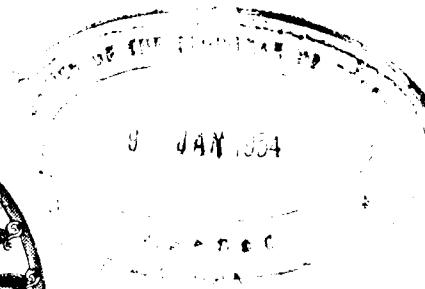
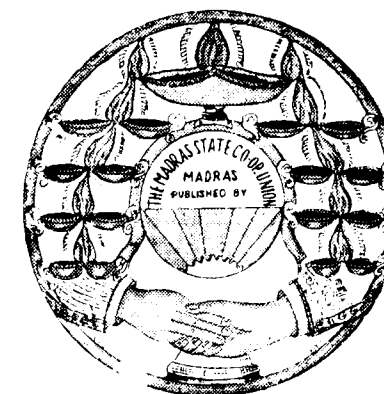


104 **The Madras**
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CONTENTS

	PAGE
I THOUGHT FOR THE MONTH	188
II EDITORIAL NOTES	184
Special Articles	
III "BUY HANDLOOM CLOTH"— SRI A. D. BALASUNDARAM MUDALIAR, B.A.	191
IV ROLE OF CO-OPERATIVES IN THE FIRST FIVE YEAR PLAN—SHRI P. C. SEKHRI	194
Weavers' Co-ops.	
V THE MADRAS STATE HANDLOOM WEAVERS' CO-OP. SOCIETY	199
Welcome Address presented to Prime Minister of India	200
VI MEMORANDUM OF THE M.S.H.W. CO-OP. STY.	201
VII WORKING OF THE MADRAS STATE HAND- LOOM WEAVERS' CO-OP. SOCIETY	206
Fishermens' Co-ops.	
VIII THE GANGOLLI FISHERMEN CO-OP. SOCIETY LTD. SOUTH KANARA DISTRICT	207
Extracts	
IX EXTRACTS—From the Administration Report of the Co-op. Department Madras 1952	209
X THE ANDHRA H. W. CO-OP SOCIETY, LTD. VIJAYAWADA	227
XI THE TIRUPATTUR CO OP. TOWN BANK LTD. (NORTH ARCOT DISTRICT)	231
XII THOGARAPALLI CO OP. SOCIETY (SALEM DT.)	232
Multipurpose Co-op. Activity	
XIII MULTIPURPOSE CO-OPERATIVE ACTIVITY IN MADRAS STATE	233
G.Os. & Circulars	
XIV G.Os. AND CIRCULARS	236
XV BOOK REVIEWS	242
Co-op. News and Notes	
XVI CO-OPERATIVE NEWS	242

THE

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EACH FOR ALL AND ALL FOR EACH

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Thought for the Month

Personal Contact Best

Every co-operator should be a propagandist, for the personal contact is the best means of passing on good news. If co-operatives, even at their present strength, have achieved so much, surely the future holds much promise for a live and growing organisation! A person who claims to have co-operative principles must use propaganda, for while each might not achieve miraculous results, each can inject the germs of co-operation into another by enthusiasm and faith. And the simple propaganda of faith in a successful system works wonders.

Co-operators should try multiplying two by two, and then by two again, and then again and again! That is how co-operatives can grow if co-operators each use a little of propaganda.

The Sunny West Review July, 1953.

(Reproduced from the Co-operative News Digest of the Agricultural Credit Department of the Reserve Bank of India, Bombay for the month of September 1953)



Editorial Notes

We have published elsewhere in this issue for the information of our numerous institutional and individual subscribers and readers a brief report on the general progress of the Co-operative Movement in the (composite) Madras State for the year 1951-52. It will be seen from the report that the year under report was one of continued progress, though adverse seasonal conditions and successive failure of monsoons in the last five years have had their own effect on the progress of the societies. Taking the Movement as a whole, it will be seen that there were on 30-6-52 as many as 25,241 societies with 37.25 lakhs of members, ashare capital of Rs. 12,17.65 lakhs and working capital of Rs. 94.53 crores as against 24,205 co-operatives with 34.53 lakhs of members, Rs. 10,74.79 lakhs of share capital and Rs. 85.32 crores of working capital during the previous year. The total loans issued by all the Co-operatives during 1951-52 were about Rs. 77 crores as against Rs. 65 crores during the previous year.

Coming to a few details of the various types of institutions and their transactions we find that the Madras State Co-operative Bank itself did loan business to the extent of over Rs. 10 crores, while the loan transactions of the 31 Central Banks to their constituents were no less than Rs. 44 crores. On the side of rural credit we find that the figures are significant. Their number and membership did not increase appreciably, being only an increase of 400 societies and one lakh members. But their financial side was noteworthy, the share capital having increased from Rs. 168.79 lakhs to Rs. 193.22 lakhs and the working capital from Rs. 1208.02 lakhs to Rs. 1340.51 lakhs. But their total loans issued however fell from Rs. 7.65 crores in 1950-51 to Rs. 7.33 crores in 1951-1952. This was partly due to the cautious policy adopted by the Central Banks and also to a realisation by the village co-operatives that the depression had set in.

The scheme for the reorganisation of rural credit societies was vigorously pursued and consequently the rural credit societies covered during the year 67.97 per cent of the villages and served 19.49 per cent of the rural population as against 65.54 per cent of the villages and 17.98 per cent of the population during the previous year. It is significant to note that about 80 per cent of the societies

EDITORIAL NOTES

undertook extra-credit activities and did business to the extent of over Rs. 2 crores in controlled commodities, agricultural implements, mill cloth etc.

There was some increase in the loan business of the land mortgage banks but the chief point of interest consists in the successful floating of the Central Land Mortgage Bank debentures in spite of the tightness in the money market. The co-operatives also played an effective role in the "grow more food campaign" by reclaiming waste lands, providing irrigation facilities, distribution of seeds, chemical fertilizers and agricultural implements and cultivation by modern tractors. They took a significant part in production of other necessities of life such as milk, eggs, fish, fruits and vegetables, salt and sugar, handloom cloth and cottage industrial goods. For instance 26 tractors were employed during the year and about 4,800 acres of land was brought under cultivation. About Rs. 141.43 lakhs worth of milk and milk products were handled by milk co-operatives. 1,161 weavers' co-operatives covering 2.12 lakhs of looms produced cloth worth Rs. 8.40 crores and sold for Rs. 10.20 crores. Their production covered a third of the handloom cloth production in the Madras State. The cottage industrial societies sold goods worth over Rs. 40 lakhs.

The progress on the side of non-credit co operation also was fairly maintained. For instance 24 co-operative wholesale stores handled Rs. 19.24 crores worth of goods while the retail stores distributed goods to the value of Rs. 23.88 crores. In respect of resettling of ex-servicemen, considerable progress was noticeable in the fields of land colonisation, "industrial production," and motor transport. In the matter of co-operative housing, there were 294 co operative housing societies which built 1,168 houses during the year. The Government loans outstanding against the housing societies as on 30-6-1952 were about Rs. 2.90 crores.

There was noticeable a marked progress in the ameliorative work among the ex-tappers and ex-addicts. There were 2,115 palm jaggery co-operatives as on 30-6-52 with 1.63 lakhs of members and a paid-up share capital of Rs. 8.46 lakhs. The societies produced jaggery valued at about Rs. 1 crore. The Madras State led the rest of India in the development of the *Palm Gur* industry through co-operatives. Ameliorative work also consisted in the provision of recreational activities and counter attractions to drink

designed to promote general rural welfare. Other lines of rural welfare work through co-operatives consisted in the promotion of co-operative activities in select *Firkas*. Out of 2,466 villages in the *firkas* and centres selected for intensive rural reconstruction work, 2,260 were covered by co-operatives.

Considering the quantitative aspect of the development of the Co-operative Movement in the composite Madras State in 1951-52, few will deny that the progress has been remarkable. The Movement has not only numerical strength in the number of institutions and membership, but has financial soundness. Its working capital is larger than the annual revenues of the Government of the composite Madras State. Speaking on the occasion of the inauguration of the Andhra Co-operative Bank at Vijayawada on 6-9-53 Sri J. C. Ryan, Registrar of Co-operative Societies, Madras said, "Time was when the Co-operative Movement had to be helped with funds by the Government. We are now in a position to help Government with funds. That is the strength of the Co-operative Movement."

Quantitative growth — whether numerical or financial — is often noticeable in institutions and even Movement without appreciable development on the qualitative side. But thanks to earnest and enthusiastic work of the non-official and official co-operators in the State, we have in the record of progress of the Movement during 1951-52 positive evidences of the healthy growth of the Movement in respect of quality also. For one thing, the Reserve Bank of India which has been to a considerable extent financing the Movement has changed its previous attitude of passiveness and has come to play an increasingly important part in the matter of providing agricultural finance to the co-operative banks. In addition to the concessions already given, it has now given further concessions like the continuance of the concessional rate of 1½ per cent for co-operatives even after the raising of the Bank rate from 3 per cent to 3½ per cent; the consent to provide accommodation even to "C" class Co-operative Central Banks recommended by the Registrar; the decision to allow loans of co-operatives to run their full period of 12 months; and the permission to Central Banks to draw on their credit limits as and when needed.

The Rural Savings Drive launched successfully by the Registrar in 1951 is an instance of the growing faith of the people

in the Movement and the efforts of the co-operators to reach the masses and carry the message of co-operation to them. In pursuance of a resolution of the VIII Tamil Nadu Co-operative Conference held in September 1951, the Registrar of Co-operative Societies launched a Rural Savings Drive in October 1951, fixing the target of Rs. 2 crores for the quarter ending December 1951. A vigorous campaign on the part of both the official and non-official Co-operators followed and within the time limit as much as Rs. 1.06 crores was collected from the countryside. It may also be mentioned here that when the 47th series of the Land Mortgage Bank debentures was floated in 1951-52, there was, thanks to the efforts of the Registrar, a rapid response, in spite of the tightness prevailing in the money market. This was due to the fact that Co-operators felt that they were members of a common brotherhood and hence must needs help one another.

The detection of cases of fraud in societies and the taking of legal action against the persons involved by the Co-operative Department and the non-official co-operators is considered by some co-operative enthusiasts as an indication of the growing awareness of their responsibilities and mutual interests among the co-operators.

Certainly these proofs point to an appreciable growth in the quality of the Movement in the State. It is this all round progress that gives our State the lead in Co-operation in the country, notwithstanding the claim of Bombay to such honour. Sri J. C. Ryan said at Vijayawada on 6-9-53, "The Co-operative Movement in Madras is the best in the whole of India and the envy of many other States. I am aware that the Co-operative Movement in Bombay claims to be better than the Movement here. But I am also aware that *discerning people give the palm to Madras.*"

We are now on the threshold of great economic changes. The Five Year Plan has been in operation in the State for some years; and the Community Projects have been developing the countryside for over an year. We now have launched in the country the National Extension Service. These huge programmes have been designed to change our countryside into a smiling and prosperous garden house. In such a human programme, nothing could play a more useful part than the Co-operative Movement. Who cannot imagine that in such favourable conditions, the

THE MADRAS JOURNAL OF CO-OPERATION

Co-operative Movement of the composite Madras State would make such rapid strides as to leave the other States far behind it?

It is unfortunate that the Co-operative Movement should suffer division between the Andhra and Residuary Madras States at this important juncture. Both State Movements, it is feared, may be weak at the outset due to divided strength. But Co-operation is like the lamp which retains its lustre and yet imparts full brilliance to another lamp that may be lighted by it. Let us hope that the Movements in both the states burn like twin lamps. Let us hope that this will only be a passing phase of weakness and that ere long the Movements in both States which contain seasoned workers and leaders will collect their full energies and march abreast vigorously so that they may retain their lead in the country.

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SPECIAL ARTICLES

"Buy Handloom Cloth*"

SRI A. D. BALASUNDARAM MUDALIAR, B.A.,

Director, Central Marketing Organisation for Handloom Cloth.

We should buy it in the larger interests of the country and in our own interests.

Handloom weaving ranks in importance next to agriculture in the sense that after agriculture, it provides employment to the largest number of people. There were about 20 lakhs of handlooms in the country in 1940 and of this, 72 per cent were employed in cotton. Since then, more handlooms have been installed to meet the increasing demand for cloth owing to its scarcity during the last phase of the Second World War and post-war period. It is estimated that at present, there are about 28 lakhs of handlooms in the country, out of which about 21 lakhs are engaged in cotton weaving. So about 21 lakhs of weavers are employed directly on these looms and the bulk of them are full time workers. According to the Fact Finding Committee appointed by the Government of India in 1941 the number of auxiliary workers is one and a half times the number of handloom weavers. So it is estimated that about 52 lakhs of people including the weavers earn their living from the handloom industry. Even though the handloom weaver is very poor, he is blessed with too large a family to support. On an average each weaver or worker has to support a family of 3 persons. Thus nearly 1.50 crores of people are depending on the handloom industry, out of which, nearly 60 lakhs of people are living in the Madras State alone, where 8 lakhs of looms are operating, the largest number for any State.

A very large number of the weavers and workers in the Madras State and elsewhere are at present unemployed or under-employed. This is not of their making, but largely due to the increasing competition from mill goods. The mills are well organised and they are financially strong as well. At one time from the Cape of Good Hope to China, men and women were clothed from head to foot in the products of Indian handlooms. But there has been a considerable fall in export of handloom goods to the Far East and Middle Eastern countries, due to competition from mill goods imported from India, United Kingdom,

*By Courtesy of All India Radio, Madras,

Japan, America and other Western Countries and the imposition of protective duties on handloom goods in the importing countries for political reasons. All these had adversely affected handloom weaving and a very large number of the weavers have been thrown out of employment. Even those who are sticking on to the profession are struggling hard for existence. Their monthly earnings average Rs. 15 to Rs. 20 which is hardly sufficient to provide, in these days of high cost of living, even one square meal a day to a weaver and his dependants. Many of the weavers, in the above circumstances have been reduced to beggary. We cannot be silent spectators to the economic degradation of the weavers and their workers, who form nearly 1/20th of the population of the country. The pauperisation of such a large population becomes a heavy burden on the State and will lead to ugly social and economic disturbances. Government are giving all possible assistance to the handloom weavers to carry on their hereditary occupation; but any such help cannot come up to the level of help that the people can voluntarily extend to the brethren in the industry by preferring handloom goods for meeting their cloth requirements. This alone can solve the problems of finding employment to the workers of the industry and prevent them from joining the ranks of destitutes.

"Buy Handloom Cloth" we should encourage the biggest, the most wide-spread and the Prince among the Indian Cottage Industries for it occupies a very important place in the economy of the country. The Industry is alive and has been progressing, in spite of the several difficulties it has had to encounter. It supplies more than 25 per cent of the cloth requirements of the country. During 1938-39, the total output of handloom cloth amounted to 170 crores of yards. This was nearly a third of the quantity of cloth consumed in the country. Even though the production of handloom cloth has in the recent years declined to about 100 crores of yards valued about Rs. 75 to Rs. 80 crores per annum the industry's potentiality is great. The Industry also helps the country in earning foreign exchange. During the year 1949, the export of handloom cloth amounted to 5 crores of yards. In 1952, however it declined to 3 crores of yards owing to several causes already referred to. More than that the weavers and workers in the industry amounting to 58 lakhs of people are mostly skilled workers, keeping alive this industry from time immemorial, who have learnt handloom weaving under the

system of family apprenticeship. Their workmanship in the past and now has earned world-wide reputation. They are therefore, an asset to the Nation. Since alternative occupation cannot be found for them it is essential that these honest and skilled workers should be given all the assistance to pursue their occupation in a decent way befitting any self-respecting citizen of India. Their occupation is also the main stay of many towns and numerous villages. It is for these reasons we should buy handloom cloth with a view to creating an environment for the handloom industry to thrive and arrest the tendency for an unequal distribution of purchasing power, which is one of the main causes of India's poverty. Moreover the industry is not concentrated in a few centres, as is the case with the Mill Industry and consequently it is not exposed to the dangers of modern warfare. It could thus ensure steady supply of cloth and regional self sufficiency in times of emergency.

To-day the handloom products are not so costly as is often assumed. The handloom weaver does not require large capital. His running expenses are small and he is content with a small margin of profit which would give him the bare necessities of life. Consequently he has not the same difficulty as others to bring down the cost of production of handloom cloth. If, however, the price of handloom goods in certain varieties is slightly higher, it is due to the special quality of the cloth. Even this small price differential does not exist to-day. To-day the prices of handloom dhoties and sarees are really lower than those of the Mill cloth of similar varieties. Moreover the handloom cloth is durable and it is cheaper also in the long run. It is, therefore economical to buy handloom cloth and no wonder Indian women having genuine taste still prefer handloom cloth.

Handloom weaving shows technical superiority in coloured fabrics with complicated and artistic designs and cloth of striped and checked pattern. This is possible because of the shortness of the warping lengths which enables handloom weavers to cater for variety. The industry has displayed a surprising degree of vitality and can adapt itself to any new lines of production and cater to changing sartorial tastes of the consumers. If you live near a handloom weaving centre you could get a weaver to understand your special requirements and weave cloth designed exclusively to your choice. In view of these special advantages when you buy handloom cloth you buy it to help yourself and get your money's worth. Above all you will be contributing to the solution of a human problem, namely, providing employment to the handloom weaver in his extreme poverty and distress. It is no small satisfaction to feel while clothing yourself that you are helping a destitute weaver with work and that he can thereby stand on his feet.

Role of Co-operatives in the First Five Year Plan

SHRI P. C. SEKHRI

State Inspector of Co-operative Societies, Bilaspur (Simla Hills)

It is the purpose of the first Five Year Plan to change the economy of the country from the individualistic to the co-operative commonwealth. Co-operative form of organisation is an indispensable instrument in a planned economy in a democracy. Co-operation is of basic importance in the development of a Nation. The role of Co-operative becomes crucial. The success of a plan depends upon the growth of the Co-operative spirit.

