of Rs. 2,07,30,072-2-0. The composition of these investments is not known, but as per report, depreciation in the value of these securities as on 30th June 1951 had amounted to Rs. 8,00,147-8-0. The bank held a reserve for depreciation of Rs. 2,25,000 to which further Rs. 1,25,000 has been added from profits and a further Rs. 1,75,000 by transfer from Building Fund and Suspense Reserve, thus raising the Depreciation Reserve to Rs. 5,25,000. The Directors expressed a hope, that the short fall in the value of Government Securities should not cause any anxiety ; but after 16th November 1951, there has been a further substantial fall in value of Government Securities, which will have to be taken care of from profits of the future years. During the year under report, the bank provided finance to the tune of Rs. 7,72,10,000 which was distributed as under :—

	Rs.
Primaries ...	3,85,78,000
Procurement of Paddy & Foodgrain ...	2,85,28,000
Chemical Manures ...	79,84,000
Loan & Sale Societies ...	53,15,000
Weavers' Societies ...	10,60,000
Stores ...	8,00,000

Some of these figures seem substantial. It would have been helpful to judge the work by the bank, if some indication was given of the actual needs of the rural economy and what proportion of these needs have been met. Madras Provincial Bank is the apex bank of the Province in the field of Co-operation and is in contrast to the two top most banks in the commercial field namely, the Imperial Bank of India and the Central Bank of India, Ltd. A study of the relative figures show that the capital structure of the Madras Provincial in relation to its total deposits is stronger than that of the other two banks. It is also reflected, that the Madras

Provincial maintains a much higher cash balance than is necessary and the percentage of net profit earned in relation to total funds and also in relation to Capital and Reserve is lower than in the case of the other two banks.

	<i>Madras Provincial</i> as on 30-6-'51	<i>Imperial Bank</i> as on 30-6-'51	<i>Central Bank</i> as on 31-12-'50
(Figures show Rupees in Thousands).			
Capital	1,486	56,250	31,454
Reserve Fund	5,150	63,500	31,628
Deposits and Loans	78,965	23,87,430	12,68,074
Total Funds	85,501	25,07,480	13,31,156
Cash on hand and at Bank	1,849	4,08,760	1,95,805
Investments in Government Securities..	20,730	8,09,611	5,95,970
Loans and Advances	61,686	13,70,775	5,06,717
Annual Net Profit	375	13,541	10,088
	Per cent.	Per cent.	Per cent.
Percentage of Capital and Reserve to Deposits	8.4	5.0	4.9
„ Cash to Deposits	20.3	17.1	15.4
„ Net Profit to Total Funds	0.4	0.5	0.7
„ Net Profit to Capital and Reserve	5.6	11.3	15.9

H.F.K.

Notice to Non-Members.

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

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

MADRAS,
15th Oct. 1951.

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

Book Review.

Co-operative Societies Act and Rules—questions and answers in Tamil by Sri K. Srinivasan, M.A., of Tanjore.

Sri K. Srinivasan, M.A., has written a book in Tamil explaining the Co-operative Societies Act and rules in the form of questions and answers. The provisions of the Act and rules are well explained and the book will be very useful to all the non-English knowing co-operators and especially to students in the Institutes at Tanjore and Coimbatore who are not proficient in English.

T. N. PILLAI

2. The South India Co-operative Insurance Society, Limited, Madras. (19th Administration Report for the year ended 31-12-50.)

The Directors' Report and Annual Accounts reflect the normal progress made by the Society consistent with the difficult conditions which all Life Assurance Companies are facing. The new business at Rs. 88,00,000 has been just kept up, and the difficult conditions in the rural parts of the State put off the realisation of the Directors' target of Rs. 1 Crore.

Even though the amount of new business secured has not decreased, the growth in the sum assured and the number of policies in force has not increased in proportion to the new business. Thus, at the beginning of the year under review,

the Society had in force	..	27,375 policies assuring a sum of	Rs. 3,61,00,000
During the year, the Society issued	..	5,919	89,00,000
giving a total of	..	33,294	4,50,00,000
But, at the end of the year, the Society had in force	..	29,266	3,86,00,000
thus showing an exit by claims and lapses	..	4,028	64,00,000

Of these, claims have accounted for the exit of about Rs. 3,50,000. Bulk of the exit has been caused by lapses which is a problem facing all the life insurers of the country and is not peculiar to the Society alone. Lapses of policies represent a tremendous waste of efforts and the Society must be vigilant to check such lapses.

Lapse of business, however, is a matter which, to a large extent, is beyond the control of the Directors of the Society. In matters falling within the range of their control, the Directors have effected substantial progress by reducing the expenses from 16.19 per cent to 15.59 per cent and keeping up the rate of interest on their investments. The Directors are to be congratulated for their able stewardship of the affairs of the Society during such difficult years.

T. S. K.

3. The Co operative Fire and General Insurance Society, Ltd. Madras. (10th Administration report for the year ended 31-12-50)

The sister society, The Co-operative Fire and General Insurance Society, writes a modest amount of fire and miscellaneous classes of business. The fire account has been more profitable though the net premium income has fallen from Rs. 1,50,000 in the previous year to Rs. 1,25,000 in the year under review, and the expenses have increased. The following table shows the comparative fall of the two years.

Particulars.	1949 Rs.	1950 Rs.
Net premium income ..	1,50,000	1,25,000
	per cent	per cent
Claims ..	6	9
Charges ..	29	13
Expenses ..	27	56
Addition to Reserve ..	5	8
Profit ..	33	27

Profits have been made because of exceptionally low claim experience. We trust the limit on expenses imposed by the Amendment Act would enable the Directors to reduce the expenses.

The miscellaneous insurance business has not been so profitable with a claim ratio of 30 per cent, commission 39 per cent and expenses 17 per cent; Adjustment to Reserve 12½ per cent and a profit of just below 2 per cent.

The combined account, however, has a gross profit of Rs. 64,536 consisting of a trade profit of Rs. 36,895 and an investment income of Rs. 28,000. After meeting common expenses and providing for tax, a sum of Rs. 50,366 is available for distribution. A dividend of 5 per cent has been recommended on share capital.

T. S. K.

AMELIORATIVE WORK

Note on Jaggery Societies in the Madras State.

SRI A. PALANIAPPA MUDALIAR M.A.,
Dy. Commissioner of Prohibition and Joint Regr. of Co-op. Soc., Madras.

Jaggery Societies :—As a result of the introduction of total prohibition in the State about 1.63 lakhs of tappers were displaced from their age-long profession of toddy tapping. To provide them with alternate employment, Government permitted the tapping of palmyrah trees in most of the districts except Nilgiris, Ananthapur, Bellary and Cuddapah districts. They also permitted the tapping of date trees in select centres in the districts of Guntur, Nellore, Krishna, Srikakulam, North Arcot, Chittoor, Ananthapur and Kurnool, tapping of cocoanut trees in selected taluks in the Coimbatore and Malabar districts and selected centres in South Kanara district and the tapping of sago trees in the four taluks in the Malabar District. Government also amended rule 2 of the Madras Sweet Toddy Rules of 1939, restricting the issue of licences for drawing sweet toddy to the members of the palm jaggery societies. This has given a filip to the palmgur industry which has provided alternate employment to about 92 per cent of the tappers thrown out of work as a result of Prohibition. On 30-9-51 there were 2,019 societies having 1.80 lakhs of members with a paid-up share capital of Rs. 5.97 lakhs. The total number of licences for tapping sweet toddy in force was 96,923.

2. In October 1949, Government sanctioned a scheme for giving a state-wide training to ex-tapper members of jaggery societies in the improved method of production of jaggery and it came into effect in December 1940. Government sanctioned a sum of Rs. 84,000 under recurring and Rs. 1,625 under non-recurring expenditure. Under the scheme, 25 Palm Gur Instructors were trained in the Central Palm Gur Training School, Cuddalore and they were posted to the districts for imparting training to the ex-tappers in the improved method of manufacture of jaggery. Thousand sets of improved implements were got manufactured from the Strathie Engineering Co-operative Workshop and distributed to the trainees through the jaggery societies concerned. The palmgur instructors conducted training to the ex-tappers in 532 centres and trained 3,701 ex-tappers. They conducted 744 demonstrations in the improved process of jaggery manufacture which were witnessed by 33,395 members of jaggery manufacturing co-operative societies and 1,12,700 others interested in the industry.