The Co-operatives have found a honourable place in the first Five Year Plan. Co operatives have a vast field of primary production of cottage and small scale industries, of marketing of agricultural produce, of residential housing and of wholesale and retail trade. This will secure the best results by way of increased production, reduction of rents and profit margins.

Rural Co-operatives are to ensure that the land and other resources of a village are organised and developed from the stand point of the village as a whole. These are to obliterate the existing social and economic disparities resulting from property, caste and status. Co-operatives are to achieve the basic needs like food, clothing and shelter as well as the normal satisfaction of family life like enjoyment of physical and mental health. Co-operative form of organisation is capable of attracting the small men for the investment of their small savings as they have faith in it.

Our targets as mentioned in the first Five Year Plan are as follows :—

Kind of Co-operative Society	1950-51	1955-56
Credit	87,800	1,12,500
Sale of marketing	14,700	20,700
Multipurpose	31,500	40,500
Lift irrigation	192	514
Farming	352	975
Misc.	27,300	35,800
Total	1,61,844	2,10,989

ROLE OF CO-OPERATIVES IN THE FIRST FIVE YEAR PLAN

The plan also adds the recommended targets of the Co-operative Planning Committee i.e. "50 per cent of the villages and 30 per cent of the rural population is to be brought in the ambit of primary co-operatives".

To achieve these targets, the following is the estimated expenditure under the Plan :—

Head	Total	Central Govt.	'A' States	'B' States	'C' States
	Rs.	Rs.	Rs.	Rs.	Rs.
Co-operative	711.2	50.0	491.7	125.2	44.3

The Co-operative leaders are to teach the basic principles of co-operation to the rest of the nation in this age of democracy. Credit Co-operatives are to remove the evils of usury, indebtedness which are rampant in the rural areas. The responsibility for organising and financing rural economy is primarily of the co-operative societies. The co-operative credit societies are the best, effective agency which provides cheap credit to the agriculturists. The task of reclaiming land, providing resources of better cultivation, marketing the produce of villagers both of the agriculturists and the artisans are to be performed by the co-operative societies.

Co-operative societies are to initiate a drive for tapping local resources and inculcate the habit of thrift in the local people. Rural savings and the monies in the hands of rural population are to be kept flowing into credit societies. Co-operative societies in the rural areas can do this job much better than any other organisation. The co-operatives can function as official agents for saving schemes sponsored by the State Governments and Central Government. For this drive co-operatives should have the closest possible contact with the village Panchayats.

Multipurpose co-operative societies, which are the modern trend, are expected to be in a position to cater for all the needs of the villagers so far as the credit, marketing and procurement of essential produce are concerned, fertilisers, improved seeds, agricultural implements, etc. on which depends the profitable exploitation of the resources of soil and land. The purchase of the agriculturists' requirements and sale of their produce are to be taken up by this kind of co-operative. Multipurpose co-operatives besides the supply of seeds, fertilisers are expected to provide spare parts, repair and servicing facilities of tractors, electric motors and diesel engines, etc. at reasonable cost in the villages.

Co-operative farming has a direct benefit of ensuring economic cultivation by an increase in the unit of cultivation. Co-operative farming is to provide employment to all those who are able and willing to work. The slack season is to be utilised for the development of cottage and small-scale industries on co-operative basis. This will also increase their income and provide them with employment. It has been suggested in the plan that in any area where a majority of land holders representing at least half of the area under cultivation desire to establish a co-operative farming society, legislative means would be at their disposal to proceed with the formation of such a co-operative society for the whole village. Under these circumstances and with the State aid such co-operatives can increase production to a great extent. It is a vital role which the co-operatives are to play under the plan. In a co-operative farming society of substantial size several wasteful operations are eliminated. Credit and finances, selection of crops, rotation, soil conservation, development of irrigation and introduction of improved techniques are the main advantages of such co-operatives. The co-operative's main function is to organise small and middling farmers to benefit by all these advantages.

Co-operative Societies are to serve in the fields of consolidation of holdings, soil conservation, irrigation facilities, protection of crops from pest and disease and animals. These are also to serve by the trading in nursery plants, marketing fruits and fruit products, specially in the suburban areas.

Various forms of co-operative societies are the best means of enlisting the active support of the people on a voluntary basis for the development works on an organised scale in the Community Projects. The success of Community Projects depends upon the extent to which the people are enabled to make self-reliant efforts in an organised manner. It is easy to conceive that in the absence of co-operatives the desired object of the Community Projects cannot be realised.

It has been thought necessary that agriculturists should turn to some other occupations during the slack season to increase their income and remove the disease of unemployment. Industrial co-operatives are the remedy and way out to remove this disease. These are the only organisations which can successfully remove the unemployment in the villagers and artisans.

Co-operative financing and marketing societies are to be linked with the industrial societies. State aid in respect of power implements, raw material, technical advice and marketing facilities is provided for the co-operatives, which is a cause of its success and therefore is the remedy for the removal of unemployment in the villages.

In urban areas artisans of small means who find it difficult to compete with the modern machines can be organised on co-operative basis to take full advantage of the modern methods. Urban banking conducted on co-operative basis has an important role to play too. Consumers' co-operatives with the State aid of finances and credit are to replace the private business to make the country a co-operative commonwealth. Consumers' co-operatives are to be linked with the production co-operatives in the best interests of the consumers and to eliminate the middle men. This link will protect the interest of the producers and strengthen the economy also. This is possible by inter-State trade in wheat, pulses, fruits and vegetables, etc. Apex marketing Societies are to work out an arrangement for imports and exports of such commodities. Consumers' co-operatives linked with producers' co-operatives will have one main advantage of increasing production by lowering the cost.

Dairy farming co-operatives are expected to handle all matters relating to milk, imports, quality, distribution in the towns through its own depots. In the same manner fishermen co-operatives, where they exist, are to control all matters relating to fish. Such co-operatives are to liberalise supplies of essential requirements e.g. hooks, yarn, twine, nylon and other accessories, to eliminate the middle men's profit and to enable the fishermen to increase their working hours. The labour co-operatives are to take up contracts of construction work by which the problems of unemployment among the un-educated class will have a great relief. The labour co-operatives can also help the State Governments in the Community Projects on voluntary basis specially in the construction of roads. Co-operatives organised under the forest department are expected to replace forest contractors for exploitation and collection of forest production. Co-operative housing societies to a limited extent are to provide accommodation for middle and low income groups. This would lower the cost of houses for the owners as it is envisaged in the colonies of

Faridabad and Nilokheri. The concessional rate of interest as well as some subsidies would be available for housing co-operatives in certain cases of industrial workers. Housing co-operative societies are to help in the construction of new townships by eliminating the contractors to a great extent. The experiments of Nilokheri and Faridabad are significant in themselves. Women's co-operatives of the working classes should be organised to educate them in social, civic, child welfare and maternity activities. Co-operatives of tribal areas should be organised in such a manner that besides the social work and service, their cultivation benefits may be reaped by the cultivators. Tribal Communities are the creators of a large number of interesting crafts which can be sold by the marketing co-operatives to add to their income. The co-operatives are to help the tribal communities to exploit the clay, stone, animals, birds, insects and plants of the forests and bring them to the market.

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9, Bakehouse Lane, Fort, BOMBAY.

The Madras State Handloom Weavers' Co-operative Society, Ltd.

Visit of Sri JAWAHARLAL NEHRU,

Prime Minister of India 2-10-'53.



1. Directors of the Madras State Handloom Weavers' Co-operative Society with Dr. U. KRISHNA RAO, Minister for Industries, Labour and Co-operation



2. J. C. RYAN, Registrar, is introduced to the Prime Minister on his Visit to the State Handloom Weavers' Co-operative Society.



3. Prime Minister examines the handloom goods exhibited in the Madras State Handloom Weavers' Society premises.



4. Sri M. P. NACHIMUTHU MUDALIAR, President of the Madras State Handloom Society, welcomes the Prime Minister.

WEAVERS' CO-OPS.

The Madras State Handloom Weavers' Co-op. Society

Visit of India's Prime Minister, on 2nd October 1953.

During his recent tour of the South India, Pandit Jawaharlal Nehru, Prime Minister of India was pleased to visit the Madras State Handloom Weavers' Co-operative Society on 2-10-1953.

2. On arrival, the President and the members of the Board of Directors of the State Handloom Society received the Prime Minister. Sri C. Rajagopalachari, the Chief Minister and Dr. U. Krishna Rao, Minister for Industries and Co-operation, Madras Government were also present on the occasion.

3. After introduction to the gentlemen present, the Prime Minister was shown select handloom fabrics produced by weavers' co-operative societies which were kept on view. The Prime Minister was pleased to express his appreciation of the goods exhibited. He was then taken to a specially decorated *pandal*, where the elite of the Madras City and representatives of handloom weavers' co-operative societies and other co-operators were present. The President of the State Handloom Weavers' Co-operative Society presented a Welcome Address to the distinguished visitor. A memorandum containing certain requests and suggestions for improving the Handloom Industry was also submitted. In reply the Prime Minister observed that it was not necessary for them to impress upon him the importance of the handloom industry and the future of the weavers in this State as well as other parts of India and that the Government of India were particularly conscious of the importance of the industry because of the fact that large numbers of their countrymen were concerned with it. He stated that the object of the promotion of this industry and welfare of the weavers was shared by all and that the handloom products, more especially if they could keep wide awake to the changes of the day, had an assured future. He said in conclusion "the question of giving first priority and first importance to this industry in India is certainly recognised now though not before. You may rest assured that all of us will give the fullest attention to the needs of the weavers and this great industry of India."

Sri A. G. Arunachalam, the Vice-President of the State Society in proposing a vote of thanks, referred to the attempts made by Sri C. Rajagopalachari, the Chief Minister of Madras, to promote the industry and give relief to the weavers.

WELCOME ADDRESS PRESENTED TO

THE HONOURABLE SRI JAWAHARLAL NEHRU

Prime Minister of India, 2nd October, 1953

Most Beloved and Honoured Sir,

We are deeply indebted to you, Sir, for your kind visit to the society and we extend to you a most hearty welcome.

The Madras State Handloom Weavers' Co-operative Society was started in 1935 and it is a premier Co-operative Institution for the economic improvement of the handloom weavers of the State in particular and the development of the industry in general. It was only on 14th September, 1953, the society was reconstituted with the formation of a separate society for the handloom weavers in Andhra area. The society has on its rolls 530 primary societies affiliated to it, besides individuals and other institutions. The primaries have in their fold 1,09,000 looms.

The main objects of the society are to procure in bulk yarn and other raw materials required by the primary societies, to arrange for the sale of cloth manufactured by them within the country and abroad, to the best advantage of the weavers and to take such other steps as are necessary for the betterment of the handloom weavers in the co-operative fold. In furtherance of these objects, the society is running 56 depots for the sale of cloth within the State and 10 depots in Calcutta, Bombay, Trivandrum, Ernakulam, Mercara and Colombo. It also maintains 4 dye houses for supply of coloured yarn to weaver members and two weaving factories for introduction of new designs and patterns. The State Society has under consideration proposals to establish a Spinning Mill at Tinnevely and a Calendering and Finishing Plant at Erode.

You are aware, Sir, of the pitiable plight of the millions of handloom weavers throughout the country during the last two years. The distress among the weavers is more pronounced in the Madras State as not only the number of weavers in the State is larger than in any other State in India, but also the opportunities of providing alternative employment to these, mostly hereditary weavers, are very meagre.

We are separately submitting to you, Sir, a memorandum of our requests. But we like to bring to your immediate notice the representation of the Madras Government that the field of production of bordered dhoties may be reserved for the handloom industry in addition to the other lines of production, including coloured sarees already reserved for it. We beg to submit, Sir, that the additional reservation of production of dhoties on handlooms alone will give a lasting solution to the problems of the handloom industry. We most humbly request you, Sir, to sympathetically consider and accept this representation and thus save the millions of weavers from starvation and the biggest and widespread cottage industry from decay.

We once again most respectfully thank you, Sir, for having condescended to pay a visit to the society in the midst of your many pressing engagements.

We remain, Sir,

Most faithfully yours,

President and Directors of the Madras State
Handloom Weavers' Co-operative Society.

Memorandum of the M. S. H. Weavers' Co-op. Sty.

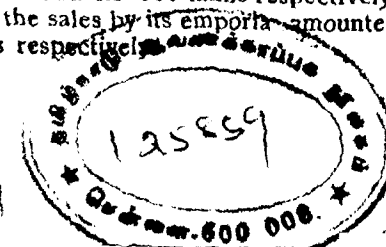
Memorandum submitted to the Hon'ble Sri Jawaharlal Nehru, Prime Minister of India by the Board of Directors of the Madras State Handloom Weavers' Co-operative Society, Madras on the occasion of his visit to the Society on 2nd October 1953

Most Honoured and Beloved Sir,

We are deeply grateful to you, Sir, for having kindly accepted our humble invitation to come to the society, during your visit to the City of Madras and receive our memorandum, in the midst of your pressing and other important engagements. This abundantly shows your great love and sympathy for the millions of handloom weavers, who are to-day, facing an unprecedented economic crisis not so far experienced by them in their struggle to save themselves and their hereditary profession from decay. We most humbly request you to kindly accept our most sincere thanks for having condescended to pay this visit.

2. The Madras State (then Provincial) Handloom Weavers' Co-operative Society Ltd., which is an apex institution, was started in April, 1935, under the subvention scheme sanctioned by the Government of India to organise handloom weavers on co-operative lines. The chief objects of the society are to procure and distribute yarn and other raw materials required by primary weavers' co-operative societies, to market handloom cloth produced by them to the best advantage both within the country and abroad, and to take such measures as may be conducive to the development of the handloom industry in general and to the improvement of the economic condition of the weavers in the Co-operative fold in particular. At the beginning, 62 societies having 8,735 looms joined this institution. Thanks to the liberal assistance which the State and the Central Governments have been extending to the society from time to time and to the labours of the successive Boards of Management, the society made a steady progress all these years. At the end of June, 1953, it had 1,133 primary weavers' co-operative societies as affiliated members, besides individuals and other institutions, who were enlisted to guide it on sound business lines during the early periods. The primary weavers' co-operative societies had in their fold 2,13,672 looms. It was one of the biggest, if not the biggest organisation, on co-operative lines for the benefit of the weavers, in India, if not in the Far-Eastern countries till a few days ago when a separate society was formed for the Andhra area.

3. During the year, 1952-53, the supplies of yarn to the primary societies aggregated to 35,295 bales to the value of Rs. 280 lakhs. The yarn obtained by the primaries is advanced by them to their weaver-members for production of cloth according to given specifications. The cloth produced is taken back and sold by the society in retail and in bulk to the State Society and merchants. For popularising handloom cloth, the State Society had also established 124 emporia within the State and also in Hyderabad, West Bengal, Bombay, Orissa, Travancore Cochin and Mercara. One depot was also opened at Colombo to promote export trade. The production and sales of handloom cloth by the primaries during the year 1952-53 amounted to Rs. 486 lakhs and Rs. 506 lakhs respectively. The purchases by the State Society and the sales by its emporia amounted to Rs. 92.39 lakhs and Rs. 108.33 lakhs respectively.



4. Apart from these activities, the State Society owned 7 Dye Houses for supply of coloured yarn to primaries and 7 Weaving Factories for introduction of new designs and patterns. It employed technical men in every district, to tender advice to societies in introducing standards and improved methods of production.

5. The Madras State Handloom Weavers' Co-operative Society has recently been reconstituted, i.e., on 14th September, 1953, with the formation of a separate Apex Society for the primary weavers' co-operative societies situated in the territory comprising the Andhra State. The reconstituted Madras State Handloom Weavers' Co-operative Society consists of 580 primary societies, having in their hold 1,08,882 looms, besides, other members, while the Andhra Handloom Weavers Co-operative Society consists of 626 primary weavers' co-operative societies with 1,08,318 looms enlisted in it. In the division of the assets and liabilities of the composite society, the reconstituted society has been apportioned assets and liabilities worth Rs. 96,22,021 and Rs. 63,08,325 respectively, while the Andhra Handloom Weavers' Co-operative Society has been allotted assets and liabilities amounting to Rs. 67,65,851 and Rs. 44,98,518 respectively. As a single society for the two areas, it was in a position to stave off any crisis and it is hoped that the present reconstituted society for Madras State will be able to play the same role in the future.

6. You are aware, Sir, that since the beginning of 1952 the handloom industry has been passing through bad times. Due to fall in exports during the first half of 1952, the availability of mill-made cloth for domestic consumption increased considerably. Added to it, the output of cloth by mills also increased by leaps and bounds reaching the target of 4,700 million yards per annum much earlier than the period fixed by the Planning Commission. On account of the plentiful supply of mill-made cloth, even in the rural markets, which was the monopoly of the handloom industry, the demand for handloom cloth has slackened. The demand has further deteriorated owing to the steady decline of the purchasing power of the average man. So, many societies were faced with large accumulation of stocks and they were forced to make distress sales. The State Society alone had to reduce the prices of cloth by Rs. 8.86 lakhs during 1951-52 and Rs. 4.90 lakhs in 1952-53. In view of the continued slump, many primary societies have suspended production. The societies which are continuing production are forced to reduce the manufacturing charges in order to produce cloth which could stand competition from mill made cloth of corresponding varieties.

7. At present, the gross earnings of a weaver in a co-operative society which is efficiently managed average to Rs. 15 per mensem. After meeting the preparatory and processing charges, the net income per weaver works out to Rs. 10 per mensem. In spite of the weaver cutting down his wage sacrificing the bare necessities of life, the price of handloom cloth could not be reduced correspondingly so as to make it easily marketable. Soon after decontrol, the prices of yarn increased by 6½ per cent to 12½ per cent over the prices that were in force, immediately before the control was lifted. Even though the prices of yarn are declining gradually, yet they have not come down to a level at which it would be possible for the handloom industry to produce cloth at rates which will stand competition from Mills.