3. The quantity and value of jaggery produced by the palm jaggery societies during the co-operative year 1950-51 were :

Jaggery produced.	Palmyrah.	Cocoanut.	Date.	Sago.	Total.
1. Quantity in lakhs of maunds.	32.61	3.24	0.05	0.16	36.06
2. Value in lakhs of rupees.	115.44	20.14	0.38	0.65	136.88

4. In the Malabar district, a beginning has been made in co-operative marketing of jaggery. In that district, a scheme for centralised sale of jaggery has been introduced with the Palghat Sale Society as the agent. 25 jaggery manufacturing co-operative societies have joined the sale society as its members and the sale society has opened 3 depots at Parli, Palghat and Madavannur. The jaggery produced by the members of these societies is collected and sent to the depot nearby. The jaggery thus pooled at the depots is sold in public auction in the presence of the representatives of the jaggery manufacturing societies on all the days in the week except Sundays and public holidays. The sale proceeds collected from the purchasers by the sale society are transferred to the respective jaggery manufacturing co-operative societies after deducting commission and transport charges if any. The jaggery societies in their turn deduct their commission and transport charges if any and pay the balance to the members concerned. This system of sale not only fetches a better price to the ex-tappers but assures a steady market for their jaggery at competitive rates. Above all it eliminates the middlemen who exploit the jaggery producers. This system of marketing is being extended to other districts. In the Malabar and South Kanara districts members sell their jaggery through the respective societies, the latter generally acting as an agent.

In order to encourage co-operative marketing of jaggery in the Tinnevely district Government have approved the proposal of the Registrar to revive the Tirunelvely District Co-operative Jaggery Loan and Sale Society and sanctioned the employment of a Senior Inspector for a period of one year to work in the society and also a sum of Rs. 500 for purchasing equipments like scales, weights, etc. and for meeting rent charges. In West Godavari district the marketing of palm jaggery is proposed to be undertaken by the sale societies at Attili, Nidadavole, Tadepalligudem and Tanuku with such assistance as may be provided by the Government and the central bank. It is proposed to form a district federation of jaggery manufacturing co-operative societies wherever necessary with a view to market jaggery on a co-operative basis.

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

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

(REGISTERED IN 1923.)

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

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

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

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

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. 185567/51-S-1.

Dated, 11-11-1951.

Sub:—The Andhra Desa Co-operative Union—Rajahmundry—
Establishment of a Printing Press—appeal for shares

Ref:—Letter dated 15-9-51 from the Honorary General Secretary
of the Union.

The Andhra Desa Co-operative Union, Rajahmundry, has proposed to start a Printing Press with the object of printing account books and forms for sale to co-operative societies and of printing, purchasing, and selling co-operative literature. The owning of a Printing Press needs sufficient capital. The authorised share capital of the Union has therefore been fixed by suitable amendments to its by-laws, at Rs. 25,000 consisting of 5,000 shares of Rs. 5 each.

2. Under the by-laws of the Union each unlimited liability society should take at least one share and each limited liability society should take at least 2 shares. No society shall be allotted shares of the value exceeding Rs. 1,000. The by-laws have been amended providing that the profits of the Union arising from the Printing Press should be conserved into a separate Fund to be used for redeeming the shares. Shares have been made non-withdrawable till the fund created out of profits equals the paid up share capital.

The Board of Management of the Union has issued an appeal through its journal "Sahakaramu" requesting the societies to—subscribe to the shares of the Union. It has also requested the Registrar to advise the Societies to take as many shares in the Union as possible so that the Printing Press may be established soon. The Bellary Central Stores has offered to take the maximum number of 20 shares.

3. Deputy Registrars and Central Banks are aware that educating the members of the co-operative societies in the principles of co-operation is essential for the development of co-operation on sound lines. The Andhra Desa Union endeavours to satisfy this need through its journal "Sahakaramu" and the pamphlets and leaflets published by it. When the printing press is established it will be possible for the co-operatives in the Andhra Desa to get the account books and forms printed at the Press. There are six co-operative Printing Presses in the State. All of them except the one in Malabar are in Tamil districts and none is in the Andhra Desa. A Co-operative Printing Press for the Andhra Desa is therefore necessary. The establishment of the press as an adjunct to the Andhra Desa Co-operative Union will be on the co-operative principle of self help among the co-operatives. The maximum number of shares a society can take is 20. Deputy Registrars are requested to advise the Central Banks and societies in the Andhra Desa to take as many shares as possible in the Andhra Desa Co-operative Union, subject to this limit of 20 shares.

J. C. RYAN,
Registrar.

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

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

R.C. No. 20484/51-B-1.

Dated: 25-12-1951.

Sub :—Agricultural Co-operative Credit Societies—appointment of paid clerical staff—Instructions

Ref :—Registrar's Circular R.C. 20484/51-B-1 dated 20-6-1951.

In the Registrar's circular cited, Central Banks and Deputy Registrars were requested to consider the possibilities of appointing clerks in rural credit societies which had loan transactions of Rs. 40,000 and above. It was suggested that the clerk should invariably be the holder of a S.S.L.C. and that he should have undergone the supervisors' training for nine months. It was also suggested that whenever the societies applied to Central Banks for enhancement of their credit limit beyond Rs. 40,000 and whenever they applied to the Central Banks for loans exceeding Rs. 40,000 they should be required to appoint the paid staff.

2. The Registrar has examined the replies and suggestions received from the Central Banks and the Deputy Registrars on the above proposals. The Central Banks have agreed to the principle that rural credit societies doing large business should have paid staff. There is, however, some difference of opinion on certain points of detail. The suggestions made by the banks are as follows :—

(i) Clerks with lower education qualifications may be appointed.

(ii) Group clerks may be appointed for two or more societies according to the volume of transactions.

(iii) Societies with less than Rs. 50,000 may not be required to appoint paid staff.

3. The Registrar has examined the suggestions and considers that the following course may be adopted in respect of them

Regarding (i) the accounts of rural credit societies are maintained in regional languages. It will, therefore, be enough if men who have passed the Third Form and received training of about three or four months in one of the Co-operative Training Institutes on the maintenance of co-operative accounts are appointed as clerks. For this purpose, special short term courses may be conducted by the Institutes for giving instruction to the clerks recruited for appointment in rural credit societies, on the functions and working of rural credit societies and on the maintenance of their accounts.

Regarding (ii) the appointment of group clerks did not work well in the past. It gave rise to serious abuses. The Madras Committee on Co-operation (1939-40) expressed the view that the adoption of the system might result in a weakening of the sense of responsibility of office-bearers of societies, manipulation of accounts or misappropriations and dissipation of the energies of clerks in going from place to place. This committee therefore, preferred local men with elementary knowledge of accounts as clerks on a small remuneration and did not recommend the adoption of the group clerk system. The Registrar is therefore of the opinion that each society should have a separate clerk.

G.O.S. AND CIRCULARS

Regarding (iii), the Registrar considers that it should be possible for rural credit societies with loans of Rs. 50,000 and above outstanding against their members, to appoint paid clerks and suggests that the clerks may be paid Rs. 85 per month. He has, however, no objection to the societies prescribing the scale of pay according to local conditions.

4. Where the societies have employed paid staff, the office-bearers will not be eligible for remuneration under by-law, 30 as scriptory work will be done by the clerks themselves.

5. Central Banks are requested to give effect to these suggestions immediately. Deputy Registrars and Central Banks are requested to insist on rural credit societies appointing paid clerks, whenever they apply for enhancement of their credit limit to Rs. 50,000 and above or when they apply for loans exceeding this amount. Deputy Registrars are requested to send a report to the Registrar by 30-9-1952 on the working of the arrangement.

J. C. RYAN,
Registrar

Copy of G.O. Ms. No. 6321 Development Department dated 27-12-51.

Co-operative Societies—Land Mortgage Banks—Central Land Mortgage Bank Debentures—Government guarantee—Increase from Rs. 550 lakhs to Rs. 700 lakhs—Sanctioned.

*Read again :—*G.O. (Ms.) No. 5706, Development dated 30-11-1949.

*Read also :—*From the Registrar of Co-operative Societies R.C. 127684/51-J dated 24-9-1951.

ORDER:

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

NOTIFICATION.

Whereas in Development Department Notification No. 1140, dated the 30th November 1949, published at page 2187 of Part I of the Fort St. George Gazette, dated the 6th December, 1949, the maximum amount of guarantee given by the Government of Madras in respect of the debentures issued by the Madras Co-operative Central Land Mortgage Bank Limited, exclusive of such debentures as the said bank might from time to time redeem, was increased to a total value of Rs. 550 lakhs ;

And whereas it is considered desirable to further increase the maximum amount of guarantee and for this purpose the State Government have consulted both the Chambers of the Madras Legislature ;

Now, therefore, in exercise of the powers conferred by section 6(2) of the Madras Co-operative Land Mortgage Banks Act, 1934 (Madras Act X of 1934), His Excellency the Governor of Madras hereby increases the maximum amount of guarantee in respect of debentures issued by the Madras Co-operative Central Land Mortgage Bank, Limited (other than the debentures which the said Bank may from time to time redeem) upto a total face value of Rs. 700 lakhs (Rupees seven hundred lakhs only) subject to the following conditions, namely:—

(i) the debentures issued by the said Bank shall not in any case be for periods exceeding 25 years from the date of their issue ; and

(ii) the interest on such debentures shall not exceed five per cent per annum.

Note :—There is no objection to the inclusion of the terms of this further guarantee in the debentures to be issued by the said Bank, which satisfy the foregoing conditions.