8. On account of the voluntary reduction of wages, handloom cloth particularly of fine and superfine varieties is not costlier than mill made cloth. In some cases, they are even cheaper. But the wrong notion that mill made cloth is cheaper is so widespread and deeprooted that handloom cloth is not patronised very largely.

9. When such is the miserable condition of the handloom weavers in co-operative societies, it is much worse in the case of about six lakhs of weavers, who are outside them. Many of the weavers have sold away their little belongings including appliances and have left their hearth and home in search of work.

10. The trade in handloom goods received a set back, not only in the domestic market, but also in the foreign markets. While countries like Burma and Indonesia have banned import of lungies from India, the Patent and Designs Act of U. K. still gives the monopoly of exports of Madras Handkerchiefs to West Africa to a few firms. Besides, the Pakistan market is more or less closed to us. The only foreign markets available for handloom goods are Ceylon, Malaya, and Middle East countries. But here also the handloom industry has to contend against competition of mill made goods from India and foreign countries. We, therefore, request that whenever trade agreements are concluded with foreign countries, they should also cover the export of Indian handloom fabrics so that the handloom industry might regain its lost markets and establish new ones.

11. While the distress of the handloom weavers all over India is the same, it is more pronounced in the Madras State. In the Residuary State, there are 5,61,000 looms, which is more than those in any other State in India, not to speak of the auxiliary workers, who are about one and a half times the number of weavers. The State Government had to introduce relief schemes and open gruel centres in many places. While the weavers are most reluctant to be a burden on Government, the discontent among them is very widespread. If this state of affairs is allowed to continue longer, it might lead to social unrest.

12. Since the beginning of 1952, Sir, the handloom weavers have been agitating in the press and in the platform, that Government should devise measures to alleviate their distress and rehabilitate the industry. We are also aware of the anxiety of the Government of India to alleviate the distress among the weavers and the several measures taken by them to place the industry on a sound footing.

13. The Government of India appointed in December last, the Cotton Textile Enquiry Committee to examine and report on the structure and organisation of the various sectors of the textile industry to assess the extent to which each of these sectors could be utilised having regard to utilisation of our resources both in men and material in the direction that is socially most desirable and to recommend the lines of development of each sector including reservation, if necessary, of particular fields of production to one or more sectors. The Committee have not, however, concluded their enquiry. We sincerely trust that their report will be available to the Central Government before the end of the calendar year and that the Government of India will formulate suitable measures for the rehabilitation of the industry in the light of the recommendations.

14. We are also aware that the Government of India have, as an interim measure of relief, restricted production of dhoties by mills to 60

per cent of the quantities manufactured by them during 1951-52. This however, does not go far enough to meet the situation. The production of dhoties by mills, which averaged to 50,000 bales per mensem, was at its peak during this period and the mills themselves were faced with large accumulation of stocks. In the preceding year, the packed production was only 16,550 bales per month on an average. As the percentage laid down to restrict the production of dhoties by mills was with reference to peak years of production by mills, unfortunately, there was no gap left in the supply position of dhoties in the country, which the handloom industry could take advantage of.

15. The Government have also under consideration proposals for the utilisation of the cess levied on mill cloth for the promotion of handloom industry. Since 15th February, 1953, Government of India are levying the cess and the proceeds of the cess are estimated at Rs 6 crores a year. According to the provision of the Khadi and Handloom Industries Development Act, 1953, the proceeds of the cess fund are to be utilised for promoting the sale of handloom goods, for cushioning cost of transport, freight and other charges for yarn and for instituting research for improvement in designs and for better technique. The State Society has submitted a scheme in respect of the amount that was expected to be allotted to the Madras State. This scheme, which is estimated to cost Rs. 136 crores, provides *inter alia*, for standardisation of cloth, subsidy to encourage sales, technical improvements to the industry, establishment of market centre in rural areas, etc. It is hoped that as a result of the working of the scheme, the industry will receive some encouragement. We are awaiting the sanction of the scheme by the Government of India and would request that early orders may be passed sanctioning it.

16. We submit, Sir, that while the above steps taken will go to ease the present situation, they may not by themselves be able to give a lasting solution to the problems facing the handloom industry. Unless Government embark on bold measures of reservation of fields of production for handlooms, we are afraid, Sir, that no marked change can be brought about in the status of this largest cottage industry. The question of reservation of fields of production has doubtless been engaging the attention of the Government of India for some time past. The All India Handloom Board appointed by the Government, which met, in August last, recommended as a measure of interim relief among others, (i) that Government of India may ban further expansion of production of cloth by mills, since it has reached the target already fixed by the Planning Commission, and (ii) that mills be prohibited from manufacturing bordered dhoties from yarn of counts 20s to 40s both inclusive. The Government of Bombay, where the mill industry is well developed, have gone a step further and recommended the reservation of the fields of production of dhoties in counts below 40s to the handloom industry. Many organisations also have made similar recommendations.

17. We agree with these recommendations of the All-India Handloom Board. They will still leave a wide field for mill industry to continue production of dhoties in counts upto 20s and above 40s. The consumers' interests will not also suffer thereby, as the prices of handloom goods will have to adjust themselves to those of the mill cloth produced in the nearer counts. Besides, this may avert any possibility of shortage of dhoties. For it is understood that mill production of dhoties in counts 17s to 34s

averaged only 32.4 million yards during the period January to March, 1953, while such production in counts 34s to 48s averaged 8.5 million yards per mensem. Assuming that 75 per cent of the production in the former category and 50 per cent in the latter category would aggregate to the production in counts 20s to 40s, the approximate output in these counts would amount to 28½ million yards per mensem. While any restriction on mills as suggested above would not seriously handicap them considering their monthly output, which average to 398 million yards, it would greatly help the handloom industry. The mills could even make up this loss of production by increasing the output in other counts. So it is our humble prayer that, pending completion of the investigation by the Cotton Textile Enquiry Committee and the Government of India's decision on their recommendation, the fields of production of dhoties in counts 20s to 40s may be reserved immediately for the handloom industry in addition to the lines of production already reserved for it.

18. In this connection, we humbly beg to remind you, Sir, of the representation of the Madras Government for resuscitating the handloom industry on a permanent basis. If the industry is to flourish and provide employment as in the past to 2.8 million weavers and about 4.2 million auxiliary workers depending on it, its products should have an assured home market. It was with this objective that a wise and great Statesman as he is, our beloved Rajaji, has suggested that in addition to the reservation of production of coloured sarees for the handloom industry, the manufacture of dhoties also should exclusively be earmarked for it.

19. The handloom industry had the monopoly over these two fields of production for ages till the mill industry encroached upon them and now threatens to oust the handlooms from these spheres of production. Even from the social point of view, Sir, the need for such demarcation of fields of production between handlooms and mills is essential as the handloom industry is the most ancient, the largest and widespread cottage industry.

20. We are sure, Sir, that the representation of the Madras Government will receive your most sympathetic consideration and you would be pleased to accept it.

21. We are deeply indebted to you, Sir, for your visit to the society and we pray God, that you may be blessed with sound health and long life to lead the country to progress and prosperity.

We remain Sir,

Yours most faithfully,

President and Directors of the Madras State
Handloom Weavers' Co-operative Society, Ltd.

MADRAS,
5-10-1953

Working of the Madras State Handloom Weaver's Co-operative Society.

The Madras State Handloom Weavers Co-operative Society was started in 1935 in order to give an impetus to the development of the primary weavers co-operative societies affiliated to it. Its main functions are :

To procure yarn and make it available to the affiliated societies at uniform and reasonable rates ; to give technical advice to the primaries in the production of handloom cloth that can be easily marketed, to secure contracts for the production of goods for supply to merchants or for export abroad, to purchase a part of the output of the primaries and market the goods through its various emporia and depots throughout the State and outside it and to give financial help. This Society was recently reconstituted restricting its area of operations to the Residuary Madras State and the seven taluks of the Bellary district which have been merged with Mysore, consequent on the formation of the Andhra State. This reconstituted society consists of 530 primary weavers co-operative societies having in their fold 1,08,882 looms, besides other members. It has a share capital of Rs. 6,12,858. In the division of the assets and liabilities of the composite State Handloom Weavers' Co-operative Society as between the reconstituted Society and the Andhra Handloom Weavers' Co-operative Society the reconstituted Society has been given assets and liabilities amounting to Rs. 96,22,021 and Rs. 63,08,325 respectively. It plays an important part in providing work to a large body of weavers by arranging to market a part of the production of the weavers co-operative societies affiliated to it. Government of India have sanctioned a sum of Rs. 124.9 lakhs for financing several schemes for the promotion of handloom industry out of the cess levied on mill cloth.

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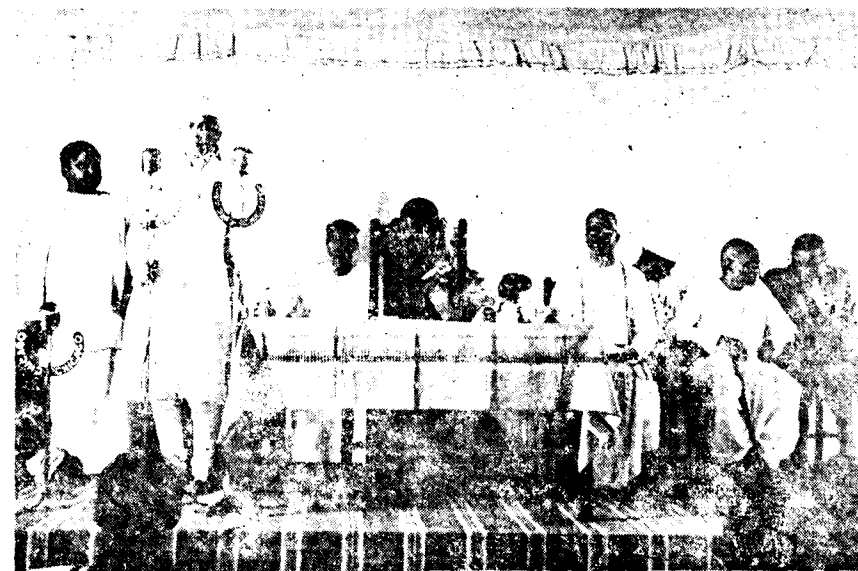
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5. Prime Minister replies to the Welcome Address at the Madras State Handloom Weavers' Society.



6. SRI K. SUBRAHMANYAM NAIDU, M.A., Registrar of Co-operative Societies, Andhra.

FISHERMENS' CO-OPS:

The Gangolli Fishermen Co-operative Society Ltd., South Kanara District.

Progress in South Kanara :

The Fishermen Co-operative Societies in South Kanara District have made appreciable progress all round in the last few years and improved the socio-economic condition of the fishermen substantially. There are 49 societies covering the entire coastal villages, comprising 7,258 fishermen and a subscribed capital of Rs. 2,29,619. During the year 1951-52, loans to the tune of Rs. 5,52,736 were issued to the fishermen by the societies. The borrowings from the Co-operative Central Bank during the year amounted to Rs. 4,02,871. The fishermen co-operative societies constitute the second only to the whole co-operative stores in the total borrowings from the Central Bank. The repayment is also satisfactory.

Gangolli is a very big and prosperous fishing village of Coondapur taluk. The Gangolli fishermen Co-operative Society was registered on 28-2-1939 and started on work on 28-3-1939 with 19 members and a paid up share capital of Rs. 39. For seven years, the society remained dormant and the question of winding up was seriously considered. In 1946-47 under the scheme of supervision of societies undertaken by Fisheries Department, the activities of the society were built round the working of the fish curing yard which was functioning at Gangolli and a Sub-Inspector of Fisheries was appointed as Ex-officio Secretary. With that, the society got a new life and entered on a new career of progress. Many fishermen mostly Kharvis were enrolled as members, share capital was increased, the Central Bank was approached for funds, loans were given to deserving members and hundi deposits were collected as cess on the salt supplied to the fishermen for curing fish.

At present, it has 612 members with a paid up share capital of Rs. 20,294. The hundi deposits have risen up to Rs. 2,397. Loans to the tune of Rs. 56,344 are outstanding against the members. The society has kept up its obligation to the bank by repaying the dues in time.

Gangolli is situated at the mouth of the river Gangolli on the northern bank. Opposite to the mouth of the river, there are very rich fishing grounds due to the favourable topographical conditions of the sea. Besides shoaling fishes like mackerel which are found in great abundance, other table varieties like seer, pomfrets etc., are also available and sharks are caught in plenty by hooks and lines. Powerful rampani nets each of which costs about Rs. 5,000, are operated here during the fishing season November to April. One net may be owned by 50 to 60 share-holders and operated by them and it takes about 7 days to operate once aided by other medium nets commonly used. Roughly a worker earns Rs. 10 a day as his share in catches. During the off-season, May to September, the fishermen purchase the yarn, mend their nets or make new pieces, and repair their boats. This is also a boat-building centre and Ratnagiri boats are famous for operation of fishing and transport in Canara Coast. All the ceremonies and festivals take place in the off season.

The society is made use of in several ways. The fishermen require loans in the off-season for supplementing the cost of house hold expenses and purchase of yarn, wood, hemp etc. Many fishermen who had only medium nets have now come to possess shares in Rampani nets. Many leading fishermen are also merchants who cure the fish, hold the stock and transport to estates and distant markets for sale. They require funds from the society. The society has extricated many of the members from the clutches of fish traders, but much remains to be done to enable the fishermen to cure their own share of fish and sell the cured stuff, through the agency of the societies, deriving economy in the middlemen charges.

So far, the society has distributed to the fishermen 21 bales and 9 bundles of cotton yarn of various counts for manufacture of new net and repair of old. In the years 1951 and 1952 it performed thrift festivals with a view to inculcate a habit of thrift among fishermen. On 15-2-1953, the Minister for Fisheries, Dr. Naganna Gowda, visited the society and advised the members to avail themselves of the advantages afforded by co-operatives.

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Sri K.P. Ramunni Menon, B.A.,
Deputy Registrar and Secretary.

R. Nagulnami Naidu,
President.

EXTRACTS

Extracts

Report on the working of Co-operative Societies in the State of Madras for the Co-operative Year ended 30th June 1952.

PART A.

CHAPTER I.

1. *General Progress of the Co-operative Movement.*—Addressing a meeting in New Delhi, Pandit Jawaharlal Nehru, the Prime Minister of India, said, "I am of firm conviction that only through the adoption of the co-operative method can agricultural production increase. I feel we should propagate the co-operative method to achieve quick progress. We have to bring this method in all spheres of life, trade and industry". Co-operation is both a system and a moral force. It is a form of organisation with legislative sanction and a mode of working which enable people of small means to mobilise their resources and abilities for their common good. In a world torn by conflicting economic ideologies, co operation exercises a unifying influence. In India, all political parties have advocated the co-operative method and invoked the co-operative organisation for the economic betterment of the masses. The very universality of its appeal makes it necessary to ensure that co-operation does not identify itself with any single political party whether it is the party in power or not. Co-operative organisations deserve help and encouragement from Government no matter from which party it is drawn; but at the same time they should be self-reliant and not be absorbed by Government. While co-operation should cover a wide field of economic activities and help a welfare state to carry out their plans for the welfare of the people, it should preserve its independence and retain its individuality. Thanks to the large support which the State Government have been giving to the movement and the services rendered by the large body of non official workers, the movement has covered a wide range of services to the people and catered to their varying needs both in the urban and the rural areas. The building up of our national character, discipline and love of social service would alone guarantee the advancement of the co-operative movement so as to serve fully and effectively the economic needs of the people.

The year under report was one of continued progress, though adverse seasonal conditions and successive failure of monsoons in the last five years have had their own effect on the progress of the societies. The statistical table given in the Appendix I furnishes at a glance the relative progress in the working of the societies during the last two years. The figures given in it are exclusive of the 107 producer-cum consumers co-operative societies in the Malabar district which are under the administrative control of the Collector of Malabar.

The number of co-operatives in my charge, their membership, share capital and working capital recorded an appreciable increase during the year. On 30th June 1952, there were 25,241 societies with 37.25 lakhs members, a share capital of Rs. 12,17.65 lakhs and a working capital of Rs. 94.53 crores as against 24,205 co-operatives with 34.53 lakhs of members, Rs. 10,74.79 lakhs of share capital and Rs. 85.32 crores of working capital at the end of the previous year.

2. *Co-operative Credit—(a) Financing Banks.*—The resources position of the Madras State Co-operative Bank and the 31 Central Co-operative Banks continued to be satisfactory during the year. They were able to meet the growing demands made on them for funds for several purposes from their own resources, supplemented by funds obtained from the Imperial Bank of India on Government guarantee, and from the Reserve Bank of India. I have been impressing on the Central Co-operative Banks that they should be able to command more funds by way of deposits in order to finance the growing activities of the Co-operatives affiliated to them. As a practical step in this direction, in September 1951, I instituted a Rural Savings Drive for securing deposits as investments in Central Co-operative Banks. In pursuance of this drive Central Banks accepted one year deposits at 3 per cent interest from societies, individuals and institutions. A target of Rs. 2 crores was fixed for the deposits to be canvassed before the close of December 1951. Special efforts were taken by my officers and the non-official co-operators to secure the deposits in time. I am glad to record that as a result, a sum of Rs. 1.06 crores was collected as deposits in the Central Banks. I feel that if the Central Co-operative Banks and the non-official co-operators put forth systematic efforts to tap surplus money in the towns and the villages, they should be able to provide themselves with more funds and become increasingly less dependent on outside agencies for the funds that they need. I hope that the Central Co-operative Banks will continue their efforts in this direction this year also.