(True Copy)

End. R. 127684/51-J

OFFICE OF THE REGISTRAR OF
CO-OPERATIVE SOCIETIES MADRAS,
Dated 3-1-1952.

J. C. RYAN,
Registrar.

D. Dis. 160881/51-S-1.

OFFICE OF THE REGISTRAR OF
CO-OPERATIVE SOCIETIES, MADRAS,
Dated, 3-1-1952,

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

CIRCULAR.

Sub :—Conference—Conference of the Representatives of the Co-operative Wholesale Stores held on 1-11-1951—Resolutions—Passed—Implementation of—

Ref :—Registrar's Memorandum Rc. 154106/51-S-III,
dated 6-11-1951.

Under model by-law No. 33 of primary co-operative stores societies, every member present shall have only one vote irrespective of the number of shares held by him or the value of purchases made by him, "One man, One vote" is the co-operative principle; and section 16 of the Madras Co-operative Societies Act VI of 1932 prohibits plural voting. It was considered that there ought to be some difference in the matter of voting between members who purchase regularly from the stores and those who do not. Such a distinction exists in the by-laws of the Triplicane Urban Co-operative Society Limited., Madras. The by-laws of the Triplicane Urban Co-operative Society Limited lay down that members of the branches shall be eligible to vote only if they had purchased goods from the society to the extent of Rs. 50 each during the preceding half year. It was suggested that a similar provision might be made in the case of all primary co-operative stores. The point was considered by the conference of the representatives of Co-operative Wholesale Stores held on 1-11-1951, and the following resolution was recorded.

Resolution :—Resolved that only those members who had made purchases from the *primary stores* for a certain specified amount during the preceding year shall be eligible to vote at General Meetings of the primary stores, that only those members who had made purchases from the stores for the amount specified in the by-laws shall be eligible to stand for election as directors and that the by-laws of the *Primary Stores* should be amended accordingly.

2. The Registrar accepts the resolution and to give effect to it suggests the following amendments to the by-laws of stores societies :—

(1) *Model by-law No. 33 of the primary stores*: Add at the end of the third sentence.

" Provided he has purchased from the stores to the extent of not less than Rupees fifty during the preceding half year "

(2) *Model By-law No. 20*. Recast the first sentence as below:

" The members of the Board of Directors shall be elected by the general body for a period of one year from among the members who had purchased goods to the extent of not less than Rs. 50 in the previous half year preceding the date of election "

3. Deputy Registrars are requested to advise all primary co-operative stores to amend their by-laws accordingly.

J. C. RYAN,
Registrar.

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

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

Acclaimed as the Best Rural Stores
in India Today

Annual Turnover Exceeds 10 Lakhs

Financed Entirely by members without outside help.

Co-operative News

At the quarterly meeting of the District Soldiers' Sailors' and Airmen's Board held on 31-10-1951 at Cuddapah a resolution urging the speedy formation of a Co-operative Motor Transport Society in the district for providing employment to the unemployed ex-servicemen was adopted. The Collector presided. The Secretary of the Board said that the minimum share capital required was Rs. 3½ lakhs and a fleet of 22 vehicles. He expressed the hope that the amount could be loaned from the funds of the Postwar Reconstruction Committee.

Referring to the formation of the Society Sri Deva Prasad, District Employment Officer said that so far 42 ex-servicemen had expressed their willingness to join the society. He said that further reduction in the share capital amount would enable a larger number of Ex-servicemen to join the society. He disclosed that out of 5,000 men recruited in the district, 4,000 men had been demobilised and the exchange has assisted about 200 ex-servicemen in finding jobs.

He suggested that a Co-operative Society either in the form of a Transport Society or a workshop be opened to resettle ex-servicemen who had technical qualification.

In a report on the working of the ameliorative side of Prohibition in Salem during September the Deputy Registrars of Co-operative Societies, Salem and Dharmapuri said that 16,135 ex-tappers were working in 151 Jaggery Manufacturing Societies.

The Mettupatti Land Colonisation Society would soon introduce carpet weaving as a subsidiary occupation for its members.

The Shevapet Women Cottage Industries Society asked for an allotment of Mill cloth for making readymade garments.

Rs. 860-8-0 were collected as savings through hundi boxes in the district. At Kaveripatnam an Oil-Mongers Co-op. Society was organised and the Grama sanghams of Akasapalli and Bandarahalli opened free public libraries.

The Government has permitted the following officers to serve on Boards of Directors of Firka Cottage Industries Co-operative Federations, certain specified Senior Inspectors of Co-operative Societies, the Rural Welfare Officers in the Firkas, where Firka Cottage Industries Co-operative Federations are organised and Village Industries Demonstrators, appointed under the Village Industries Scheme, having jurisdiction over the area of operations of the Co-operative Federation

The Government of Madras has recently sanctioned the free services of a Co-operative Sub-Registrar to work as Superintendent of the Central Industrial Museum, Mount Road, Madras, for one year, and Sri M. Venkatasubbayya has been posted as Superintendent.

A decision to start a motor transport service to provide better facilities for the increased population of the town was taken at the General

Body meeting of the Anantapur Co-operative Swadeshi Stores held on 11-11-1951, Mr. B. Ranganathan, President, presiding. The by-laws of the Stores was amended accordingly.

The Fourth Annual Session of the Indian Conference of Social Work, Madras State Branch, which was held at Vizianwada in the last week of October, adopted a resolution agreeing with the recommendations of the National Planning Commission that for the promotion of economic development of the rural community, Multipurpose Co-op. Societies for groups of villages would be the only suitable machinery instead of many small and poorly organised societies.

The Conference requested the Government of Madras, to implement the scheme by establishing Multipurpose Co-operative Societies for such groups with paid staff subsidised by the Government in the early stages, so that these societies might serve as Councils for better production, better farming and better living.

It has been reported that Mr. Justice Govinda Menon and Mr. Justice Panchapakesa Ayyar issued on 6th December 1951 a writ of mandamus, directing the Madura Mills Workers' Co-operative Society not to enforce its resolution expelling the Madura Labour Union from membership of the Society.

The Madura Labour Union through its President and another filed the petition for the writ against the society to forbear it from enforcing the resolution expelling the Union from its membership. The Petitioners submitted that the Union, founded in 1929 started a co-operative society in 1939 to supply provisions and other things to its members, who numbered 12,000. A new labour Union called the National Textile Workers' Union, was formed recently, and it was working in opposition to the petitioners' Union. That new Union also was a member of the Co-operative Society. At a general body meeting in March 1951, the Petitioners' Union was expelled from membership.

Their Lordships observed that the resolution expelling the petitioner Union from the Society was illegal and void. It was eminently a fit case, therefore, in which a writ of mandamus should be issued, and their Lordships accordingly granted the writ.

"The aim of planning must be the progressive removal of economic and cultural inequalities, in order to realise, and establish a Co-operative Commonwealth, based on equality of opportunity, and of political and social rights, aiming at world peace, and fellowship, which is the object of the Indian National Congress."

This aim was set out in the resolution on the economic programme for India, adopted by the Subjects Committee of the Indian National Congress to-day.

The resolution approved the Election Manifesto of the Congress and stressed the need for a planned economy. It called upon the nation and in particular upon all Congressmen to offer the fullest co-operation in the execution of the National Plan.

THE MADRAS JOURNAL OF CO-OPERATION

The foundation stone for the godown of the Bhupathi Raju Co-operative Credit Bank, Ltd., Rajapalayam was laid on 16-12-51 by the Hon'ble Sri P. S. Kumaraswami Raja, Chief Minister of Madras. There was a large gathering of officials and non-officials on the occasion.

Sri P. S. Subba Raja welcomed the gathering and requested the Chief Minister who is the "father and founder of the Bank" to lay the foundation stone.

The Chief Minister congratulated the Bank on their venture and stressed the need for every rural and urban co-operative to have godowns. He expressed that the Government would willingly render help to any co-operative institution which desired to construct godowns.

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.