The Madras State Co-operative Bank had 163 individuals and 31 Central Co-operative Banks as its members and a paid-up share capital of Rs. 14.91 lakhs. The deposits held by it at the end of the year amounted to Rs. 4.02 crores. It issued loans to Central Co-operative Bank to the extent of Rs. 9.76 crores as against Rs. 7.65 crores in the previous year. A sum of Rs. 5.96 crores was due from the Central Co-operative Banks at the end of the year. The State Bank continued to finance Central Banks for financing agricultural operations from its own resources supplemented by funds obtained from the Reserve Bank of India by rediscounting the hundies of Central Banks. In this way it obtained funds to the extent of Rs. 4.54 crores. It financed the procurement operations and import of foodgrains with the help of the funds obtained from the Imperial Bank of India on Government guarantee up to a limit of Rs. 3 crores. It also obtained an additional accommodation of Rs. 50 lakhs from the Imperial Bank of India for distributing Chemical Fertilisers. The Bank earned a net profit of Rs. 3.98 lakhs.

The thirty-one central co-operative banks in the State had 23,913 members, mostly co-operatives. They had a paid-up share capital of Rs. 151.05 lakhs as against Rs. 136.57 lakhs at the end of the previous year. There was a noticeable increase in the deposits of individuals held by them at the end of the year, which amounted to Rs. 6.81 crores as against Rs. 6.10 crores at the end of the previous year. The Central banks continued to enjoy the confidence of the investing public. The estimated bad and doubtful debts of central co-operative banks were Rs. 15.92 lakhs. Against this amount, the banks had reserves amounting to Rs. 88.69 lakhs. The financial condition of the banks was sound. The loan transactions of central banks recorded an increase during the year. The loans issued to the various types of societies amounted to Rs. 44.27 crores as against Rs. 44.18 crores in the previous year. The amount of loans outstanding was Rs. 16.28 crores.

For financing procurement operations and import of food grains, the central banks utilized the funds made available by the Imperial Bank of India on Government guarantee up to a limit of Rs. 3 crores. The amount outstanding to the Imperial Bank of India at the end of the year, was Rs. 1.79 crores. Government also guaranteed upto a limit of Rs. 50 lakhs the borrowings from the Imperial Bank of India by the State Co-operative Bank for financing the distribution of chemical fertilisers. A sum of Rs. 16.01 lakhs was due to the Imperial Bank of India at the end of the year.

For financing agricultural operations and marketing of crops, the Reserve Bank of India sanctioned credit limits to the central banks through the State Co-operative Bank. As against Rs. 2.25 crores obtained during the previous year, the amount obtained in the year under report was Rs. 4.54 crores. The amount outstanding to the Reserve Bank of India at the end of the year was Rs. 2.90 crores.

I am happy to record that from a relatively passive role, the Reserve Bank of India has come to play an increasingly important part in the matter of providing agricultural finance to the co-operative banks. In my last report, I indicated some of the concessions shown by the Reserve Bank of India to central co-operative banks in the matter of providing funds to the co-operatives for financing agricultural operations and marketing of crops. Further concessions have been extended during the year. First, although the bank rate was raised from 3 per cent to $3\frac{1}{2}$ per cent, the Reserve Bank of India continues to provide financial accommodation to the co-operatives at $1\frac{1}{2}$ per cent. In view of this concessional rate I am persuading central banks to lend at not more than $4\frac{1}{2}$ per cent interest to rural credit societies and marketing societies, so that the rate to the ultimate borrowers may be kept at $6\frac{1}{2}$ per cent.

Secondly, the accommodation given by the Reserve Bank of India could hitherto be used by the Apex Bank to finance only A and B class central banks, the idea being that the institutions financed should conform to superior standards. It was represented that the need for help was greater from C class banks because they were located in tracts where the recurrence of famines or the economic backwardness of people gave rise to the demand for more credit and a paucity of deposits. The Reserve Bank of India therefore agreed to provide accommodation to C class central co-operative bank also, if their financial condition was considered satisfactory and their case was specially recommended by the Registrar.

Thirdly, till recently all accommodation obtained from the Reserve Bank of India should be repaid before a fixed date, viz., 20th September of every year. This caused some inconvenience to co-operative banks. The Reserve Bank of India has now decided to allow all loans taken by co-operative banks to run their full period of 12 months subject to the condition that the total amount outstanding does not exceed the credit limit fixed for the year.

Fourthly the credit limits sanctioned have been made flexible. Hitherto, the practice was that the limits once utilised could not be re-utilised after repayment even within the year to which the sanction related, without fresh approach to the Reserve Bank of India. Central banks can now draw on their limits as and when needed and repay as and when convenient, provided the amounts outstanding do not exceed the limits fixed.

These concessions have considerably helped the central co-operative banks to finance the agriculturists with ease. In recent years, there has been a persistent demand for medium-term loans and the central banks have been resisting this demand as their medium term resources are limited. It is hoped that the Reserve Bank of India will come to the aid of the central banks by providing them with medium-term funds. The matter is already under its consideration. At the central banks' conference held in Madras in July 1952, the Executive Director of Reserve Bank of India, outlined the policy of the Reserve Bank in respect of co-operative finance and assured that the Reserve Bank of India would be prepared to do its best to help agriculturists.

The amount of loans issued during the year to agricultural credit societies was Rs. 7.66 crores as against Rs. 8.61 crores in the previous year. The slight fall is due to the fact that with depression in sight, the central banks pursued a cautious loan policy. The amount outstanding against all the societies was Rs. 16.28 crores at the end of the year as against Rs. 14.84 crores at the end of the previous year. The percentage of overdues to the central banks was 11 as against 6.07 in the last year. It was in 1943-44 that the percentage of overdues under principal was 13.88. Since then, there has been a progressive fall in overdues. Last year, there was a slight increase in the percentage. In the present year, however, the percentage has gone up by 5. This is chiefly due to the fact that the agriculturists could not repay their debts owing to adverse seasonal conditions and successive failure of monsoons during the last 4 or 5 years. The Rayalaseema experienced severe famine and the ryots had not the wherewithal to pay back their debts. I have advised the central banks to carry out an intensive examination of loans outstanding against members of rural credit societies and to obtain additional security for such of the loans as are not supported by adequate security. In the course of the examination of loans, steps will also be taken to collect the debts. The central banks will push through the scheme vigorously during the year and make an all-out effort to arrest the rise in overdues.

(b) *Agricultural credit societies.*—The number of agricultural credit societies rose from 16,330 to 16,727. The number of their members went up from 13.58 lakhs to 14.63 lakhs; their paid-up share capital from Rs. 168.79 lakhs to Rs. 193.22 lakhs; and their working capital from Rs. 1,208.02 lakhs to Rs. 1,340.51 lakhs. The total amount of loans issued by them during the year however fell to Rs. 7.33 crores from Rs. 7.65 crores in the previous year. This is due in part to the cautious policy adopted by the Central Banks and also to a realization by the village co-operatives that depression had set in. Co-operative credit is still personal credit in the sense that the greater part of the loans outstanding against members were surety loans, the percentage of such loans being 62.28 of the total loans outstanding. The amount of deposits held by agricultural credit societies at the end of the year was Rs. 58 lakhs as against Rs. 73 lakhs in the previous year. This is a further indication that the prosperous days for agriculturists are disappearing and that they are entering into an era of depression.

The scheme for the reorganization of rural credit societies was pursued with vigour during the year and it produced good results. Rural credit societies covered 67.97 per cent of the villages and served 19.49 per cent of the rural population at the end of the year as against 65.54 per cent of the villages and 17.98 per cent of the population at the end of the previous year.

Nearly 80 per cent of the societies have undertaken extra credit activities of one variety or another. They did business to the extent of Rs. 204.65 lakhs in controlled commodities, agricultural implements, mill cloth, etc. They also helped food production by distributing seeds, chemical manures and iron and steel, by getting fallow lands on lease for cultivation and by encouraging the manufacture of rural compost.

Now that the State is covered with a fairly large number of village co-operatives, attention is paid to increase their membership and to expand their activities instead of increasing their number. Steps are also being taken to stimulate the multipurpose activities undertaken by rural credit societies. If the societies are to undertake such work in a sustained and systematic manner, and cater to the several economic needs of the villagers, they should have paid staff. While honorary workers can lay down policies and guide the management, paid staff is necessary to attend to the day-to-day work in the societies. I have therefore advised the central banks to insist on the employment of paid staff in societies where their loan transactions exceed Rs. 50,000.

In order to strengthen and develop multipurpose activities in select societies, I have submitted a scheme to Government for undertaking this work in good societies with the help of the departmental staff. Under the scheme, a few societies will be selected in each district and about 220 in all will be tackled for intensive development on multipurpose lines. The societies will be given the services of Junior Inspectors free of cost in the first year, and in the subsequent years a portion of the cost will be recovered. The scheme is under the consideration of Government.

(c) *Non-agricultural credit societies.*—There were 1,246 societies of this category as against 1,217 in the previous year. The deposits held by them increased from Rs. 7.06 crores to Rs. 7.59 crores on the last day of the year. These societies depend very little on outside borrowings for their funds; which amounted to only 10 per cent of the total working capital of Rs. 12.02 crores. During the year, they issued loans to the extent of Rs. 10.51 crores as against Rs. 10.20 crores in the previous year. The societies also assisted the central banks to get more deposits during the year. The employee's societies, besides providing loans to their members also encouraged thrift among them. The system of compulsory savings is in vogue in almost all the societies. The owned capital of the societies and deposits of members held by them amounted to Rs. 337 lakhs, which is 79 per cent of their working capital. The societies were thus able to find the bulk of the funds they required from their own resources.

(d) *Land mortgage banks.*—The amount of loans issued by the Central Land Mortgage Bank recorded a further increase from Rs. 82.27 lakhs in 1950-51 to Rs. 82.84 lakhs in the year under report. There was appreciable increase in the loans issued for land improvement from Rs. 6.75 lakhs in 1950-51 to Rs. 9.52 lakhs in 1951-52. The Central Land Mortgage Bank floated its 47th series of debentures for Rs. 60 lakhs bearing 3½ per cent interest, in the issue price being Rs. 99.4.0 per cent. In view of the tightness of the money market, I took special efforts to ensure that the debentures floated by the Central Land Mortgage Bank were fully subscribed. I appealed to the Central Bank to under-write the issue and to advise co-operative institutions to invest their uninvested reserves in the debentures. The response to the appeal was splendid.

The co-operatives subscribed to the extent of Rs. 26.04 lakhs and made the floatation a success. The Reserve Bank of India also extended its support by purchasing debentures to the extent of Rs. 12 lakhs being 20 per cent of the total issue. Government continued to guarantee the repayment of principal of, and payment of interest on, the debentures to the extent of Rs. 7 crores. The value of debentures in circulation at the end of the year was Rs 5.59 crores. On account of the increase in the Bank rate, as also in the rate of interest paid on the debentures, the Central Land Mortgage Bank raised its lending rate from $4\frac{1}{4}$ per cent to 5 per cent and the ultimate borrower is now charged 6 per cent. Pending formulation of a scheme for the Constitution of a Revolving Fund as a long range policy for the purpose of rendering help to the borrowers in times of adverse seasonal conditions, Government have sanctioned, as an interim measure, a special loan of Rs 5 lakhs to the Central Land Mortgage Bank in order to enable it to grant extension of time to the borrowers of the primary land mortgage banks in drought-affected areas for payment of instalments of loans due to be paid in May and August 1952. The loan is repayable in five equal annual instalments, the rate of interest charged being $3\frac{3}{4}$ per cent. The Central Land Mortgage Bank will give extension in deserving cases, availing itself of the loan provided by Government.

3. *Co-operative production.*—The co-operatives played an effective role in the Grow More Food Campaign. Reclamation of waste lands, provision of irrigation facilities, distribution of seeds, chemical fertilizers and agricultural implements, provision of credit for agricultural expenses and cultivation by modern tractors have been effectively handled by these societies. They took a significant part in the production of other necessities of life such as milk, egg, fish, fruits and vegetables, salt and sugar, handloom cloth and cottage industrial goods.

(i) *Production of food-crops (a) Cultivation of fallow lands.*—Forty-three village co-operative societies in the seven districts selected for intensive cultivation, obtained 2,550 acres of Government fallow lands on lease and 32 societies sub-leased 1,413 acres to 918 members for cultivation of food crops. Nine hundred and seventy-five acres have actually been brought under cultivation. The land colonization co-operative societies for civilians and ex-servicemen have so far reclaimed 17,314 acres of fallow lands. Their members cultivated 15,574 acres. Thirty-five land reclamation co-operative societies in the Pattukkottai taluk of Tanjore district reclaimed 4,116 acres till now and made them available for cultivation of food crops. Three hundred and eighty-nine tenants' societies consisting of Harijans and landless labourers obtained 43,780 acres of padugai, lanka and waste lands from Government on lease and sub-leased 27,664 acres for production of food crops.

(b) *Provision of irrigation facilities.*—Twenty-two irrigation societies provided facilities for irrigating 5,390 acres. Notable progress was made by rural credit societies to provide lift irrigation by the issue of loans to members for the purchase and installation of pumpsets. One hundred and sixty-six rural credit societies affiliated to 18 central banks issued Rs. 12.16 lakhs as loans to their members for the purchase and installation of pumpsets. During the year 431 pumpsets were installed by them and, at the end of the year, 766 pumpsets set up by them were functioning. Eight societies owned 12 power drills which were used for deepening 72 wells. The Nelvay Agricultural Co-operative Farming Society in Chingle-

put district took on hire 7 pumpsets from the Agricultural Department and provided irrigation facilities for 98 acres of land. The Tiruvallur Taluk Agricultural Improvement and Marketing Society took on hire one boring set from the Industries Department and arranged for the sinking of 13 new wells. Primary land mortgage banks issued Rs. 9.52 lakhs for land improvement such as construction of wells, installation of pumpsets and conversion of dry lands into wet.

(c) *Supply of seeds, manure and agricultural implements.*—During the year, Government sanctioned the scheme entrusting the distribution of improved seeds to village co-operatives on agency basis in the seven selected districts of East Godavari, Guntur, Nellore, Madurai, Coimbatore, Tirunelveli and South Kanara where the scheme of intensive cultivation through village co-operatives is in force and also in the Malabar district. Under this scheme, the Agricultural department supplied seeds to the co-operatives at the latter's headquarters and the co-operatives undertook their sale for a small commission paid to them. The societies sold 11,358 bags of seeds valued at Rs. 2.31 lakhs. The ryots benefited a good deal by the arrangement. The question of extending the scheme to some more districts is under the consideration of Government. Marketing societies also supplied seeds to the ryots to the value of Rs. 4.7 lakhs.

The distribution of chemical fertilizers was made by the co-operative wholesale stores and marketing federations through their 221 depots and branches and through 2,102 select primaries. Twenty-one thousand, five hundred and twelve tons of ammonium sulphate and 8,220 tons of super-phosphate were sold by them to the ryots. Marketing societies distributed agricultural implements to the value of Rs. 36.93 lakhs, and compost manure to the value of Rs. 6.84 lakhs. Nine hundred and thirty-two societies sold 8,159 tons of iron and steel valued at Rs. 36.19 lakhs. Forty-seven societies, approved as fabricators, manufactured agricultural implements worth Rs. 1.79 lakhs and the value of their sales was Rs. 2.95 lakhs. Five hundred and fifty societies undertook the distribution of fabricated agricultural implements and sold them to the value of Rs. 4.93 lakhs.

(d) *Provision of tractors.*—Twenty-one societies including 8 producers'-cum-consumers' co-operative societies owned 26 tractors with which 4,822 acres of land were brought under cultivation. The Dendur multi-purpose co-operative society in the West Godavari district hired a tractor from the Agricultural department at a concessional rate and made it available to its members, who reclaimed 761 acres of land.

(e) *Provision of credit.*—Rural credit societies advanced loans to their members to the extent of Rs. 6.59 crores during the year for cultivation expenses. The non-agricultural credit societies also issued Rs. 5.07 crores to their agriculturist members for the same purpose.

(ii) *Production of other foodstuffs—(a) Milk.*—Forty-one milk supply unions and milk supply societies supplied milk and milk products to the value of Rs. 141.43 lakhs, to individuals and institutions. The major consumers among institutions were the State hospitals, jails, borstal schools, etc.

(b) *Eggs.*—Forty egg production and sale societies sold 1.94 lakhs of eggs for Rs. 24,660. The Madras Milk Supply Union purchased 171 exotic birds and supplied them to its feeder societies for breeding purposes.

(c) *Fish*.—Three hundred and thirty-two fishermen societies issued Rs. 8.69 lakhs as loans to their members and distributed yarn for making nets and fishing tackle worth Rs. 2.80 lakhs. Some of them took the lease of inland fisheries to the value of Rs. 1.45 lakhs and sub-leased them to their members.

(d) *Fruits and vegetables*.—The fruit growers and vegetable growers' societies marketed fruits and vegetables belonging to their members to the value of Rs. 1.23 lakhs. The Nilgiris Co-operative Marketing Society sold Rs. 5.65 lakhs worth of potatoes, grown by its members. It exported vegetables to the value of Rs. 33,539 to Ceylon.

(e) *Salt*.—Five salt workers' co-operative societies produced salt to the value of Rs. 1.02 lakhs.

(f) .—*Sugar, sugarcane and jaggery*.—Members of 13 sugarcane growers' societies raised 69,043 tons of sugarcane and supplied 41,343 tons of cane valued at Rs. 13.25 lakhs to the sugar factories. Members of 2,115 palm jaggery manufacturing societies produced jaggery worth Rs. 91.26 lakhs.

(iii) *Production of textiles*.—The thousand one hundred and sixty-one weavers' co-operative societies had in their fold 2.12 lakhs looms and produced cloth to the value of Rs. 8.40 crores. The value of goods produced represents nearly a third of the handloom cloth manufactured in the State. The sales effected amounted to Rs. 10.20 crores.

(iv) *Production of cottage industrial goods*.—The value of goods produced by the cottage industrial societies was Rs. 30.54 lakhs. The goods produced consisted of metal wares, coir goods, leather goods, etc. The value of goods sold during the year was Rs. 40.69 lakhs. The ready made garments produced by the Madras Women Cottage Industrial Society in the Madras City were sold for Rs. 14,390.

4. *Co-operative distribution*.—Co-operative stores, wholesale and primary, continued to play an effective role in the procurement of foodgrains and their distribution. They procured and imported foodgrains to the value of Rs. 16.22 crores and distributed foodgrains worth Rs. 16.16 crores. On 30th June 1952, they had stocks valued at Rs. 5.28 crores. In the latter part of the year, they held large stocks of foodgrains such as wheat and milo on consignment account. The value of such stocks held by them was Rs. 3.31 crores at the end of the year. By undertaking these activities, the stores societies helped the Government and the public in the equitable distribution of foodgrains. In June 1952, Government decontrolled and derationed foodgrains. With the decontrol of foodgrains, co-operatives have to face a new situation. They have, therefore, been permitted by Government to deal in foodgrains in the free market, although the co-operatives hold foodgrains on Government account for distribution to Fair Price Shops. I am sure that their past experience in dealing in foodgrains will be of advantage and that they will gradually build up business in the free market. I advised them to make bulk purchases of paddy during the next harvest, arrange for its conversion into rice and supply to their members. Several central stores have already commenced the work. The future of the central stores as well as the primaries will largely depend upon the extent to which they will adopt themselves to the new conditions and the extent to which they will adopt sound business method and practices.

Twenty-four co-operative wholesale stores supplied the affiliated primaries and ration and Fair Price Shops keepers, goods to the value of Rs. 19.24 crores. The retail stores distributed foodgrains and other commodities to the value of Rs. 28.88 crores to members and non-members. Employees' co-operative societies, urban banks and rural credit societies distributed foodgrains and other commodities to the extent of Rs. 291 lakhs. The three Co-operative wholesale stores at Cuddapah, Chittoor and Anantapur in Rayalaseema were pressed into service for the distribution of fodder for cattle on account of famine conditions in that area. They were supplied with fodder worth Rs. 49,798. The sale of fodder amounted to Rs. 29,469. The distribution was done on an agency basis and the co-operative wholesale stores were paid a small commission for the services rendered by them.

5. (a) *Five-year plan and co-operation*.—In the draft Five-Year Plan of the Madras Government, provision has been made for schemes relating to co-operatives costing Rs. 100 lakhs. Some of the important schemes included in the plan are the organization of co-operative land colonization societies for the benefit of Harijans, landless labourers and ex-servicemen, intensive cultivation through village co-operatives, the provision of credit at reduced rates of interest to agriculturists in the Rayalaseema area, the construction of warehouses for storage of agricultural produce, etc. Besides, a sum of Rs. 371 lakhs has been provided for several other schemes, such as co-operative housing dairying and milk supply, cottage industrial societies, amelioration of backward classes, etc.

(b) *Community Project*.—The aim of Community Projects is to utilize fully the land and labour in villages by methods that money and organization can find. The intensive development of the rural community was undertaken in this State through the Firka Development Scheme. Its scope was however limited for want of finance and trained personnel. The Community Projects supply these two wants. Six projects covering 1,274 villages have been located in the Madras State. The area of operations of each project extends over about 300 villages with a population of about 2 lakhs. Each project will have as much as about Rs. 65 lakhs provide under the Indo-United States Technical Co-operation Plan. Co-operatives have a vital role to play in the matter of supply of credit, organisation of cottage industrial societies, marketing societies, housing societies and the like. Seventeen Senior Inspectors of Co-operative Societies have been deputed for work in the project areas. My officers have, in consultation with the Collectors, drawn up schemes for the development of co-operative activities in these areas. I have submitted proposals for the intensive development of palmgur industry in two of the project areas and these are under the consideration of Government.

6. *Prohibition (Amelioration)*.—Ameliorative work which is the constructive side of prohibition was directed towards the economic improvement of the people, chiefly through co-operative organizations. There was a marked progress in this work during the year under report and the several activities undertaken, helped to promote rural uplift in general and to better the socio-economic condition of the ex-toddy tappers in particular. Palm jaggery co-operatives and other types of co-operative societies such as land colonization, milk supply, cottage industrial and tenants' co-operatives continued to provide employment for the ex-toddy tappers. There were 2,115 palm jaggery co-operatives at the end of the

year with 1.63 lakhs of members and a paid-up share capital of Rs. 8.46 lakhs, and they provided employment to 1.58 lakhs ex-toddy tappers. The societies produced and sold jaggery for Rs. 91.26 lakhs and 102.36 lakhs respectively. The steps taken to develop the palmgur industry and to market the jaggery through co-operative agencies produced satisfactory results, though they were to a certain extent affected by the slump in the price of jaggery. Nearly one-fourth of the jaggery produced was sold through co-operative agencies. The Madras State leads the rest of India in the development of palmgur industry through co-operatives. The other activities carried on under the ameliorative programme were promotion of thrift through rural co-operatives, intensive development of co-operatives in the select firkas, encouragement of social and recreational activities by rural credit societies, provision of counter-attraction to drink, propaganda through films and magic lantern slides, etc., and these have helped to promote general rural welfare.

7. *Firka development.*—Out of 2,465 villages in the firkas and centres selected for intensive rural reconstruction work, 2,260 were covered by co-operatives. The promotion of co-operative activities in the select firkas and centres was attended to by a special staff of 22 Junior Inspectors and two Senior Inspectors who worked under the administrative control of the Collectors concerned. In the Thirumangalam, Dendalur and Kumbala firkas in the districts of Madurai, West Godavari and South Kanara, respectively, selected for the organization of multi-purpose co-operatives of the full fledged type, 11 multipurpose co-operative societies were formed during the year bringing the total number of such societies to 92 at the end of the year. These societies carried on various extra-credit activities, such as supply of domestic agricultural requirements, marketing of produce, etc. Government have since placed a sum of Rs. 1 lakh at my disposal for the promotion of social and recreational activities by rural co-operatives in select firkas.

The scheme sanctioned by Government last year for the procurement and supply of raw materials to village artisans in select firkas was implemented during the year in 25 firkas. In 18 firkas the co-operative agencies set up under the scheme, procured and supplied raw materials to the artisans to the value of Rs. 88,800 and Rs. 54,000 respectively. The co-operative agencies in the other select firkas have completed the necessary arrangements to procure the raw materials required by the artisans. In 11 firkas, the work is attended to by firka cottage industries co-operative federations for which Government have sanctioned a staff of 11 Senior Inspectors free of cost. The scheme is being continued.

8. *Resettlement of ex-servicemen.*—The societies formed for the resettlement of ex-servicemen consisted of 11 land colonization co-operative societies, 9 co-operative workshops and 10 co-operative motor transport societies. They provided work in all for 2,834 ex-servicemen. The co-operative workshops had 779 members on their rolls with a paid-up share capital of Rs. 0.49 lakh. Their production during the year amounted to Rs. 5.59 lakhs as against Rs. 6.81 lakhs in the previous year, and the salaries and wages paid to their members amounted to Rs. 1.57 lakhs as against Rs. 1.87 lakhs in the previous year. Six out of the nine workshops have been reorganized providing them with modern machinery and suitable buildings to house the workshops as well as their staff. The cost involved in reorganizing the six workshops is Rs. 9.53 lakhs. The reorganization

of the Strathie Co-operative Engineering Workshop is under the consideration of Government. The workshops had to pass through a strenuous period, on account of want of a market for the goods produced and labour unrest. It is proposed to review the working of the workshops so that the future course of action may be decided. An expert Engineer of the Public Works Department will be placed on special duty, who will examine the working of the workshops and make suitable recommendations.

The 11 land colonization co-operative societies for ex-servicemen had 1,318 members with a paid-up share capital of Rs. 6 lakhs. They have so far brought under cultivation 4,781 acres of land, and mostly food crops were grown on them. Capital works such as provision of huts for colonists, reclamation of land, sinking of drinking water wells, excavation of irrigation channels, continued to be undertaken in the colonies. During the year, 5 new land colonization schemes were investigated, of which Government have approved 4 schemes, namely, Jambuvanodai and Nallavannian-kudikadu in Tanjore district, Kalla and Sisali in the West Godavari district and Nizampatam in the Guntur district. Societies have since been registered at Jambuvanodai and Nizampatam. These four schemes are expected to enroll 555 colonists. In the Wynaad area, 1,827 ex-servicemen were settled and a free grant of Rs. 38 lakhs was sanctioned by the Post-war Services Reconstruction Fund Committee for their benefit, of which a sum of Rs. 24.75 lakhs was disbursed to the colonists. The State Government contributed a sum of Rs. 2.29 lakhs.

The 13 co-operative motor transport societies for ex-servicemen did notable work during the year. They owned 315 vehicles, employed 787 ex-servicemen and paid Rs. 4.80 lakhs as salaries and allowances. The goods transport continued to be the main line of their activity. Ten societies undertook passenger transport also. Thirty-two buses were run for passengers as against 20 buses in the previous year. The Post war Services Reconstruction Fund Committee provided a sum of Rs. 40,000 as loans for the purchase of two buses. The passenger service undertaken by the societies was popular.

9. *Co-operative housing.*—Co-operative housing societies which were 294 at the end of the year, made notable progress. Government loans were sanctioned to the societies to the extent of about Rs. 119 lakhs during the financial year 1951-52 of which a sum of Rs. 71.61 lakhs was disbursed. The construction of 1,168 houses was completed during the year. The amount of Government loans outstanding against the societies at the end of the year was Rs. 289.90 lakhs.

The scheme submitted by me for the construction of 'cutcha' houses for Harijans costing about Rs. 150 each with the aid of interest-free loans repayable in three years is under the consideration of Government. In August 1952, the Government of India announced the details of a housing scheme for industrial workers and called for proposals from the State Governments. Co-operative housing societies formed for the benefit of industrial workers will be eligible for a subsidy of 25 per cent and a loan up to 37½ per cent of the cost of the houses and sites. The scheme is under my scrutiny. A move has already come from the workers in the Government Coach Building Factory at Chromepet to organize a co-operative housing society for them, and the proposal is now before Government.

The special arrangements for the procurement and distribution of essential building materials such as timber, iron and steel to co-operative

housing societies continued to be in force during the year. Government have also ordered recently the supply of cement at Indian Stores Department rates to co-operative housing societies. Co-operative housing societies obtained during the year 895 tons of iron and steel, 108,940 r.ft. of pipes and tubes, 11,601 tons of cement and 26,847 c.ft. of timber at concessional rates from the Forest department.

The special staff employed for acquisition of land on behalf of co-operative housing societies continued during the year. Twelve new applications for the acquisition of 146.46 acres were received during the year. Twenty awards covering 334.44 acres were pronounced and 36 applications in respect of 396.53 acres were pending. In my last report, I made mention of the set-back received by the co-operative housing societies owing to the writ petitions filed in the High Court, questioning the validity of acquiring private lands for co-operative housing schemes. The petitions were dismissed by the High Court and it is hoped that the societies will speed up the execution of the schemes.

About the close of the year, the housing societies were confronted with a new difficulty, namely, inadequacy of funds provided by Government. The loan programme for the current year was drawn on the basis that Rs. 80 lakhs would be allotted by Government. But the amount sanctioned by them was only Rs. 50 lakhs. I had therefore to stop sanctioning fresh loans from the middle of June 1952 and to permit the drawal of only 50 per cent of the amount of loans sanctioned after the first of April 1952. This caused inconvenience to several members, and housing societies could not execute their programme. Representations have been made by the societies for provision of more funds and I have requested Government to restore the cut.

The rural housing scheme has been in operation for the last two years. There were 41 rural housing societies at the end of the year and one society has since been registered. Government have provided a sum of Rs. 10 lakhs for the current financial year. The idea of rural housing being new, the progress in the working of the scheme has been inevitably slow in spite of special efforts taken to push through it. The scheme demands adequate security for the Government loan and sufficient repaying capacity on the part of the borrower. The members of rural housing societies have therefore to be selected with great care. The preliminary work connected with the organization of rural housing societies, purchase of sites, preparation of layout plan and designs of houses and their approval by the Director of Town-Planning, take time. Another difficulty has been the dearth of honorary office bearers with the requisite leisure and enthusiasm to devote the necessary attention to the societies. I am confident, however, that these difficulties can gradually be overcome and I have taken special steps to achieve better progress in the current year. To speed up the progress and to ensure the proper working of the rural housing societies, it is necessary that a special Deputy Registrar should be placed at my disposal to inspect and guide the societies. I have submitted the necessary proposals to Government and am awaiting favourable orders.

10. *Committees and Conferences.*—The State Co-operative Advisory Council met once during the year and offered its opinion on certain amendments to the rules under the Madras Co-operative Societies Act. The term of the non-official members of the Council has since expired, and I have requested Government to extend their term for a further period of two years.

I regret to record the demise of Sri T.A. Ramalingam, Chettiar veteran co-operator and ex-officio member of the Council. In his death, the co-operative movement in Madras sustained a great loss. Another co-operator of eminence, Sri K. A. Nachiappa Gounder, departed during the year under report leaving behind remarkable evidence of co-operative effect.

The first Madras State Co-operative Housing Conference was convened by the Madras State Co-operative Union on the 1st June 1952. The Conference was inaugurated by Sri D. Sanjeevayya, Minister for Co-operation, and presided over by Mr. C. S. Ratnasabhapathi Mudaliar. The most important resolution passed by the Conference was a request to Government to undertake comprehensive legislation on the lines of the English Housing Act, fixing responsibility on the Government and local bodies to relieve housing shortage and providing subsidies for non-profit making institutions for the construction of houses for lower income groups.

The XXV Conference of Central Co-operative Banks was held on the 19th July 1952. It was inaugurated by Sri B. Venkatappaiah, I.C.S., Executive Director of the Reserve Bank of India. At this Conference, it was decided that Central Banks should not charge more than 4½ per cent interest on the loans issued to rural credit societies and marketing societies.

The Central Land Mortgage Bank convened a conference of primary land mortgage banks on the 22nd March 1952 at Madras. It was inaugurated by Shri Sri Prakasa, Governor, of Madras. The Central Land Mortgage Bank also arranged for regional conferences of employees of primary land mortgage banks and Co-operative Sub-Registrars for land mortgage banks at three centres at which several details relating to the working of the banks and the problems facing them in the course of their daily administration, were discussed. The conferences were useful to the employees.

A departmental conference of select Deputy Registrars was held in the last week of August 1952 at Madras to consider the various problems concerning the activities of co-operatives and several administrative matters.

The first Indian Co-operative Congress representing both the officers of the department and non-official co-operators was held under the auspices of the Indian Co-operative Union at Bombay in February 1952. Government deputed me and the Joint Registrars, Sri K. Subramanyam Nayudu and Sri A. Palaniappa Mudaliar, to attend the conference.

I continued to serve on the standing Advisory Committee on Agricultural Credit set up by the Reserve Bank of India and on the Extension Board of the Indian Council of Agricultural Research.

Besides the officers and staff of the Reserve Bank of India, visitors from other States and even foreign countries made study tour in the State. Among the distinguished visitors were Mr. Pongse Sreevardhana, Registrar of Co-operative Societies, Bangkok, Mr. Praman Vidhyanont of the Technique and Promotion Division of the Department of Co-operation of Thailand, Mr. George Otcong of the Gold Coast Marketing Association, Mr. Augustice De Castro, Registrar of Co-operative Societies in the Philippines, Dr. R. Ahmed, Minister, West Bengal, the Registrars of Co-operative Societies West Bengal and Bombay, and Mr. N.T. Sobbanjitta of the Co-operative Bank of Thailand.

11. *Administration*—I held charge of the post of the Registrar of Co-operative Societies throughout the year. Sri K. Subrahmanyam Nayudu, Sri A. Palaniappa Mudaliar, Sri G. Viswanatham Chetti and Sri K. Muthukrishna Nayudu held the posts of Joint Registrar (Resettlement), Joint Registrar (Prohibition), Joint Registrar and Additional Joint Registrar, respectively. I regret to record the death of Sri K. Sarvothama Rao, an officer of this department who was acting as Chief Officer of the Agricultural Credit Department of the Reserve Bank of India. Sri K. Subrahmanyam Nayudu, Joint Registrar, has been deputed by Government in his place. The Joint Registrars assisted me a great deal in the discharge of my duties. I acknowledge the loyal help rendered by my Personal Assistant and officers of the department. The subordinate staff discharged their duties faithfully. I wish to express my thanks to the co-operators all over the State for their unfailing courtesy shown to me and my officers and for their great help towards the progress of the movement. I am indebted to the several officers of the Revenue Department, the Development and the Food and Agriculture Department, for their co-operation at all times. I shall be failing in my duty if I do not express my thanks to the leading journals and newspapers for their helpful criticism of the movement and to the Department of Information for the publicity given to the co-operative news and events. The relations with the other department were cordial.

DEVELOPMENT DEPARTMENT

G. O. No 1830, 20th April 1953.

Administration Report—Co-operative department—1951-52—
Recorded with remarks

Read—the following papers:

Letter from the Registrar of Co-operative Societies,
Rc. No. 91195/52-Q, dated 9th December 1952.

Letter from the Collector of Malabar, Ref. A. R. No. 2754, dated
30th January 1953.

Letter from the Registrar of Co-operative Societies,
Rc. No. 91195/52 Q, dated 19th February 1953.

Order—No. 1830, Development, dated 20th April 1953

Recorded.

2. During the year, the general progress of the movement was maintained. In spite of the adverse seasonal conditions and the successive failure of monsoons during the last five years, the movement recorded progress as is apparent from the following statistics. The total number of societies rose from 24,205 to 35,241; their membership from 34.53 lakhs to 37.25 lakhs; their share capital from Rs. 1,074.79 lakhs to Rs. 1,217.65 lakhs and their working capital from Rs. 85.32 crores to Rs. 94.53 crores.