List of Societies Registered

S. No.	Name of the Society with full postal address.	District.
October 1951.		
1.	Pundurai Semur Karukkanvalasu Co-operative Credit Society, Elumathur P.O., Erode Taluq	Coimbatore.
2.	Pankudy Multipurpose Co-operative Credit Society, Pankudy Village, Aranthangi P.O.	Tanjore.
3.	Molasthanam Palmyrah Jaggery Production and Sale Co-operative Society, Molasthanam, Edayathimangalam. P. O.	Tanjore Dt.
4.	Kolathur Co-operative Milk Supply Society, Ltd., Kolathur, Meltur Dam, Omalur Taluq.	Salem Dt.
5.	The Periyayipalayam Weavers Co-op. Production and Sale Society, Ltd., Palankarai. P.O.	Coimbatore Dt.
6.	Kulathur Weavers Co-op. Production and Sale Society, Ltd., Sulur P.O.	"
7.	The Kaveripatnam Co-op. House Building Society, Ltd. Kaveripatnam. Krishnagiri Tq.	Salem
8.	The Kaveripatnam Co-op. Milk Supply Society, Ltd., Kaveripatnam. Krishnagiri Tq.	"
9.	Chengam Co-op. Milk Supply Society, Ltd., Chengam P.O. Chengam Tq.	N. Arcot Dt.
10.	Vadamanapakkam Weavers Co-op. Production and Sale Society, Ltd., Wasanamapet P.O. Cheyyar Tq.	"
11.	Puliandai Multipurpose Co-op. Society, Murugathampooni P.O. Cheyyar Tq.	"
12.	Thethurai Weavers Co-op. Production and Sale Society, Ltd. Melma P.O. Cheyyar Tq.	"
13.	Vadamathimangalam Weavers Co-op. Production and Sale Society, Ltd. Vadamathimangalam. P.O. Polur Tq.	"
14.	Papanthangal Multipurpose Co-op. Society, Tiruvettipuram. P.O. Cheyyar Tq.	"
15.	Chitheri Multipurpose Co-op. Society, Vishamangalam. P.O. Tirupattur Tq.	"
16.	The Rajam Board High School Students Co-op. Society, Rajam. Palakonda Tq.	Srikakulam.
November 1951.		
17.	The Basuvapatti Jaggery Producers' Co-operative Credit Society, Basuvapatti, Chennimali P. O. Erode Taluq	Coimbatore.
18.	Sri Ramalingeswara Weavers Co-operative Production and Sale Society Ltd., Saryapalli, Sompeta Taluq	Srikakulam.
19.	Parlapalli Multipurpose Rural Co-operative Credit Society, Parlapalli, Rapur Taluq	Nellore.
20.	Gurivindapudi Multipurpose Co-operative Society, Guruvindapudi, Nellore Taluq	"
21.	The Sullurpet Co-operative Building Society, Ltd., Sullurpet.	"
22.	The Muthayalapadu Co-operative Milk Supply Society, Ltd., Muthayalapadu, Gudur Taluq.	"

S. No.	Name of the Society with full postal address.	District.
23.	Munipalli Gopusamudram Multipurpose Rural Co-operative Credit Society, Rayalur Taluq,	Nellore.
24.	Kammalapudi Multipurpose Co-operative Credit Society, Kammalapudi, Nellore Taluq.	"
25.	Venumbaka Multipurpose Rural Co-operative Credit Society, Venumbaka, Sullurpet Taluq.	"
26.	Odulapalli Multipurpose Co-operative Rural Credit Society Odulapalli, Kurli P. O.	Anantapur Dt.
27.	The Subba Rao Peta Multipurpose Co-operative Rural Credit Society, Ltd., Subbarao-peta, Dharmavaram, P. O.	"
28.	The Ragannavaripalli Multipurpose Co-operative Rural Credit Society, Ragannavaripalli, Nallacheruvu, P. O.	"
29.	Velichalamala Multipurpose Co-operative Rural Credit Society, Vellichamala, Kadiri, P. O.	"
30.	Munimadugu Multipurpose Co-operative Rural Credit Society, Munimadugu, Guttur P. O.	"
31.	Gooty Co-operative Milk Supply Union, Gooty.	"
32.	Yerrathimarajucheruvu, Co-operative Fishermen Society, Ltd., Yerrathimarajucheruvu Gooty	"
33.	Adirampatnam Co-operative Milk Supply Society, Ltd., Adirampatnam, Pattukottai Taluq	Tanjore Dt.
34.	Baikampady Fishermens Co-operative Society, Ltd., Baikampady	S. Kanara Dt.
35.	Kemmannu Palani Jaggery Manufacturers Co-operative Credit Society, Kemannu	"
36.	Thanneerbavi Fishermens Co-operative Society, Ltd, Thanneerbhavi	"
37.	Ujre Rural House Co-operative Society Ltd., Ujre, Puttur Taluq	"
38.	Housbettu Fishermens Co-operative Society, Ltd., Suratakai, P. O.	"
39.	Kaniyur Palm Jaggery Manufacturers Co-operative Society Bellare, Puttur Taluq	"
40.	Anjjavara Jaggery Manufacturers Co-operative Society, Sullia, P. O.	"
41.	Puliyangudi Sri Kannan Co-operative Milk Supply Society, Ltd., Puliyangudi, Sankaran-koil Taluq,	Tinnevelly Dt.
42.	Veerakeralampudur Multipurpose Co-operative Credit Society, Veerakeralampudur, Tenkasi Taluq	"
43.	Appanapalem Weavers' Co-op. Production and Sale Society, Ltd., Appanapalem. Via. M. Yeleswaram. Peddapuram Tq.	E. Godavari.
44.	The G. Bhavaram Ex-tappers Co-op. Milk Supply Society, Ltd. G. Bhavaram. Yendamuru P.O. Kakinada Tq.	"

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

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

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

Branches :—KARUR &ARIYALUR.