In other respects, it may be mentioned that a Rural Savings Drive initiated by the Registrar during the year resulted in securing a sum of Rs. 1.06 crores as deposits in central banks from societies, institutions

EXTRACTS

and individuals. The loans issued by the State Bank to central banks increased from Rs. 7.65 crores to Rs. 9.76 crores. The paid-up share capital of these banks increased from Rs. 136.57 lakhs to Rs. 151.05 lakhs. The deposits of individuals in these banks also increased from Rs. 6.10 crores to Rs. 6.81 crores in the year. For financing procurement operations and import of foodgrains, funds were made available to the central banks up to a limit of Rs. 3 crores by the Imperial Bank of India on Government guarantee. The Reserve Bank of India also sanctioned credit limits to central banks through the State Co-operative Bank up to Rs. 4.54 crores as against an amount of Rs. 2.25 crores in the previous year. The Reserve Bank also extended certain other concessions to central banks which considerably helped them to finance agriculturists. The adverse seasonal conditions and the successive failure of monsoons during the last 4 or 5 years led, however, to an increase of overdues to the central banks the percentage of which was 11 as against 6.07 in the previous year.

3. There was a slight increase in the number of agricultural credit societies, their membership, their paid-up share capital and their working capital. Due to the cautious policy adopted by the central banks and to some extent by village co-operatives themselves, there was a slight fall in the total amount of loans issued by them during the year. The scheme of reorganization of rural credit societies was continued during the year, the rural credit societies covering at the end of the year 67.97 per cent of the villages and covering 19.49 per cent of the rural population as against 65.54 percent of the villages and 17.98 percent of the population at the end of the previous year. Nearly 80 percent of the societies have undertaken extra credit activities of one kind or other and did business to the extent of Rs. 204.65 lakhs in controlled commodities, agricultural implements, mill cloth, etc., and also helped food production by distribution of seeds, manure and implements.

The long-term finance in the movement also recorded some progress during the year. There was a slight increase in the amount of loans issued by the Central Land Mortgage Bank, the loans issued for land improvement having shown an appreciable increase from Rs. 6.75 lakhs in 1950-51 to Rs. 9.52 lakhs. It is encouraging to note that for the forty-seventh series of debentures floated by the Central Land Mortgage Bank for Rs. 60 lakhs during the year, co-operatives themselves subscribed to the extent of Rs. 26.04 lakhs and made the floatation a success. The Reserve Bank of India contributed its quota of twenty per cent of the total issue amount to Rs. 12 lakhs. Pending the formulation of a scheme for the constitution of the revolving fund for helping borrowers of the central bank in times of adverse seasonal conditions, the Government sanctioned, as an interim measure, a special loan of Rs. 5 lakhs to the Central Land Mortgage Bank in order to enable it to grant extension of time to borrowers of primary banks in drought-affected areas for repayment of loans. The loan was placed at the disposal of the Central Bank which was given discretion in the matter of extending the benefits of the scheme to deserving cases.

4. Co-operatives continued to play a useful role in the Grow More Food Campaign, reclamation of waste lands, provision of irrigation facilities, distribution of seeds, chemical fertilizers and agricultural implements. Forty-three village co-operatives in the seven districts selected

for intensive cultivation obtained 2,550 acres of Government fallow land on lease and 82 societies sub leased 1,413 acres for cultivation of food crops. Primary land mortgage banks issued loans to the extent of Rs 9.52 lakhs for land improvement such as construction of wells, installation of pump sets and conversion of dry lands into wet. Marketing societies distributed agricultural implements to the value of Rs. 36.98 lakhs and compost manure to the value of Rs. 6.34 lakhs. Wholesale stores and marketing federations distributed to ryots, through their primaries, 21,512 tons of ammonium sulphate and 8,220 tons of superphosphate. Five hundred and fifty societies undertook the distribution of fabricated agricultural implements and sold them to the value of Rs 4.93 lakhs. Twenty-one societies owned 26 tractors with which nearly 5,000 acres of land was brought under cultivation. The tractor hired by the Dendulur Multipurpose Co-operative Society from the Agricultural department and made available for the use of its members was responsible for the reclamation of 760 acres of land.

5. The improvement is apparent in non-agricultural credit societies also. There was an increase in the number of these societies, their deposits from the public and the loans issued by them. The societies were able to meet the bulk of their requirements from their own resources, their owned capital and deposits from members amounting to 79 per cent of their working capital. The scheme sanctioned by Government in 1949 for the grant of subsidies for the construction of godowns by marketing and rural societies continued to be in force during the year. Five marketing societies and 22 rural credit societies were sanctioned free grants and loans under the scheme. The special staff sanctioned for the development and supervision of marketing societies in the Rayalaseema area was continued during the year.

6. There were 83 land colonization societies excluding those for ex-servicemen at the end of the year. These societies had 3,417 members of whom 2,875 were active colonists. The societies were assigned 14,201 acres of which 10,042 acres were reclaimed and made fit for cultivation by the end of the year. Besides agriculture, the colonists took to subsidiary occupations like cottage industries, poultry farming, sheep rearing, milk trade, etc. There were 389 tenants and field labourers' societies consisting of 30,280 Harijans and 2,554 landless labourers of other castes. These societies took on lease 43,800 acres of padugai, lanka and waste lands from Government which were sub-leased to 32,000 members. Twenty-seven thousand six hundred and sixty-four acres were cultivated with food crops and 8,730 acres with commercial crops. There were also 58 agricultural improvement societies working at the end of the year, 7 demonstration societies and 22 irrigation societies. The irrigation societies provided facilities for irrigating 5,400 acres. The Nelvoy Agricultural Co-operative Farm Society in the Chingleput district took on hire 7 pump sets from the Agricultural department and provided irrigation facilities for its members. Towards the close of the year, the Government ordered that river pump projects should be worked through co-operative societies and that the existing projects working under the Agricultural department on subsidized basis should be taken over by co-operative societies wherever possible.

7. Community projects covering 1,274 villages have been located in the State. The area of operations of each project extends over about

300 villages with a population of about 2 lakhs. The aim of these projects is to utilize fully the land and labour in villages by methods that money and organization can achieve. This kind of intensive development of the rural community is not new to the State. It was in operation in the State in the form of Firka Development Scheme, though its scope was limited for want of finance and trained personnel. These omissions have been supplied by the present scheme of community projects each of which has been provided with Rs. 65 lakhs under the Indo-United States Technical Co-operation Plan. A special co-operative staff has been deputed for work in the project areas and is in charge of drawing up schemes for the intensive development of co operative societies in these areas.

8. Ameliorative activities connected with Prohibition continued to be directed towards constructive work, in providing employment for ex-tappers and in promoting their economic welfare and those of ex-addicts. Alternative employment for ex-tappers was provided primarily in the tapping of sweet juice instead of fermented toddy from palm trees for the manufacture of jaggery or for sale as beverage. The Government restored during the year permission to tap palmyra, date and coconut trees for sweet juice for the manufacture of jaggery in a number of districts like East Godavari, Chittoor, Chingleput and Nellore and also in selected centres in Anantapur, Kurnool and Coimbatore districts. On the whole, the concession to tap palm trees for sweet juice for jaggery manufacture worked well during the year. At the end of the year, there were 2,115 palm jaggery manufacturing societies with 1.63 lakhs members, 1.25 lakhs of licences for tapping palm trees for jaggery manufacture were in force at the end of the year. Due to a fall in the price of jaggery, there was a slight reduction in the quantity of jaggery manufactured during the year as compared to the previous year. Besides assisting their members in the production and marketing of jaggery, palm jaggery societies provided members with loans borrowed from the central banks and a sum of Rs. 2.92 lakhs was issued to members by these societies. The Government permitted the lease of palm trees on Government lands to jaggery societies at fixed rates without public auction. Apart from jaggery societies, a number of ex tappers and ex addicts have been provided with employment in milk supply unions and societies, land colonization societies and field labourers' and tenants' co operatives in a number exceeding 7,000. An area of more than 3,000 acres has been sub-leased to ex-tappers who have joined land colonies' and field labourers' societies. In addition 70,000 ex-tappers were provided with work in other avocations as unskilled workers.

9. There was also an appreciable increase in the number of societies formed exclusively for Harijans and backward communities, their number at the end of the year being 2,785 as against 2,445 at its beginning. The membership also increased from 1,69,491 to 2,12,285. The Harijan societies continued to receive concessions in the shape of scriptory grants, exemption from payment of registration fees, exemption from contribution to the Audit Fund and lease of lanka and waste land at concessional rentals.

10. Weavers' co-operatives passed through a most difficult time during the year. In the earlier part of the year, yarn was scarce and in

the latter part there was a general slump in the handloom market, resulting in accumulation of stocks. Notwithstanding the adverse factors, there was an increase in the number of primary societies. There were 1,160 weavers' societies which had in their fold 2.12 lakhs of looms and produced cloth to the value of Rs 8.40 crores during the year which represents about one-third of the cloth produced in the State. The number of members in these societies rose to 2,22,000 and the number of looms in the societies increased from 1,76,000 to 2,13,000. Though there was an increase in the production of handloom goods and their sales, the profits earned by some of the societies showed a great fall while the losses sustained by a few others increased. This was attributed to the fact that societies had to dispose of their products at reduced prices. About the close of the year, the Government sanctioned a scheme for the relief of weavers through co-operatives. Under the scheme, weavers were assured a subsistence wage and continuous employment and were relieved of the burden of marketing cloth as far as possible. Weavers outside the movement were also encouraged to join co-operatives and they were given advances for finding the share capital. The scheme was in force in 17 districts and 159 weavers' societies are working the scheme with 15,453 weavers. A sum of Rs. 71,175 was given as interest-free advances for subscribing share capital. The State Co-operative Bank assisted the societies selected for working the schemes with advances for purchase of yarn, payment of wages, etc. Two hundred and seventy-nine cottage industrial co-operatives were working during the year. They produced goods to the value of Rs. 13.50 lakhs during the year. Out of the grant for giving financial assistance to these societies, the Registrar disbursed about Rs 12,000 to 27 societies during the year.

11. There were 294 housing societies at the end of the year consisting of various types. Of these, 205 ordinary building societies completed 362 houses and had under construction at the end of the year 586 houses. Seventy-three house building societies completed 501 houses, and had under construction 407 houses and the two co-operative townships in the State completed 30 houses and had under construction 48 houses. A total number of 1,168 houses were completed by all these societies during the year, those under construction being 2,083.

There were 40 rural housing societies at the end of the year and loans amounting to nearly Rs. 2 lakhs were sanctioned to some of these societies. Construction of houses by these societies was rather slow during the year and the Government are glad to note that the Registrar has instituted a drive for speeding up construction.

12. The Government are glad to note that, in spite of the adverse conditions for agriculturists as well as non-agriculturists, notably weavers, the movement kept abreast of these difficulties and achieved a commendable progress. They record their appreciation of the efforts made by the Registrar and his staff and the co-operation given by the non-official public which achieved these results.

(By Order of the Governor)

J. M. LOBO PRABHU,
Secretary to Government.

The Andhra Handloom Weavers' Co-operative Society Ltd., Vijayawada*

SRI J. M. LOBO PRABHU, I.C.S.,

Secretary, Development Dept., Madras.

There are at least two reasons why I should not preside on this occasion, the first that I shall belong to the residuary State of Madras and second that during the last three years in spite of all my efforts little has been done by me for handloom weavers. It is a tribute to the generosity of the Andhras and the hopefulness of the handloom weavers that I have the honour of presiding on the inauguration of the Andhra State Handloom Weavers' Co-operative Society. The Society is coming into existence by a painless process of fission from the parent society of Madras. Though differences were expected and were provided for in an ordinance, the division took place most harmoniously, the Andhra securing 651 societies, and 1,08,384 handlooms, a number almost equal to that left in the Madras Society. In one respect the Andhra Society will be superior to the Madras one because it would command a proportionately larger number of looms in the State, nearly 38 per cent. The assets of the society are nearly Rs. 67,00,000 against liabilities of nearly Rs. 44,00,000. The society will include the Co-operative Spinning Mill at Guntakal, the first of its kind in the country which will assure handlooms their supply of yarn at prices which will be competitive to the point of making other mills conform with them.

The inaugural messages from the Chief Minister and the Minister for Co-operation contain all the advice which the Society will need. On my part I would like to give my thoughts to the larger and deeper question of the handloom industry. For a long time this industry has attracted the anxious attention of the Government. Though the years of the war constituted a short spell of prosperity, during the rest of the time, the handloom industry has been struggling for its existence with work of about 10 days a month for each handloom. Notwithstanding this, the number of looms in this State have risen since the last census was made from 6 lakhs to nearly 8 lakhs. While this may be regarded as evidence of the vitality of the industry it is at the same time a problem of increasing magnitude. Nearly 5 million people or about a 10th of the population of the State are dependent on the industry, the prosperity of which therefore is of integral importance to the economy of the State. No Government can afford to neglect the interests of this large population which may explain the attention paid to it particularly by the present Chief Minister of the State. Those who tend to ignore the importance of the industry only think of the cloth and not of the millions whose livelihood depends on it. That these millions are scattered in small units does not reduce but increases the importance and complexity of the problem. During the last three years the industry has passed through several vicissitudes. In the beginning there was shortage of yarn which reduced a large proportion of the weavers to a state of starvation. When yarn became available the problem has been about the cloth for which the markets have been steadily contracting with the result that a very large proportion of the weavers are burdened with the fruits of their toil which they are not able to sell not only in order to live

*Presidential Address by Sri J. M. Lobo Prabhu, I.C.S., Secretary to Government, Development Department, Government of Madras, on the occasion of the inauguration of the Andhra Handloom Weavers' Co-operative Society Ltd., at Vijayawada on Monday the 14th September 1953.

but even to work. It is to the credit of the Chief Minister that from the very beginning he visualized the problem as one essentially of marketing. He concentrated his solution to the single demand for reservation of dhooties and coloured sarees completely for handloom production. The mills owed their position in the market to the advantages of mass production in distribution on one hand and the cheaper cost of yarn on the other. To eliminate these advantages the Government of India no doubt have imposed a cess on mill made cloth and have reserved 40 per cent of the dhoti production but as long as the mills are anywhere in the market, handloom cloth is on terms of unequal competition. It is for this reason that the Madras Government had never ceased to press that the reservation to be effective must be complete. It is heartening that the Bombay Government have at last agreed to this position in spite of the fact that Bombay is a leading State in the matter of mill production. The logic of events should now be expected to make quite clear that entire reservation cannot be avoided.

Complete reservation no doubt will bring much relief but other problems will still continue. At least three sets of inimical factors can be discerned. The first is the prevailing economics of the country. These affect not only the handloom industry but also the mill industry which is reported to be suffering very heavily from unsold stocks of cloth. To the extent conditions become difficult for the mill industry they will become worse for the handloom weavers since competition will increase which the handlooms are less qualified to face. The problem is essentially of increasing the demand for cloth which means increasing the purchasing power of the population. The decline in purchasing power has been so marked of late that the unemployment caused thereby is responsible for wide-spread investigation into the economics of the country and particularly into the Five Year Plan. The wealth of a country in the last analysis depends on full employment of the people. According to the calculations of the Planning Commission itself, there is 2½ hours work a day in unirrigated villages and 4½ hours in irrigated ones. For handlooms, the work is about 2 hours a day. No economy can thrive if the people are unemployed or under employed to this extent. It means that the largest part of the population consumes food and other articles and services without making a commensurate return. Though God sends a pair of hands with every mouth, it would appear that the majority of mouths are not fed by their pair of hands. This is the problem of problems to be solved not only by the Planning Commission, but by the people themselves. Democracy means rule of people not only through the Government but by themselves. People have to plan and develop themselves in every village and every part of the land, the Government being responsible only for what they cannot do. There is no evidence at all that people have been conscious of their own responsibilities because they continue as in the past to regard Government as something apart and above which should do everything for them. Planning should begin from below and there can be no doubt that if in every village the people assess their own means and ends, they can present plans to which the Government could not refuse the necessary help. I would like to think that in the new State of Andhra this very important change in the attitude of the people to their own problems and to the Government could take place. The State of Andhra is potentially very rich both in resources above and under the ground. That these have not been developed is due to the fact that the people have not been accustomed to think and work for themselves. This might partly have

been due to the proportionately widespread prevalence of the Zamindari system. It might have been due to the fact that the Andhras did not have their own Government. The time has now changed and it is in the hands of the Andhras themselves to realize their own human and material potentials. If I could give a parting advice to the Andhras it would be that they should immediately bestir themselves in every village to prepare plans for full employment. There are roads to be built, reservoirs to be dug, contours to be constructed, houses to be raised and extended and so many things to be done to make the village conditions approximate to those of the towns that they should work for every one for many years to come. If such work is begun, not only the quality of life would improve but the money earned and spent would support the general economy including handlooms to a higher pitch of productivity. The solution of the handloom problem therefore is in the general solution of the problem of unemployment. Employ all the people and they will support and enrich each other. This is not a far-fetched idea, because every advanced country depends on full employment which is the primary concern of their Governments. If the Indian Government has not been concerned, it is because the people themselves have not been conscious of their unemployment and have not made a determined attempt to liquidate it by their own efforts.

The second inimical factor of the handloom industry is the general process of mechanisation. The mills no doubt possess the advantages of science and capital which the handloom may find difficult to overcome. At the same time it is not possible to think of eliminating the mills because this would increase and not reduce the poverty of the country. The consumers have a way in the matter not only with Government but in the market. Whatever expedients may be employed consumers cannot be forced against their preferences to any large extent. The mills therefore have to overcome by their own methods. In this connection the scheme of the Government of India for the use of the Cess Fund contemplates the consolidation of the industry in respect of its production and distribution. The proposals now received aim at first making capital available to all weavers who join the Co-operative fold, second at organising marketing with a subsidy for sales, third at converting shuttle to fly looms and fourth modernized marketing which implies standardization of cloth, improvement of design and regularity of supplies. The handlooms cannot individually meet the competition of the mills but they can when united through a Co-operative Society, expect some of the advantages of large scale operations.

The third set of factors inimical to the handloom industry arise from the conditions of the past. Owing to the lack of other employment the number of handlooms have multiplied to the point that they have become ruinously competitive among themselves. No doubt as a hereditary occupation weaving will always command a certain part of the population but it would be wiser if more children are diverted to other occupations. The drift of weavers to other employments has been very slow and slight in spite of the fact that weavers by the nature of their work have a capacity for skilled performance. It has been suggested that preference should be given to weavers in factory employment particularly of textiles. It has also been suggested that weavers should receive special scholarships in technical schools and colleges. Perhaps the State Society will be able to give this matter its attention. It may become the aim of the society to

impress on weavers that they should fully employ themselves and their children taking assistance of the society and Government to the extent this is necessary.

One reason why Andhra may have failed to realize its potentialities may be that the Andhras have not learned the value of savings. The new State has therefore to go in search of capital. The Co-operative movement cannot be a success unless the habit of saving is natural and constant one. It is true that a population struggling for existence has little chance of saving much for the future. But the paradox is that unless there are savings the struggle for existence will continue. It may therefore be an aim of the society to inculcate the habit of thrift. Not that the savings should be held in money but that they should be invested in improving the way of life.

The Andhra section of the Co-operative movement, particularly of the handloom weavers, has always been conspicuous. Sri Pragada Kotiah has been the leading champion of the handloom weavers. The separation of the State therefore does not deprive the Andhras of the leadership it now possesses. What is required is a determination on the part of the members and societies to make the best use of their resources and opportunities. At the moment, the country is economically rather low, but this should not be for long if it becomes the aim of the people to employ themselves fully so that they may achieve prosperity for themselves and for the country.

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**The Tirupattur Town Co-operative Bank
(N. Arcot Dt.)**

The Tirupattur Town Co-operative Bank has completed its thirty-fifth year of useful service. It has got a membership of 1,149 and 923 of "A" and "B" class members respectively as on 30-6-52, with a paid up share capital of Rs. 63,470 and Rs. 63,702 respectively. At the beginning of the year it had a deposit of Rs. 2,17,611 and at the end of the year under review it had a deposit of Rs. 2,74,994. The Board of Directors have appealed to the members to join the small savings scheme for their welfare of their families for future. The Vellore Co-operative Central Bank increased its cash-credit accommodation from Rs. 20,060 to Rs. 40,000 and at the end of the year there is a balance of Rs. 34,435 due to the Central Bank. For the last twenty years the Town Bank without getting any loan from outside was managing with the aid of the deposits. In this respect the Board of Directors of the Bank are to be congratulated. As on 30-6-53 it has got to its credit Rs. 1,60,123 as cash and bank balances.

During the year the bank issued loans to the tune of Rs. 4,71,118 and collected a sum of Rs. 4,68,124. During the year the issue of the short-term loans are more than the long-term loans. During the year under review the Bank earned a net profit of Rs. 8,998-7-0. There is a Reserve Fund of Rs. 42,745 and a Building Fund of Rs. 10,616.

The President of the Bank Sri G. Swami Naidu and the other members of the Board and the Secretary Sri S. Kumaraswamy Chettiyar are to be congratulated on the successful working of the Bank.

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ALL KINDS OF DEPOSITS ACCEPTED

Fixed Deposits : For 6 months 2½%; For one year 3%
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CURRENT, SAVINGS, RECURRING AND PROVIDENT DEPOSITS
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Apply for further particulars to :

Medai Dalavoi Kumaraswami Mudaliar,
President.

MULTIPURPOSE CO-OP. ACTIVITY

Thogarapalli Co-operative Society, (Salem Dt.)

The Thogarapalli Co-operative Society was registered on 7.11.1924 and started its work on 5-12-1924. It made a humble beginning with 17 members and a share capital of Rs. 375 and on date the membership increased to 257 and the share capital to Rs. 4,596. The society owes its origin and development to a very large measure to the untiring efforts of the late Sri N. Doraiswami Gounder who continued as its President till 30-11-1927 from its inception. Sri D. Krishnamurthi Gounder, M.L.A., who succeeded as its President has developed its activity in all spheres. The society is proud of having Sri M. Basuvalingappa Chettiar as its Secretary till date from its inception who by his continuous strenuous efforts has brought the society to such a front rank. The society is really helpful to the poor and middle-class people. The Society made joint purchases of Agricultural implements on behalf of members and distributed them.

From 1943-44 to 1952-53, i.e., during the time of scarcity of food and clothing in the country, the society undertook the distribution of food and cloth to the members and the public to the tune of Rs. 78,123-15-0. The society introduced the thrift deposit system and there is a sum of Rs. 4,042 to its credit to its members on date. It has also a fixed deposit of Rs. 4,160. A sum of Rs. 24,504 is outstanding as loan due from members. A sum of Rs. 16,901 is due by this Society to the Central Bank.

Besides arrangements have been made for distribution of loans under the controlled credit system and sell the produce through the Co-op. Sale Society at Pochampalli. For helping the ryots to stock their produce and sell them in the market when the market is favourable a PUKKA godown was constructed at a cost of Rs. 18,000 with the Government aid to the tune of Rs. 15,550. Sri D. Krishnamurthy Gounder, M.L.A. and his brother Sri T. D. Ramamurthi have been kind enough to liberally donate to the society a plot of Ac. 1 for constructing the godown.

The Society has provided a play ground, equipped with necessary playing materials for the benefit of the children of the area. It is also running a free library and reading room.

The President of the Society Sri D. Krishnamurthy Gounder, M.L.A., who is largely responsible for its present position deserves to be congratulated for his unostentatious work.

M. S. R.

Multipurpose Co-op. Activity in Madras State

[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 Peraiyur Multipurpose Co-operative Society, (Madura Dt.)

The Peraiyur Multipurpose Co-operative Society was registered on 6-2-42 and started on 17-3-42. The area of operations comprise of the 8 revenue villages of Peraiyur, Thummanaickanpatti and Chockanpatti. The society was converted into a full fledged multipurpose co-operative society, 2 years back.

The society enlarged the activities only from 1947-48. The maximum borrowing power is Rs. 80,000. There are 391 members in the society with a paid up share capital of Rs. 9,334 0-0. It has earned a reserve fund of Rs. 1,404-13-0 of which Rs. 1,366-3-0 is invested with bank. A sum of Rs. 4,000, Rs. 100 and Rs. 100 are invested in shares in the District Bank, Tirumangalam Co-operative Sale Society and Madurai Printing Press respectively.

A sum of Rs. 58,760 is outstanding as loans against members as on 30-6-53 as against bank loan of Rs. 48,325. This includes a long term loan of Rs. 10,500 issued for the installation of 6 pump sets.

Pledge loans (Produce) upto Rs. 8,863 during 50-51 and Rs. 4,411 during 51-52 were issued to the members. It has also taken out a licence to deal in chemical manure and iron and steel. Sales were effected as follows:—

Year	Purchases Rs.	Sales Rs.
50—51	797	174
51—52	5,599	5,177
52—53	5,494	7,170

It was one of the societies selected for sale of seeds of the agricultural department on agency basis. Seeds to the value of Rs. 308 were sold last year.

A 50 per cent free grant of Rs. 87-8-0 was sanctioned to the society by the Government for the purchase of a D.D.T. Sprayer. A sprayer has been purchased at a cost of Rs. 171-14-0 and the ryots are using it. Rs. 16-12-0 was realised as hire charges in this head.

Under rural savings scheme the society collected fixed deposits from the members for Rs. 660 and the same was got invested with District Bank.

The society has a proposal to construct a godown at a cost of Rs. 10,000 by obtaining a 50 per cent free grant of Rs. 5,000, a Government loan of Rs. 2,500 and by raising local donations and a site measuring 8 cents has been purchased for Rs. 2,000.

With Registrar's permission the society has got provisions in its bylaws for the issue of Jewel loans. The society has taken the service of a Bank Supervisor as its Manager from this month.

Peraiyur is a Major Panchayat area and is a central place for nearby 20 villages in Kallupatti Firka. The Panchayatdars are taking keen interest in the affairs of the society.

2. The Muddanageri Multipurpose Rural Co-operative Credit Society, (Bellary District.)

The village of Muddanageri in Alur Special Firka of Alur Taluk Bellary district is situated on the Alur Kolagunda Road and is about 7 miles from the town of Alur. A Multipurpose Rural Co-operative Credit Society was registered on unlimited liability basis on 26-3-1943 and started on 28-3-1949. The area of operations of this society is confined to the villages of Muddanageri and Kurkunda which have got a population of about 2,250 and 400 houses. The society is able to give the benefit of Co operation to the entire villagers and to the surrounding villages also through its non-credit activities. It has on rolls 78 members with a paid up share capital of Rs. 2,253 as on date. The maximum borrowing power of the society is Rs. 5,000 and the individual maximum borrowing power of the society is Rs. 500. There is possibility of increasing the Maximum borrowing power and the Individual maximum borrowing power as the village is situated in a rich cotton growing area. The society issues loans for cultivation expenses and for productive purposes. During the year, the society has not borrowed from the Bellary District Co-operative Central Bank Ltd. Hospet, to which it is affiliated and cleared the balance of Rs. 8-1-0 due at the beginning of the year 1952-53. A sum of Rs. 2410 was due from the members in the shape of loans at the beginning of the year 1952-53 and the same was collected in full during the year.

It is gratifying to note that there are no bad or doubtful debts in the society. The following are the investments made by the society :—

	Rs.	A.
1. As Share capital in the Bellary District Co-operative Central Bank, Ltd., Hospet.	3000	0
2. As Share capital in the Alur Firka Cottage Industries Co-operative Federation, Alur.	20	0
3. Under current account in the Bellary District Co-operative Central Bank Ltd., Branch Adoni,	825	0
4. Reserve Fund in the Bellary District Co-operative Central Bank Ltd., Hospet.	45	5
5. In Alur Sub.Treasury under Revenue Deposits for dealing in non-credit activities.	50	0
	<u>1,240</u>	<u>5</u>

The society is having an enthusiastic and sincere band of workers as its punchayatdars and they are eager to develop both its credit as well as its non-credit activities and be of full benefit to the entire villages. On account of the decontrol of food articles the society is compelled to confine its non-credit activities to sale of cloth and iron materials. It has done appreciable business in this direction and its purchases and sales for the year ending 30-6-52 were for Rs. 16,166-7-0 and for Rs. 17,757-15 0 respectively resulting in a gross profit of Rs. 1,065 8-0 and the closing stock was amounting to Rs. 1,888-9-0.

Besides the non-credit activities it is also doing ameliorative work and gives the benefit of reading activities to the villagers by getting the "Madras Information". It also arranges magic lantern shows through Departmental Propaganda Van.

The society is one of the good working societies in the selected Firka and has been working at profit. The transactions of the society for the year 1951-52 resulted in gross profit of Rs. 1,065-8-0 on account of its non-credit business as stated above. It earned a net profit of Rs. 959-8-0.

Balance Sheet as on 30-6-52.

Liabilities :		Assets :	
	Rs. A.		Rs. A.
Thrift deposit	22 10	Cash on hand	1,509 6
Fixed deposit (st.)		In current account in	
non-members	2,837 0	Bellary Dt. Co-op. Cen-	
Members share capital	2,253 0	tral Bank, Adoni	825 0
Interest due	20 13	Reserve Fund	
Short term loan due	8 1	do. Hospet	45 5
Supervision fund due.	3 6	Shares in do.	300 0
Adjusting heads due by	1,000 0	Shares in Alur Firka	
Audit fund due by society	20 8	Cottage Industries Co-	
Undisbursed profits	127 1	operative Federation,	
Reserve Fund invested in		Alur	20 0
the Bellary Dt. Co-op.		Revenue Deposit in Sub	
Central Bank	45 5	Treasury	50 0
Yet to be invested	102 6	Short term loans due from	
		members	2,410 0
	6,440 2	Interest on R. F. due	1 6
Difference between		Interest on other	
Assets and Liabi-		deposits	45 7
lities.	959 8	Stationery and furni-	
		ture	1 3
		Adjusting heads	263 6
		Stock on hand	388 9
	<u>7,399 10</u>		<u>7,399 10</u>

G.Os. & CIRCULARS

G.Os. and Circulars

Copy of G. O. No. Ms. 3082. Home Department, Dated 30th September 1953

ABSTRACT.

Jails—Borstal and Certified Schools and Vigilance Department—Institutions—Articles—Required—Purchase by tender—ordered.

Read the following :—

G. O. No. Ms. 5348, Home, dated 19-12-1950.
" 3406, Home, dated 28-8-1951.
" 544, Home, dated 14-2-1952.

Read also :—

From the Inspector General of Prisons, No. 208/A-4/53,
dated 20-2-1953 and No. 193/A-4/53, dated 1-9-1953.

From the Registrar of Co-operative Societies No. 36974/53 S.I.
dated 21-8-1953.

The Government have, after careful consideration of the working of the present system of purchase of articles required by Jails from Co-operative societies or Stores in the locality, decided that the tender principle opening the offer to all should be followed in respect of all purchases in future. They accordingly direct, in supersession of all previous orders on the subject ;

(1) that, in the matter of purchase of articles required by jails including Borstal Schools, the system of obtaining them by tender shall be followed in future ;

(2) that Co-operative Societies and Stores may also tender for supply to Jails, in which case, if other things are more or less equal, the Co-operative Society or Stores in the neighbourhood of the Jail concerned will be shown preference over other tenderers ;

(3) that while selecting tenderers, the authority concerned will be entitled to give preference to reliable firms and contractors of standing ; and

(4) that in suitable cases, tenders may be invited for a shorter period than one year, say for six months, with a view to reduce to the minimum claims on account of market variations.

2. The orders in para 1 above will apply also to the institutions in the Certified Schools Department and Vigilance Department.

(True Copy)

C. SAVARIMUTHU,
Superintendent.

Copy of G.O. Ms. No. 4214 Development Department
Dated 16th September 1953.

Co-operative Societies—The Royapuram Fishermen Co-operative Society—Representation—Orders Passed.

Read the following :

From the Director of Fisheries letter No. 782 D 53
dated 28-1-1953.

From the Registrar of Co-operative Societies Letter
No. Rc. 23895/53-VI Dated 11-6-53.

G.OS. AND CIRCULARS

ORDER :

The Royapuram Fishermen Co-operative Society has requested among others that Fishermen Co-operative Societies should be exempted from the payment of audit fees like Harijan Co-operative Societies. The Registrar has recommended that Fishermen Co-operative Societies may be exempted from the operation of Rule XII(a) of the Madras Act VI of 1932, so as not to require these societies making a contribution from their net profits to the Audit fund. The Government accept his recommendation.

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

NOTIFICATION.

In exercise of the powers conferred by section 60 of the Madras Co-operative Societies Act, 1932 (Madras Act VI of 1932) the Governor of Madras hereby exempts all registered co-operative societies of which all the members or a majority of the members are fishermen, in the State of Madras, from the provisions of rule XII(a) of the Rules made under the said Act, so as not to require the said societies making a contribution from their net profits to the Audit Fund

The exemption hereby made shall apply in respect of the net profits earned by the said societies for the co-operative Year commencing on the 1st July 1952 and ending with the 30th June 1953.

(True Copy)

Endt, R.C. 23895/53-VI. OFFICE OF THE REGISTRAR OF
CO-OPERATIVE SOCIETIES, MADRAS.
Dated 25-9-1953.

Copy communicated to all Deputy Registrars on general duty for further action.

2. In the 1st week of January 1954 they should furnish the amount forgone by Government on account of this concession and state whether the concession should be continued further or not.

K MUTHUKRISHNAN.
For Registrar.

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

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

R. C. No. 104823/53-Q. Dated: 23-9-1953.

Sub :—Bifurcation—Bifurcation of Kurnool District into 2 Deputy Registrars Circles.

Ref :—G. O. Ms. No. 4263 Development Department.
dated 18-9-1953.

With effect from 1-10-1953 the Aluru and Adoni taluks of the present Bellary District will form part of the Kurnool District. Government have sanctioned the bifurcation of the enlarged Kurnool District into two Deputy Registrar's Circles with the following jurisdiction : Kurnool Circle : area covered by taluks of Kurnool, Pattikonda, Dhone, Alur and Adoni.

Nandayal Circle : area covered by the taluks of Nandayal, Nandikotkur, Sirvel, Koilkuntla, Uumbham and Markapur.

The post of the Deputy Registrar Bellary will, from 1-10-1953, be shifted to the Nandayal Circle and the post of the Special Development

THE MADRAS JOURNAL OF CO-OPERATION

Officer, Bellary abolished. The Special Development Officer, Kurnool will be in charge of the ameliorative work in the expanded Kurnool District.

The above arrangements will take effect from 1-10-1953.

A. PALANIAPPAN,
For Registrar.

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

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

R. C. No. 142048/53-S-I, Dated, 24-9-1953.

Sub:- Bylaws—Special bylaws relating to service conditions of employees of co-operative societies—adoption of.

Ref:-Registrar's memorandum Rc. 6217/37-B Dated 7-12-1942.