Authorised share capital	...	Rs. 10 lakhs
Paid up share capital	...	" 3.40 "
Reserves	...	" 9.38 "
Working capital	...	" 1.3 crores

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

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

All banking business transacted. For further particulars apply to :

The Secretary,

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

T. S. MUTHUKUMARASWAMI PILLAI,

President.

Telephone : 34519.

Telegram : SAHYOG.

**The Provincial Industrial Co-operative
Association, Ltd.**

9, Bakehouse Lane, Fort, BOMBAY 1.

For the Producer Societies arranges supplies of :—

Yarn, Chemicals, Dyestuffs, Raw Hydes, Raw
Skins, Tanning materials, Tanned Leather etc.,
Machines, Tools, Equipment etc.

Offers facilities for Marketing :—

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

Telegrams :—"JILLABANK"

Telephone No. 203

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

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

ALL SORTS OF BANKING BUSINESS DONE

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

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

JUST OUT.

JUST OUT.

Agricultural Marketing in India
(With Special reference to Co-operative Marketing)
By Prof : K. R. KULKARNI, M.A.,

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

*Introduction by Dr : V. K. R. V. Rao; A Note of Observations by Dr.
T. G. Shirname Agricultural Marketing Adviser to the Government of India
and a Foreword by Dewan Bahadur Prof. Kaji, President, Indian Co-operative
Union.*

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

Pages 512, Cloth Binding, Price Rs. 20.

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

THE SALEM CO-OPERATIVE CENTRAL BANK, LIMITED.

No. 151

THE PREMIER BANK TO BE REGISTERED IN THE
PRESIDENCY IN 1909.

GRAM: COPCENBANK "

P. B. No. 8.

PHONE: No. 2.

Our Reserves exceed Rs. 15 lakhs

Profit for 1950-51 Rs. 1,25,393-4-0

Maximum dividend paid all these years.

Transactions over Rs. 75 lakhs.

Current Deposits = $\frac{1}{2}$ % Savings Deposits = $1\frac{1}{2}$ %.

Fixed and Provident Deposits accepted at favourable rates. Loans are issued mainly to Agricultural Co-operative Societies. Investments in this Bank help our National Industry-Agriculture.

Supporting the Bank is the patriotic duty of every one who has savings to invest.

Maintains a large field staff to ensure the soundness of its assets.

All Banking business transacted.

Interest allowed on Fixed Deposits	.. 6 months	2 %	P.A.
"	.. 1 year	2 $\frac{1}{2}$ %	"
"	.. 2 years & above.	2 $\frac{3}{4}$ %	"
"	.. 3 years & above.	3 $\frac{1}{2}$ %	"
"	.. 4 years & above.	3 $\frac{3}{4}$ %	"

For further particulars apply to: The Secretary.

P. MANICKAM, B.A.,

D. KRISHNAMURTHY GOUNDER.

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

M.L.A.,

Secretary.

President.

Telegrams "COOPFIRE"

Telephone 4361.

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

MADRAS 1.

President:

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

Transacts Fire Insurance of all
Descriptions and Motor
Vehicle Insurance

Insure with us and Banish Worry.

For particulars apply to:

P. SHANMUGAM, B.A.,

Secretary.

Post Box No. 1249.

Madras 1.

The Madras District Co-operative Central Bank, Ltd.

52-53, Thambu Chetty Street, Madras 1.

ESTD. 1930

TELEPHONE NO. 2384.

Authorised Capital

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Rs. 10 lakhs.

Working Capital

...

" 35 "

All kinds of deposits accepted.

Rates of Interest:—

Current Deposits $\frac{1}{2}$ % Savings Deposits 2 %

Fixed Deposits:—For 6 ms. $3\frac{1}{4}$ % For 1 yr. $3\frac{1}{2}$ % For 2 yrs. $3\frac{3}{4}$ %

Further particulars can be had from the undersigned:

B. S. VIJAYAGOPAL, B.A., B. COM.

Secretary.

125974

TELEGRAMS: "CENMORBANK"

TELEPHONE: 8230

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

LUZ, MYLAPORE, MADRAS.

President:

SRI BHOGARAJU VENKATARATNAM,

Authorised Capital	...	Rs. 20 Lakhs.
Paid up Capital	...	Rs. 17,34,700.
Reserves	...	Rs. 28,61,242.

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

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

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

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

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

Secretary.