In the memorandum cited, the Registrar framed two sets of model bylaws to govern the service conditions of the employees of co-operative societies one for adoption by Central Banks and the other by societies other than central banks and communicated them to the Deputy Registrars. The XXVIIIth Madras State Co-operative Conference recommended that these bylaws may also be adopted by non-credit societies having transactions of Rupees one lakh and over as in the case of credit institutions. The Registrar accepts the recommendation and directs that all societies other than credit societies, the value of whose purchases, sales or articles or goods produced as the case may be in a co-operative year is Rupees one lakh and over should adopt these bylaws. In fact several non-credit societies such as central stores, primary stores, sale societies, weavers societies and housing societies have already adopted these bylaws. Central institutions may adopt the bylaws framed for central banks while the primary non-credit societies may adopt the bylaws prescribed for societies other than central banks. The Deputy Registrars are requested to advise the societies accordingly.

G. VISWANATHAM,
For Registrar.

Copy of G.O. Ms. No. 3885 Development Department, Dated 27th August 1953.

Acts and Rules - Co-operative Societies Act VI of 1932—Rules Rule XII(a)—Contribution to Audit Fund from net profits—Harijan Societies—Exemption continued for another year.

Read the following:-

G. O. Ms. 3334, Development Dated 4-8-1952.
From the Registrar of Co-operative Societies, Letter
No. 55748/53-L Dated 30-6-1953.

ORDER:

In exercise of the powers conferred by section 60 of Madras Co-operative Societies, Act, 1932 (Madras Act VI of 1932) the Governor of Madras hereby exempts all registered co-operative societies, of which all the members or a majority of the members are Harijans in the State of Madras from the provisions of rule XII(a) of the Rules made under the said Act, so as not to require the said societies from making any contributions from their net profits to the Audit Fund.

2. The exemption hereby made shall apply in respect of the net profits earned by the said societies for the calendar year commencing on the 1st January 1952 and ending with the 31st December 1952 or the

G.O.S. AND CIRCULARS

financial year commencing on 1st April 1952 and ending with 31st March 1953 or the Co-operative year commencing on the 1st July 1952 and ending with the 30th June 1953, as the case may be.

(By Order)

Endt. D. 55748/53-L
OFFICE OF THE REGISTRAR OF
CO-OPERATIVE SOCIETIES, MADRAS.
Dated 19-9-1953.

Copy communicated to all Deputy Registrars, Special Development Officers and Special Deputy Registrar, Malabar.

J. C. RYAN,
Registrar.

Circular of the Registrar of Co-operative Societies Madras.

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

No. RC. 62095/53 B. Dated 4-10-1953.

Sub:-Co-operative Societies—Admission of Joint Stock Companies and proprietary concerns as members—amendment to by-laws to prohibit admission—instructions issued.

Under model by law No. 5 of the rural credit societies any person over 18 years of age who is competent to contract residing within the limits referred to in the third sentence of by law 1, shall be eligible for admission as a member. It was held in one case that Joint Stock Companies could legally be admitted as members of co-operative societies on the ground that the term "person" would include individual as well as Joint Stock firms, proprietary concerns etc. But a Co-operative Society consisting of Joint Stock companies, proprietary concerns and partnership firms as its members is opposed to the basic principles of co-operation. The question of amending the rules made under the Madras Co-operative Societies Act to prohibit the inclusion of Joint Stock Companies etc. from membership in co-operative societies was therefore taken up with Government. They observed that the co-operative Law as it stood did not debar the inclusion of Joint Stock Companies, proprietary concerns and partnership firms in a co-operative society. They held that the term "member" as defined in Section 2 (d) of the Madras Co-operative Societies Act could not be taken as excluding Joint Stock Companies and informed the Registrar that if it was considered desirable to deny membership to Joint Stock Companies etc. the necessary provision could be made in the by laws under section 65 (2) (e) of the Madras Co-operative Societies Act and Rule II (e) of the rules framed under it.

The following amendment is therefore suggested to model by law No. 5 of Co-operative Credit Societies (unlimited liability) and the corresponding by laws of the other types of societies.

Add the following as Note under by law No. 5 (1).

"The term "Person" under this by law will not include proprietary concerns, joint stocks companies and partnership firms".

Deputy Registrars are requested to see that the amendment is adopted by all societies in their charge.

J. C. RYAN,
Registrar.

THE MADRAS JOURNAL OF CO-OPERATION

Copy of G.O. Ms. No. 3995 Development Department dated 3.9.53.

Acts and Rules—Madras Co-operative Societies Act and Rules—Rule (1) (e) and (2) (e) Disqualification from membership of Committees—Near relations of paid employees—illustrative list—Amendment—confirmed.

Read the following.

G.O. Ms. No. 2444 Development dated 26-5-1953.
From the Registrar of Co-operative Societies, letter No. 209559/52 B,
dated 6-8-1953.

ORDER

In the notification published at page 216 of the Rules supplement to Part I of the Fort St. George Gazette dated the 3rd June 1953 the Government of Madras published under sub-section (1) and (2) of Section 65 of the Madras Co-operative Societies Act 1932 (Madras Act VI of 1932) a draft amendment to rule XXVII (1) (e) and (2) (e) issued under the Act. The Government have not received any objections or suggestions in respect of the draft amendment and are of the view that the amendment published should be confirmed without any modification. The appended notification will be published in the Fort St. George Gazette.

(True Copy)

APPENDIX.

NOTIFICATION.

In exercise of the powers conferred by sub-sections (1) and (2) of section 68 of the Madras Co-operative Societies Act 1932 (Madras Act VI of 1932), the Government of Madras hereby makes the following amendment to the rules published with Development Department notification No. 264, dated the 1st August 1933 at pages 1178-1185 of Part I of the Fort St. George Gazette dated the 1st August 1933 and subsequently amended the same having been previously published as required by sub-section (3) of the said section.

AMENDMENT.

In the said rules to rule XXVII the following Note shall be added namely

"NOTE :—For the purposes of Clause (e) of Sub-Rules (1) and (2) the following relations shall be deemed to be near relations, namely :—

1. Father.
2. Father's brother or his son.
3. Mother's brother.
4. Mother's sister's husband.
5. Father's sister's husband.
6. Brother and his son.
7. Brother-in-law (wife's brother).
8. Father-in-law.
9. Wife's sister's husband.
10. Husband's Sister and her son.
11. Son and his son.
12. Son-in-law and his son.
13. Sister and her daughter.
14. Sister-in-law (Husband's sister).
15. Mother-in-law.
16. Daughter and her daughter.
17. Daughter-in-law and her daughter.
18. Father's sister and her daughter.
19. Mother's sister.
20. Mother's brother's wife.

G.O.S. AND CIRCULARS

21. Father's brother's wife.
22. Husband's brother's wife.
23. Brother and his daughter.
24. Wife and wife's sister.

(True copy).

Endt. R. 209559/52 B.

OFFICE OF THE REGISTRAR OF
CO-OPERATIVE SOCIETIES, MADRAS,
Dated 24-9-1953.

G. VISWANATHAN,
For Registrar.

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

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

Rc. 50505/53 S 3.

Dated 23-8-53.

Sub :—Act and Rules—Madras Co-operative Societies Act—Arbitration references under Section 51 (1) (c) of the Act—Disposal of disputes against paid servants of co-operative societies—Co-operative Sub Registrars—Empowered.

Ref :—G.O. Ms. No. 3504 Development Department dated 29-7-53.

In the Deputy Registrars' Conference held in August 52, it was decided to address Government to permit disputes under section 51 (1) (c) against paid servants of Co-operative Societies for enquiry and disposal, while disputes against honorary office bearers might continue to be decided by the Deputy Registrars themselves. Government were addressed in the matter. In the G.O. cited (copy enclosed), Government have empowered the Co-operative Sub-Registrars to decide disputes transferred to them for disposal by the Deputy Registrar under section 51 (2) (b) in respect of paid servants of Co-operative Societies drawing pay not exceeding Rs. 100 per mensem excluding allowances. The Deputy Registrars are requested to follow the instructions of Government in the disposal of references under Section 51 (1) (c).

J. C. RYAN,
Registrar.

Copy of G.O. Ms. No. 3504 Development Department dated 29-7-53.

Sub :—Acts and Rules—Madras Co-operative Societies Act Arbitration—References under section 51 (1) (c) of the Act—Disposal of disputes against paid Servants of Co-operative societies—Co-operative Sub Registrars—Empowered.

Read the following :—

From the Registrar of Co-operative Societies, Letter No. 50505/53 dated 30-3-53.

ORDER :

In exercise of the powers conferred by section 3 of the Madras Co-operative Societies Act, 1952 (Madras Act VI of 1932) the Governor of Madras hereby confers on every Co-operative Sub-Registrar the powers of a Registrar under section 51 (1) (c) of the said Act to decide disputes transferred to the Co-operative Sub-Registrar for disposal by the Deputy Registrar concerned under sections 51 (2) (b) of the said Act in respect of paid servants of Co-operative Societies drawing a pay not exceeding Rs. 100 per month, excluding allowances.

A. ARUL DOSS,
Deputy to Secretary to Government.
(True copy).

Reviews

Co-operative Act and Rules (Questions and Answers) in Tamil by K. Srinivasan, M. A., Lecturer, Hood Co-operative Institute, Tanjore. Second Edition—Demy Size—81 pp. Price Rs. 1-8-0. (Available with the Author)

Sri K. Srinivasan has brought out the second edition of his work "Co-operative Act and Rules—Questions and Answers" in Tamil and has observed in the Preface that he has rectified the mistakes noted in the first edition and that he has embodied in it the changes that have taken place in the co-operative Act in the recent months.

The book is intended for use as a guide to all non-English knowing co-operators. The Provisions of the Act and Rules have been well explained in simple language. The claim made by the author in his preface that the book is written to satisfy the long felt need of Tamil knowing co-operators is borne out by a perusal of the book; yet a feeling is left at the end that some of the subjects (for instance the definitions of Co-operation and Auditing) could have been treated at greater length. Again, the author would have done well had he adopted in his publication appropriate Tamil equivalents for technical terms. Anyway, the author's attempt deserves appreciation and encouragement.

O. R. KRISHNASWAMI,

CO-OPERATIVE NEWS & NOTES:

Co-operative News

Exemption of Co-op. Societies from Shops & Establishments Act 1947.

The Government of Madras in their G.O. Ms. No. 4432 Dev. dated 29-9-53 have been pleased to exempt for a period of one year from the date of publication of their notification, all co-operative societies in Madras State from all the provisions of the Madras Shops and Establishments Act 1947, subject to the condition that the societies in which non-members are employed amend their respective bylaws on the lines of the special bylaws relating to service conditions of persons employed in societies and also include the provisions of chapters II, III, V, & VII of the Madras Shops and Establishments Act 1947. in their standing orders and exhibit them in their premises.

(The relative G.O., Appendix, the Endorsement of the Registrar, will be published in the November 1953 issue of this Journal).

The IX Tamil Nad Co-op. Conference, 1953

The IX Tamil Nad Co-op. Conference was held on 25th and 26th October 1953 at Tanjore. Sri T. Krishna Murthy Gounder, Vice-President, Vellore Central Co-op. Bank hoisted the Co-operative Flag. Sri A. Krishnaswamy Vandayar, President, Tanjore Co-op. Central Bank, welcomed the delegates and visitors; His Excellency, Shri Sri Prakasa, Governor of Madras inaugurated the Conference; Dr. P. Natesan, General Secretary, Madras State Co-op. Union, presided; Sri C. S. Ratnasabapathi Mudaliar,

of Coimbatore opened the Cottage Industries Exhibition. A number of resolutions were passed by the conference.

Other important items of programme were the unveiling of the portraits of the late Sri T. A. Ramalingam Chettiar and the late Sri L. N. Paramasivam Pillai, the holding of the Central Banks' Secretaries Conference, entertainments etc.

[The proceedings will be published in the Journal of November 1953]

Contribution to Godavari Flood Relief

The following contributions were made by some co-operatives towards the Godavari Flood Relief Fund:

	Rs.	A.	P.
i. The Guntur Dt. Police Co-op. Stores	116	0	0
ii. Members of the Staff of six co-operative societies at Anakapalle	100	8	6

The members of the staff of the societies at Anakapalle contributed at half anna per rupee of their salary and allowances.

The Hood Co-operative Institute Students' Union, Tanjore.

The Students' Union of the Hood Co-operative Institute Ltd., Tanjore for 1953-54 was inaugurated on September 2nd by Mr. K. S. Venkataraman, I.C.S., District and Sessions Judge, Tanjore. Sri N. R. Samiappa Mudaliar, President of the Institute, presided. Mr. Venkataraman stressed the need for a strict supervision over accounts of the Co-operative Societies to obviate the necessity for criminal proceedings against those who were found to have mishandled the funds of the Co-operative Societies. He emphasised the need for unity, fellowship, brotherhood and love among men, if any form of Co-operation was to be enduring. Sri N. R. Samiappa Mudaliar said that the existing Co-operative Institutes at Tanjore and Coimbatore could be developed into Co-operative Colleges. Mr. V. Venkatachalam, the Superintendent of the Institute, welcomed the gathering and Mr. S. Rathinavelu, Secretary of the Union proposed a vote of thanks.

The Tiruppattur Town Co-operative Bank Annual Meeting.

The Annual General Meeting of the Tiruppattur Town Co-operative Bank, Tiruppattur, N. Arcot was held on Sunday the 13th September 1953 under the Presidentship of Mr. G. Swami Naidu, B. A. B. L. President of the Bank at 3 p.m. The 35th Annual Report of the Bank and Audit Certificate for the year ending 30th June 1952 were adopted. The Bank has earned a net profit of Rs. 8,998-7-0 for the year. A dividend of 6½ per cent was declared to the Members. The Bank has greatly improved in all respects and the working capital exceeds Rs. 4 lakhs. During the year the Bank has disbursed loans to its members to the extent of Rs. 4,72,000. Besides Co-operative activities the bank is doing banking business also such as issue of cheques and drafts and collection of bills etc.,. Among the several Banks in the town, the Town Co-operative Bank is of immense help particularly to the middle class people and to the merchant community. The President exhorted and persuaded the members to make Savings in the Bank, however small they may be and explained the several kinds of deposits instituted in the Bank to suit the needs of all class of people.

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

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

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

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

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

Telegrams :—'JILLABANK'

Telephone No. 208

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

Share Capital:		Rs.
Authorised	...	15,00,000
Paid up	...	10,48,980
Reserve Funds:		
Statutory	...	4,25,000
Others	...	2,64,770

**ALL SORTS OF BANKING BUSINESS DONE
&
EVERY KIND OF DEPOSITS ACCEPTED
AT FAVOURABLE RATES OF INTEREST**

The Madras District Co-operative Central Bank, Ltd.

13/14, Mukkur Nallamuthu Chetty Street, Madras-1.

ESTD. 1930

TELEPHONE NO. 2384.

Authorised Capital ... Rs. 10 lakhs.
Working Capital ... „ 46 „

All kinds of deposits accepted.

Rates of Interest :—

Current Deposits ½ % Savings Deposits 2 %
Fixed Deposits For—: 6 ms. 3¼% For 1 yr. 3½% For 2 yrs. 3¾%.

Further particulars can be had from the undersigned:

B. S. VUJAYAGOPAL, B.A., B. COM.
Secretary.

THE SALEM CO-OPERATIVE CENTRAL BANK, LIMITED.

No. 151

GRAM : COPPENBANK "

P. B. NO. 8.

PHONE : No. 2.

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

	Rs.
Authorised Capital	15,00,000
Paid up Capital	6,67,530
Reserve Fund	5,28,679
Other Reserves	4,75,359
Working Capital	138,24,517
Loan Transactions	101,58,976
Overdraft Transactions	304,98,603

Deposits are accepted at the following rates :—

Fixed Deposits :—			
6 months	3 %	4 years & above.	3½ %
1 year	3½ „	5 years & above	
2 years	2½ „	for deposits of	
3 years	3½ „	Rs. 5,000 and above	4½ „

Savings Deposits and Thrift Deposits .. 1½ %
Current Deposits .. ½ „
Provident Deposits .. 3 „

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

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

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

The George Town Co-operative Bank, 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
Bank. Fixed Deposits are accepted for one year at 5 per cent interest

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

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

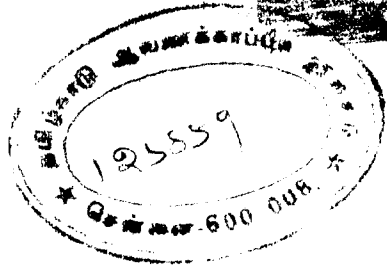
P. NATESAN, M.B., B.S.,
President.

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- * DURABILITY



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"HOLLOWAYS GARDENS" 34, Pantheon Road, Egmore, Madras-8.

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Phone: 8176 & 85839

Telegrams "COOPFIRE"

Telephone : 4361

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

MADRAS-1.

President:

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

Transacts Fire Insurance of all
Descriptions and Motor
Vehicle Insurance

Insure with us and Banish Worry.

For particulars apply to:

P. SHANMUGAM, B.A.,
Secretary.

Post Box No. 1249.

Madras-1.

TELEGRAMS: "CENMORBANK"

TELEPHONE: 8

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

LUZ, MYLAPORE, MADRAS-4.

President:

SRI BHOGARAJU VENKATARATNAM.

Authorised Capital	...	Rs. 30,00,000.
Paid up Capital	...	Rs. 14,24,300.
Reserves	...	Rs. 18,22,631.

The Bank is the Apex Co-operative Bank long-term agricultural credit and issues debentures on the security of first mortgages transferred to it 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 31-8-'53.

Liabilities.		Assets.	
	Rs.		Rs.
Paid up Share capital.	14,24,800	Cash on hand and balance with Banks	5,90,000
Reserve and other Funds	18,22,631	Loans to Primary Banks	3,06,42,2
Debentures	3,50,16,500	Sinking Fund Investments	77,58,
Deposits, Loans and Overdrafts	29,63,348	Other Investments	23,88,
Sundry Liabilities	4,20,288	Sundry Assets	7,27,
Overdue Interest not realised	40,432		
Net Profit	3,64,363		
Total	4,20,51,862	Total	4,20,51,862

O. V. CHINNASWAMY,
Secretary.